

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-34364

OFFICE PROPERTIES INCOME TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

26-4273474

(IRS Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634

(Address of Principal Executive Offices) (Zip Code)

617-219-1440

(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
Common Shares of Beneficial Interest	OPI	The Nasdaq Stock Market LLC
6.375% Senior Notes due 2050	OPINL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of registrant's common shares of beneficial interest, \$.01 par value per share, outstanding as of October 27, 2021: 48,425,665

OFFICE PROPERTIES INCOME TRUST

FORM 10-Q

September 30, 2021

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References in this Quarterly Report on Form 10-Q to "the Company", "OPI", "we", "us" or "our" include Office Properties Income Trust and its consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

PART I. Financial Information
Item 1. Financial Statements

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)
(unaudited)

	September 30, 2021	December 31, 2020
ASSETS		
Real estate properties:		
Land	\$ 873,488	\$ 830,884
Buildings and improvements	2,964,277	2,691,259
Total real estate properties, gross	3,837,765	3,522,143
Accumulated depreciation	(459,408)	(451,914)
Total real estate properties, net	3,378,357	3,070,229
Assets of properties held for sale	71,873	75,177
Investments in unconsolidated joint ventures	35,828	37,951
Acquired real estate leases, net	536,772	548,943
Cash and cash equivalents	54,881	42,045
Restricted cash	1,139	14,810
Rents receivable	97,507	101,766
Deferred leasing costs, net	52,182	42,626
Other assets, net	11,339	12,889
Total assets	\$ 4,239,878	\$ 3,946,436
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ —	\$ —
Senior unsecured notes, net	2,477,730	2,033,242
Mortgage notes payable, net	98,460	169,729
Liabilities of properties held for sale	1,059	891
Accounts payable and other liabilities	126,317	116,480
Due to related persons	12,571	6,114
Assumed real estate lease obligations, net	17,761	10,588
Total liabilities	2,733,898	2,337,044
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$0.01 par value: 200,000,000 shares authorized, 48,425,924 and 48,318,366 shares issued and outstanding, respectively	484	483
Additional paid in capital	2,616,751	2,615,305
Cumulative net income	158,770	183,895
Cumulative common distributions	(1,270,025)	(1,190,291)
Total shareholders' equity	1,505,980	1,609,392
Total liabilities and shareholders' equity	\$ 4,239,878	\$ 3,946,436

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(amounts in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Rental income	\$ 147,572	\$ 145,806	\$ 429,195	\$ 441,294
Expenses:				
Real estate taxes	20,067	16,113	52,133	48,701
Utility expenses	7,389	7,564	19,131	19,777
Other operating expenses	26,537	26,366	76,874	78,033
Depreciation and amortization	59,533	62,227	178,991	189,340
Loss on impairment of real estate	(3)	2,954	55,854	2,954
General and administrative	448	7,059	24,690	21,372
Total expenses	113,971	122,283	407,673	360,177
Gain on sale of real estate	36	—	54,154	10,822
Interest and other income	—	2	7	738
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,442, \$2,477, \$7,366 and \$7,162, respectively)	(26,929)	(27,097)	(84,728)	(79,461)
Loss on early extinguishment of debt	(2,274)	—	(14,068)	(3,839)
Income (loss) before income tax (expense) benefit and equity in net losses of investees	4,434	(3,572)	(23,113)	9,377
Income tax (expense) benefit	(34)	54	(348)	(220)
Equity in net losses of investees	(688)	(279)	(1,664)	(815)
Net income (loss)	3,712	(3,797)	(25,125)	8,342
Other comprehensive income (loss):				
Unrealized gain on financial instrument	—	85	—	200
Other comprehensive income	—	85	—	200
Comprehensive income (loss)	\$ 3,712	\$ (3,712)	\$ (25,125)	\$ 8,542
Weighted average common shares outstanding (basic)	48,211	48,132	48,179	48,111
Weighted average common shares outstanding (diluted)	48,244	48,132	48,179	48,111
Per common share amounts (basic and diluted):				
Net income (loss)	\$ 0.08	\$ (0.08)	\$ (0.52)	\$ 0.17

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)
(unaudited)

	Number of Shares	Common Shares	Additional Paid In Capital	Cumulative Net Income	Cumulative Common Distributions	Total Shareholders' Equity
Balance at December 31, 2020	48,318,366	\$ 483	\$ 2,615,305	\$ 183,895	\$ (1,190,291)	\$ 1,609,392
Share grants	—	—	321	—	—	321
Net income	—	—	—	37,860	—	37,860
Distributions to common shareholders	—	—	—	—	(26,575)	(26,575)
Balance at March 31, 2021	48,318,366	483	2,615,626	221,755	(1,216,866)	1,620,998
Share grants	28,000	—	1,176	—	—	1,176
Share repurchases	(12,009)	—	(352)	—	—	(352)
Net loss	—	—	—	(66,697)	—	(66,697)
Distributions to common shareholders	—	—	—	—	(26,575)	(26,575)
Balance at June 30, 2021	48,334,357	483	2,616,450	155,058	(1,243,441)	1,528,550
Share grants	117,800	1	950	—	—	951
Share forfeitures and repurchases	(26,233)	—	(649)	—	—	(649)
Net income	—	—	—	3,712	—	3,712
Distributions to common shareholders	—	—	—	—	(26,584)	(26,584)
Balance at September 30, 2021	48,425,924	\$ 484	\$ 2,616,751	\$ 158,770	\$ (1,270,025)	\$ 1,505,980

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)
(unaudited)

	Number of Shares	Common Shares	Additional Paid In Capital	Cumulative Net Income	Cumulative Other Comprehensive Loss	Cumulative Common Distributions	Total Shareholders' Equity
Balance at December 31, 2019	48,201,941	\$ 482	\$ 2,612,425	\$ 177,217	\$ (200)	\$ (1,084,170)	\$ 1,705,754
Share grants	—	—	379	—	—	—	379
Share repurchases	(1,012)	—	(27)	—	—	—	(27)
Net current period other comprehensive loss	—	—	—	—	(61)	—	(61)
Net income	—	—	—	10,840	—	—	10,840
Distributions to common shareholders	—	—	—	—	—	(26,511)	(26,511)
Balance at March 31, 2020	48,200,929	482	2,612,777	188,057	(261)	(1,110,681)	1,690,374
Share grants	28,000	—	1,121	—	—	—	1,121
Share repurchases	(1,129)	—	(30)	—	—	—	(30)
Net current period other comprehensive income	—	—	—	—	176	—	176
Net income	—	—	—	1,299	—	—	1,299
Distributions to common shareholders	—	—	—	—	—	(26,510)	(26,510)
Balance at June 30, 2020	48,227,800	482	2,613,868	189,356	(85)	(1,137,191)	1,666,430
Share grants	108,600	1	864	—	—	—	865
Share forfeitures and repurchases	(18,034)	—	(386)	—	—	—	(386)
Amounts reclassified from cumulative other comprehensive loss to net loss	—	—	—	—	85	—	85
Net loss	—	—	—	(3,797)	—	—	(3,797)
Distributions to common shareholders	—	—	—	—	—	(26,525)	(26,525)
Balance at September 30, 2020	48,318,366	\$ 483	\$ 2,614,346	\$ 185,559	\$ —	\$ (1,163,716)	\$ 1,636,672

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (25,125)	\$ 8,342
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	67,469	62,570
Net amortization of debt premiums, discounts and issuance costs	7,366	7,162
Amortization of acquired real estate leases	108,471	126,409
Amortization of deferred leasing costs	5,750	5,208
Gain on sale of real estate	(54,154)	(10,822)
Loss on impairment of real estate	55,854	2,954
Loss on early extinguishment of debt	9,694	2,701
Straight line rental income	(13,128)	(12,963)
Other non-cash expenses, net	1,627	1,542
Equity in net losses of investees	1,664	815
Change in assets and liabilities:		
Rents receivable	10,567	(4,853)
Deferred leasing costs	(14,388)	(10,722)
Other assets	(1,523)	(860)
Accounts payable and other liabilities	(7,919)	(11,593)
Due to related persons	6,457	208
Net cash provided by operating activities	<u>158,682</u>	<u>166,098</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(563,447)	(11,864)
Real estate improvements	(65,186)	(55,135)
Distributions in excess of earnings from unconsolidated joint ventures	459	408
Distributions in excess of earnings from Affiliates Insurance Company	—	287
Proceeds from sale of properties, net	192,476	81,528
Proceeds from repayment of mortgage note receivable	—	2,880
Net cash (used in) provided by investing activities	<u>(435,698)</u>	<u>18,104</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage notes payable	(72,238)	(154,734)
Repayment of senior unsecured notes	(610,000)	(400,000)
Proceeds from issuance of senior unsecured notes, net	1,041,809	408,932
Borrowings on unsecured revolving credit facility	755,000	561,467
Repayments on unsecured revolving credit facility	(755,000)	(561,467)
Payment of debt issuance costs	(2,655)	(1,477)
Repurchase of common shares	(1,001)	(434)
Distributions to common shareholders	(79,734)	(79,546)
Net cash provided by (used in) financing activities	<u>276,181</u>	<u>(227,259)</u>
Decrease in cash, cash equivalents and restricted cash	(835)	(43,057)
Cash, cash equivalents and restricted cash at beginning of period	56,855	100,696
Cash, cash equivalents and restricted cash at end of period	<u>\$ 56,020</u>	<u>\$ 57,639</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(dollars in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2021	2020
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 86,917	\$ 83,116
Income taxes paid	\$ 294	\$ 1,097
NON-CASH INVESTING ACTIVITIES:		
Real estate improvements accrued, not paid	\$ 15,428	\$ 12,640
Real estate acquisitions	\$ (13,031)	\$ —
Capitalized interest	\$ 392	\$ 119

SUPPLEMENTAL DISCLOSURE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the amounts shown in the condensed consolidated statements of cash flows:

	As of September 30,	
	2021	2020
Cash and cash equivalents	\$ 54,881	\$ 45,035
Restricted cash ⁽¹⁾	1,139	12,604
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	\$ 56,020	\$ 57,639

(1) Restricted cash consists of amounts escrowed for future real estate taxes, insurance, leasing costs, capital expenditures and debt service, as required by certain of our mortgage debts.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)
(unaudited)

Note 1. Basis of Presentation

The accompanying condensed consolidated financial statements of Office Properties Income Trust and its subsidiaries, or OPI, we, us or our, are unaudited. Certain information and disclosures required by U.S. generally accepted accounting principles, or GAAP, for complete financial statements have been condensed or omitted. We believe the disclosures made are adequate to make the information presented not misleading. However, the accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in our Annual Report on Form 10-K for the year ended December 31, 2020, or our 2020 Annual Report. In the opinion of management, all adjustments, consisting of normal recurring accruals considered necessary for a fair statement of results for the interim period have been included. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated. Our operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

The preparation of these financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in the condensed consolidated financial statements include purchase price allocations, useful lives of fixed assets and assessment of impairment of real estate and the related intangibles.

Note 2. Per Common Share Amounts

The following table provides a reconciliation of the weighted average number of common shares used in the calculation of basic and diluted earnings per share (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Weighted average common shares for basic earnings per share	48,211	48,132	48,179	48,111
Effect of dilutive securities: unvested share awards ⁽¹⁾	33	—	—	—
Weighted average common shares for diluted earnings per share	48,244	48,132	48,179	48,111

(1) For the three months ended September 30, 2020 and the nine months ended September 30, 2021 and 2020, there were no dilutive common shares and certain unvested common shares were not included in the calculation of diluted earnings per share because to do so would have been antidilutive.

Note 3. Real Estate Properties

As of September 30, 2021, our wholly owned properties were comprised of 178 properties containing a combined approximately 23,274,000 rentable square feet. The aggregate un depreciated carrying value of our wholly owned properties as of September 30, 2021 was \$3,916,800, including \$79,035 classified as held for sale, and we had noncontrolling ownership interests of 51% and 50% in two unconsolidated joint ventures that own three properties containing a combined approximately 444,000 rentable square feet. We generally lease space at our properties on a gross lease, modified gross lease or net lease basis pursuant to fixed term contracts expiring between 2021 and 2053. Some of our leases generally require us to pay all or some property operating expenses and to provide all or most property management services. During the three months ended September 30, 2021, we entered into 20 leases for approximately 659,000 rentable square feet for a weighted (by rentable square feet) average lease term of 10.9 years and we made commitments for approximately \$46,133 of leasing related costs. During the nine months ended September 30, 2021, we entered into 65 leases for approximately 1,782,000 rentable square feet for a weighted (by rentable square feet) average lease term of 10.9 years and we made commitments for approximately \$129,980 of leasing related costs. As of September 30, 2021, we had estimated unspent leasing related obligations of \$129,369.

We regularly evaluate whether events or changes in circumstances have occurred that could indicate an impairment in the value of our long lived assets. If there is an indication that the carrying value of an asset is not recoverable, we estimate the projected undiscounted cash flows to determine if an impairment loss should be recognized. The future net undiscounted cash flows are subjective and are based in part on assumptions regarding hold periods, market rents and terminal capitalization rates. We determine the amount of any impairment loss by comparing the historical carrying value to estimated fair value. We estimate fair value through an evaluation of recent financial performance and projected discounted cash flows using standard industry valuation techniques. In addition to the consideration of impairment upon the events or changes in circumstances

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

described above, we regularly evaluate the remaining lives of our long lived assets. If we change our estimate of the remaining lives, we allocate the carrying value of the affected assets over their revised remaining lives.

Acquisition Activities

During the nine months ended September 30, 2021, we acquired three properties containing a combined approximately 926,000 rentable square feet for an aggregate purchase price of \$576,478, including net purchase price adjustments of \$1,761 and acquisition related costs of \$1,264. These acquisitions were accounted for as asset acquisitions. We allocated the purchase prices of these acquisitions based on the relative estimated fair values of the acquired assets and assumed liabilities as follows:

Acquisition Date	Location	Number of Properties	Rentable Square Feet	Purchase Price	Land	Buildings and Improvements	Acquired Real Estate Leases	Assumed Real Estate Lease Obligations
June 2021	Chicago, IL ⁽¹⁾	1	531,000	\$ 368,331	\$ 42,935	\$ 258,348	\$ 76,136	\$ (9,088)
June 2021	Atlanta, GA	1	346,000	180,602	13,040	135,459	32,103	—
August 2021	Boston, MA	1	49,000	27,545	16,103	10,217	1,225	—
		3	926,000	\$ 576,478	\$ 72,078	\$ 404,024	\$ 109,464	\$ (9,088)

(1) Purchase price includes an adjustment of \$13,031 to record an estimated real estate tax liability as of the acquisition date.

Disposition Activities

During the nine months ended September 30, 2021, we sold six properties and a warehouse facility adjacent to a property we own containing a combined approximately 2,565,000 rentable square feet for an aggregate sales price of \$198,415, excluding closing costs. The sales of these properties, as presented in the table below, do not represent significant dispositions, individually or in the aggregate, nor do they represent a strategic shift in our business. As a result, the results of operations of these properties are included in continuing operations through the date of sale in our condensed consolidated statements of comprehensive income (loss).

Date of Sale	Number of Properties	Location	Rentable Square Feet	Gross Sales Price ⁽¹⁾	Gain (Loss) on Sale of Real Estate	Loss on Impairment of Real Estate
January 2021	—	Kansas City, MO ⁽²⁾	10,000	\$ 845	\$ (63)	\$
January 2021	1	Richmond, VA	311,000	130,000	54,181	
April 2021	1	Huntsville, AL	1,371,000	39,000	—	5,3
July 2021	1	Fresno, CA	532,000	6,000	—	33,9
July 2021	1	Liverpool, NY	38,000	650	31	
August 2021	1	Memphis, TN	205,000	15,270	287	
September 2021	1	Stoneham, MA	98,000	6,650	(282)	5,9
	6		2,565,000	\$ 198,415	\$ 54,154	\$ 45,3

(1) Gross sales price is the gross contract price, excluding closing costs.

(2) Consists of a warehouse facility adjacent to a property we own located in Kansas City, MO.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

As of September 30, 2021, we had five properties and two land parcels classified as held for sale in our condensed consolidated balance sheet. These properties and land parcels have been sold or are under agreement to sell for an aggregate sales price of \$84,500, excluding closing costs, and are summarized below:

Date of Sale Agreement	Number of Properties	Location	Rentable Square Feet	Gross Sales Price ⁽¹⁾
August 2021	—	Sterling, VA ⁽²⁾	—	\$ 28,500
October 2021	5	Brookhaven, GA	378,000	56,000
	5		378,000	\$ 84,500

(1) Gross sales price is the gross contract price, excluding closing costs.

(2) Consists of two vacant land parcels adjacent to properties we own located in Sterling, VA. The sale of these land parcels was completed in October 2021.

In addition to the properties discussed above, we are currently marketing for sale 17 properties containing approximately 2,161,000 rentable square feet. As of September 30, 2021, three of these properties containing approximately 448,000 rentable square feet are classified as held for sale in our condensed consolidated balance sheet. We recorded a \$10,658 loss on impairment of real estate to adjust the carrying value of these three properties to their estimated fair values less cost to sell during the nine months ended September 30, 2021. We have determined the remaining 14 properties were not impaired nor did they meet the held for sale criteria as of September 30, 2021.

We cannot be sure we will sell any properties we are marketing for prices in excess of our carrying values or that we will not recognize impairment losses or losses on sale with respect to these properties. In addition, our pending sale is subject to conditions; accordingly, we cannot be sure that we will complete this sale or that this sale will not be delayed or the terms will not change.

Unconsolidated Joint Ventures

We own interests in two joint ventures that own three properties. We account for these investments under the equity method of accounting. As of September 30, 2021 and December 31, 2020, our investments in unconsolidated joint ventures consisted of the following:

Joint Venture	OPI Ownership	OPI Carrying Value of Investments at		Number of Properties	Location	Rentable Square Feet
		September 30, 2021	December 31, 2020			
Prosperity Metro Plaza	51%	\$ 21,142	\$ 21,888	2	Fairfax, VA	329,000
1750 H Street, NW	50%	14,686	16,063	1	Washington, D.C.	115,000
Total		\$ 35,828	\$ 37,951	3		444,000

The following table provides a summary of the mortgage debt of our two unconsolidated joint ventures:

Joint Venture	Interest Rate ⁽¹⁾	Maturity Date	Principal Balance at September 30, 2021 and December 31, 2020 ⁽²⁾
Prosperity Metro Plaza	4.09%	12/1/2029	\$ 50,000
1750 H Street, NW	3.69%	8/1/2024	32,000
Weighted Average / Total	3.93%		\$ 82,000

(1) Includes the effect of mark to market purchase accounting.

(2) Reflects the entire balance of the debt secured by the properties and is not adjusted to reflect the interests in the joint ventures we do not own. None of the debt is recourse to us.

At September 30, 2021, the aggregate unamortized basis difference of our two unconsolidated joint ventures of \$7,098 is primarily attributable to the difference between the amount we paid to purchase our interest in these joint ventures, including transaction costs, and the historical carrying value of the net assets of these joint ventures. This difference is being amortized over the remaining useful life of the related properties and the resulting amortization expense is included in equity in net losses of investees in our condensed consolidated statements of comprehensive income (loss).

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

Note 4. Leases

Our leases provide for base rent payments and in addition may include variable payments. Rental income from operating leases, including any payments derived by index or market-based indices, is recognized on a straight line basis over the lease term when we have determined that the collectability of substantially all of the lease payments is probable. Some of our leases have options to extend or terminate the lease exercisable at the option of our tenants, which are considered when determining the lease term. In certain circumstances, some leases provide the tenant with the right to terminate if the legislature or other funding authority does not appropriate the funding necessary for the tenant to meet its lease obligations; we have determined the fixed non-cancelable lease term of these leases to be the full term of the lease because we believe the occurrence of early terminations to be a remote contingency based on both our historical experience and our assessments of the likelihood of lease cancellation on a separate lease basis.

We increased rental income to record revenue on a straight line basis by \$3,924 and \$3,912 for the three months ended September 30, 2021 and 2020, respectively, and \$13,128 and \$12,963 for the nine months ended September 30, 2021 and 2020, respectively. Rents receivable, excluding properties classified as held for sale, include \$76,033 and \$68,824 of straight line rent receivables at September 30, 2021 and December 31, 2020, respectively.

We do not include in our measurement of our lease receivables certain variable payments, including payments determined by changes in the index or market-based indices after the inception of the lease, certain tenant reimbursements and other income until the specific events that trigger the variable payments have occurred. Such payments totaled \$24,098 and \$60,446 for the three and nine months ended September 30, 2021, respectively, of which tenant reimbursements totaled \$23,167 and \$57,609, respectively. For the three and nine months ended September 30, 2020, such payments totaled \$18,606 and \$56,654, respectively, of which tenant reimbursements totaled \$17,495 and \$53,346, respectively.

Note 5. Concentration*Tenant and Credit Concentration*

We define annualized rental income as the annualized contractual base rents from our tenants pursuant to our lease agreements as of the measurement date, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization. As of September 30, 2021, the U.S. government, 11 state governments and four other government tenants combined were responsible for approximately 29.8% of our annualized rental income. As of September 30, 2020, the U.S. government, 11 state governments and two other government tenants combined were responsible for approximately 35.6% of our annualized rental income. The U.S. government is our largest tenant by annualized rental income and represented approximately 19.7% and 25.2% of our annualized rental income as of September 30, 2021 and 2020, respectively.

Geographic Concentration

At September 30, 2021, our 178 wholly owned properties were located in 33 states and the District of Columbia. Properties located in Virginia, California, the District of Columbia, Illinois and Georgia were responsible for 12.2%, 11.0%, 9.6%, 9.1% and 8.0% of our annualized rental income as of September 30, 2021, respectively.

Note 6. Indebtedness

Our principal debt obligations at September 30, 2021 were: (1) \$2,512,000 aggregate outstanding principal amount of senior unsecured notes; and (2) \$98,604 aggregate outstanding principal amount of mortgage notes.

Our \$750,000 revolving credit facility is governed by a credit agreement, or our credit agreement, with a syndicate of institutional lenders that includes a feature under which the maximum aggregate borrowing availability may be increased to up to \$1,950,000 in certain circumstances. Our revolving credit facility is available for general business purposes, including acquisitions. The maturity date of our revolving credit facility is January 31, 2023 and, subject to our payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity date of our revolving credit facility by two additional six month periods. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity and no principal repayment is due until maturity. We are required to pay interest at a rate of LIBOR plus a premium, which was 110 basis points per annum at September 30, 2021, on the amount outstanding under our revolving credit facility, if any. We also pay a facility fee on the total amount of lending commitments under our revolving credit facility, which was 25

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basis points per annum at September 30, 2021. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. As of September 30, 2021 and December 31, 2020, the annual interest rate payable on borrowings under our revolving credit facility was 1.2%. The weighted average annual interest rate for borrowings under our revolving credit facility was 1.2% for each of the three months ended September 30, 2021 and 2020, and 1.2% and 2.0% for the nine months ended September 30, 2021 and 2020, respectively. As of September 30, 2021 and October 27, 2021, we had no amounts outstanding under our revolving credit facility and \$750,000 available for borrowing.

Our credit agreement and senior unsecured notes indentures and their supplements provide for acceleration of payment of all amounts due thereunder upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes The RMR Group LLC, or RMR LLC, ceasing to act as our business and property manager. Our credit agreement and senior unsecured notes indentures and their supplements also contain covenants, including covenants that restrict our ability to incur debts, require us to comply with certain financial covenants and, in the case of our credit agreement, restrict our ability to make distributions under certain circumstances. We believe we were in compliance with the terms and conditions of the respective covenants under our credit agreement and senior unsecured notes indentures and their supplements at September 30, 2021.

Senior Unsecured Note Issuances

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,826, after deducting underwriters' discounts and offering expenses. These notes require semi-annual payments of interest only through maturity on June 15, 2026 and may be repaid at par plus accrued and unpaid interest on or after May 15, 2026.

In August 2021, we issued \$350,000 of 2.400% senior unsecured notes due 2027 in an underwritten public offering, raising net proceeds of \$346,630, after deducting underwriters' discounts and offering expenses. These notes require semi-annual payments of interest only through maturity on February 1, 2027 and may be repaid at par plus accrued and unpaid interest on or after January 1, 2027.

In September 2021, we issued \$400,000 of 3.450% senior unsecured notes due 2031 in an underwritten public offering, raising net proceeds of \$395,698, after deducting underwriters' discounts and offering expenses. These notes require semi-annual payments of interest only through maturity on October 15, 2031 and may be repaid at par plus accrued and unpaid interest on or after July 15, 2031.

Senior Unsecured Note Redemptions

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046. As a result of this redemption, we recognized a loss on early extinguishment of debt of \$8,581 during the nine months ended September 30, 2021, from the write off of unamortized debt issuance costs.

In September 2021, we redeemed, at a premium plus accrued interest, all \$300,000 of our 4.15% senior unsecured notes due 2022. As a result of this redemption, we recognized a loss on early extinguishment of debt of \$2,274 during the nine months ended September 30, 2021, from a prepayment penalty and the write off of unamortized discounts.

Mortgage Note Repayment

In June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023. As a result of the prepayment of this mortgage note, we recognized a loss on early extinguishment of debt of \$3,213 during the nine months ended September 30, 2021, from a prepayment penalty and the write off of unamortized discounts.

At September 30, 2021, three of our properties with an aggregate net book value of \$189,298 were encumbered by mortgage notes with an aggregate principal amount of \$98,604. Our mortgage notes are non-recourse, subject to certain limited exceptions and do not contain any material financial covenants.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 7. Fair Value of Assets and Liabilities

The following table presents certain of our assets measured at fair value at September 30, 2021, categorized by the level of inputs, as defined in the fair value hierarchy under GAAP, used in the valuation of each asset:

Description	Total	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-recurring Fair Value Measurements Assets				
Assets of properties held for sale ⁽¹⁾	\$ 20,300	\$ —	\$ —	\$ 20,300

(1) We recorded impairment charges of \$10,658 to reduce the carrying value of three properties that are classified as held for sale in our condensed consolidated balance sheet to their estimated fair value, less estimated costs to sell of \$425, based on third party offers (Level 3 inputs as defined in the fair value hierarchy under GAAP). See Note 3 for more information.

In addition to the assets described in the table above, our financial instruments include our cash and cash equivalents, restricted cash, rents receivable, accounts payable, a revolving credit facility, senior unsecured notes, mortgage notes payable, amounts due to related persons, other accrued expenses and security deposits. At September 30, 2021 and December 31, 2020, the fair values of our financial instruments approximated their carrying values in our condensed consolidated financial statements, due to their short term nature or floating interest rates, except as follows:

Financial Instrument	As of September 30, 2021		As of December 31, 2020	
	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value
Senior unsecured notes, 4.15% interest rate, due in 2022 ⁽²⁾	\$ —	\$ —	\$ 298,853	\$ 306,192
Senior unsecured notes, 4.00% interest rate, due in 2022	299,270	306,717	298,579	306,756
Senior unsecured notes, 4.25% interest rate, due in 2024	344,011	371,980	342,299	365,435
Senior unsecured notes, 4.50% interest rate, due in 2025	638,507	697,460	635,921	688,399
Senior unsecured notes, 2.650% interest rate, due in 2026 ⁽³⁾	297,057	302,846	—	—
Senior unsecured notes, 2.400% interest rate, due in 2027 ⁽⁴⁾	346,713	346,456	—	—
Senior unsecured notes, 3.450% interest rate, due in 2031 ⁽⁵⁾	395,701	393,680	—	—
Senior unsecured notes, 5.875% interest rate, due in 2046 ⁽⁶⁾	—	—	301,264	322,028
Senior unsecured notes, 6.375% interest rate, due in 2050	156,471	180,533	156,326	171,590
Mortgage notes payable ⁽⁷⁾	98,460	101,351	169,729	174,952
Total	\$ 2,576,190	\$ 2,701,023	\$ 2,202,971	\$ 2,335,352

(1) Includes unamortized debt premiums, discounts and issuance costs totaling \$34,414 and \$39,871 as of September 30, 2021 and December 31, 2020, respectively.

(2) These senior notes were redeemed in September 2021.

(3) These senior notes were issued in May 2021.

(4) These senior notes were issued in August 2021.

(5) These senior notes were issued in September 2021.

(6) These senior notes were redeemed in June 2021.

(7) Balance as of December 31, 2020 includes one mortgage note secured by three properties with an outstanding principal balance of \$71,000 that was prepaid in June 2021.

We estimated the fair value of our senior unsecured notes (except for our senior unsecured notes due 2046 and 2050) using an average of the bid and ask price of the notes (Level 2 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. We estimated the fair value of our senior unsecured notes due 2046 and 2050 based on the closing price on The Nasdaq Stock Market LLC, or Nasdaq, (Level 1 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. We estimated the fair values of our mortgage notes payable using discounted cash flow analyses and currently prevailing market rates (Level 3 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. Because Level 3 inputs are unobservable, our estimated fair values may differ materially from the actual fair values.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 8. Shareholders' Equity*Share Awards*

On June 17, 2021, in accordance with our Trustee compensation arrangements, we awarded to each of our eight Trustees 3,500 of our common shares, valued at \$29.88 per share, the closing price of our common shares on Nasdaq on that day.

On September 15, 2021, we awarded under our equity compensation plan an aggregate of 117,800 of our common shares, valued at \$25.42 per share, the closing price of our common shares on Nasdaq on that day, to our officers and certain other employees of RMR LLC.

Share Purchases

During the three and nine months ended September 30, 2021, we purchased an aggregate of 25,533 and 37,542 of our common shares, respectively, valued at a weighted average share price of \$25.24 and \$26.55 per share, respectively, from certain of our current and former Trustees and officers and certain other current and former officers and employees of RMR LLC in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares.

Distributions

During the nine months ended September 30, 2021, we declared and paid regular quarterly distributions to common shareholders as follows:

Declaration Date	Record Date	Paid Date	Distributions Per Common Share	Total Distributions
January 14, 2021	January 25, 2021	February 18, 2021	\$ 0.55	\$ 26,575
April 15, 2021	April 26, 2021	May 20, 2021	0.55	26,575
July 15, 2021	July 26, 2021	August 19, 2021	0.55	26,584
			<u>\$ 1.65</u>	<u>\$ 79,734</u>

On October 14, 2021, we declared a regular quarterly distribution to common shareholders of record on October 25, 2021 of \$0.55 per share, or approximately \$26,600. We expect to pay this distribution on or about November 18, 2021.

Note 9. Business and Property Management Agreements with RMR LLC

We have no employees. The personnel and various services we require to operate our business are provided to us by RMR LLC. We have two agreements with RMR LLC to provide management services to us: (1) a business management agreement, which relates to our business generally; and (2) a property management agreement, which relates to our property level operations.

Pursuant to our business management agreement with RMR LLC, we recognized net business management fees of \$(1,738) and \$18,287 for the three and nine months ended September 30, 2021, respectively, and \$4,236 and \$13,237 for the three and nine months ended September 30, 2020, respectively. The net business management fees we recognized for the three months ended September 30, 2021 include a reversal of \$6,627 of previously accrued estimated business management incentive fees, which represents the amount by which the 2021 business management incentive fees as of June 30, 2021 exceeded the amount estimated as of September 30, 2021. The net business management fees for the nine months ended September 30, 2021 include \$4,484 of estimated business management incentive fees. The estimated business management incentive fees as of September 30, 2021 are based on our common share total return, as defined in our business management agreement, for the measurement period ending as of that date. We did not recognize any estimated business management incentive fees for the three or nine months ended September 30, 2020. The actual amount of annual incentive fees for 2021, if any, will be based on our common share total return, as defined in our business management agreement, for the three year period ending December 31, 2021, and will be payable in January 2022. We did not incur an incentive fee payable to RMR LLC for the year ended December 31, 2020. We include business management fees in general and administrative expenses in our condensed consolidated statements of comprehensive income (loss).

OFFICE PROPERTIES INCOME TRUST
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We and RMR LLC amended our business management agreement effective August 1, 2021 to replace the benchmark index used in the calculation of incentive management fees. Pursuant to the amendment, for periods beginning on and after August 1, 2021, the MSCI U.S. REIT/Office REIT Index will replace the discontinued SNL U.S. REIT Office Index and be used to calculate benchmark returns per share for purposes of determining any incentive management fee payable by us to RMR LLC. For periods prior to August 1, 2021, the SNL U.S. REIT Office Index will continue to be used. Accordingly, the calculation of incentive management fees for the next three measurement periods will continue to use the SNL U.S. REIT Office Index in calculating the benchmark returns for periods through July 31, 2021. This change of index was due to S&P Global ceasing to publish the SNL U.S. REIT Office Index.

Pursuant to our property management agreement with RMR LLC, we recognized aggregate net property management and construction supervision fees of \$5,519 and \$15,045 for the three and nine months ended September 30, 2021, respectively, and \$5,189 and \$15,381 for the three and nine months ended September 30, 2020, respectively. Of these amounts, for the three and nine months ended September 30, 2021, \$4,224 and \$12,239, respectively, were expensed to other operating expenses in our condensed consolidated financial statements and \$1,295 and \$2,806, respectively, were capitalized as building improvements in our condensed consolidated balance sheets. For the three and nine months ended September 30, 2020, \$4,302 and \$12,952, respectively, were expensed to other operating expenses in our condensed consolidated financial statements and \$887 and \$2,429, respectively, were capitalized as building improvements in our condensed consolidated balance sheets. The amounts capitalized are being depreciated over the estimated useful lives of the related capital assets.

We are generally responsible for all of our operating expenses, including certain expenses incurred or arranged by RMR LLC on our behalf. We are generally not responsible for payment of RMR LLC's employment, office or administrative expenses incurred to provide management services to us, except for the employment and related expenses of RMR LLC's employees assigned to work exclusively or partly at our properties, our share of the wages, benefits and other related costs of RMR LLC's centralized accounting personnel, our share of RMR LLC's costs for providing our internal audit function and as otherwise agreed. Our property level operating expenses are generally incorporated into the rents charged to our tenants, including certain payroll and related costs incurred by RMR LLC. We reimbursed RMR LLC \$6,131 and \$18,108 for these expenses and costs for the three and nine months ended September 30, 2021, respectively, and \$6,437 and \$18,687 for the three and nine months ended September 30, 2020, respectively. We included these amounts in other operating expenses and general and administrative expenses, as applicable, in our condensed consolidated statements of comprehensive income (loss).

Note 10. Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, The RMR Group Inc., or RMR Inc., and others related to them, including other companies to which RMR LLC or its subsidiaries provide management services and some of which have trustees, directors or officers who are also our Trustees or officers. RMR LLC is a majority owned subsidiary of RMR Inc. The Chair of our Board of Trustees and one of our Managing Trustees, Adam Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., a managing director and the president and chief executive officer of RMR Inc. and an officer and employee of RMR LLC. David Blackman resigned as our President and Chief Executive Officer, effective December 31, 2020, and as a Managing Trustee, effective June 17, 2021. In replacement of Mr. Blackman, Christopher J. Bilotto was appointed as our President and Chief Operating Officer, effective January 1, 2021, and Jennifer Clark was elected as a Managing Trustee on June 17, 2021. Mr. Bilotto is an officer and employee of RMR LLC, Ms. Clark is a managing director and an executive officer of RMR Inc. and an officer and employee of RMR LLC, and each of our other officers is also an officer and employee of RMR LLC. Some of our Independent Trustees also serve as independent trustees or independent directors of other public companies to which RMR LLC or its subsidiaries provide management services. Adam Portnoy serves as chair of the boards of trustees or boards of directors and as a managing director or managing trustee of those companies. Other officers of RMR LLC, including Ms. Clark, serve as managing trustees, managing directors or officers of certain of these companies.

See Note 8 for further information relating to our awards of common shares to our officers and certain other employees of RMR LLC in September 2021 and our repurchases of common shares from certain of our current and former Trustees and officers and certain other current and former officers and employees of RMR LLC in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares to them. We include amounts recognized as expense for awards of our common shares to our officers and to other RMR LLC employees in general and administrative expenses in our condensed consolidated statements of comprehensive income (loss).

Our Manager, RMR LLC. We have two agreements with RMR LLC to provide management services to us. See Note 9 for more information regarding our management agreements with RMR LLC.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
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Leases with RMR LLC. We lease office space to RMR LLC in certain of our properties for RMR LLC's property management offices. Pursuant to our lease agreements with RMR LLC, we recognized rental income from RMR LLC for leased office space of \$275 and \$850 for the three and nine months ended September 30, 2021, respectively, and \$282 and \$836 for the three and nine months ended September 30, 2020, respectively.

Sonesta. In June 2021, we entered into a 30-year lease agreement with a subsidiary of Sonesta International Hotels Corporation, or Sonesta, in connection with the redevelopment of an office property we own in Washington, D.C. as a mixed use property. Sonesta's lease is for the planned full-service hotel component of the property that will include approximately 230,000 rentable square feet, which represents approximately 54% of the total square feet upon completion of the redevelopment. The term of the lease commences upon our delivery of the completed hotel, which we estimate to occur in the first quarter of 2023. Sonesta has two options to extend the term for 10 years each. Pursuant to the lease agreement, Sonesta will pay us annual base rent of approximately \$6,436 beginning 18 months after the lease commences. The annual base rent will increase by 10% every five years throughout the term. Sonesta is also obligated to pay its pro rata share of the operating costs for the building. We estimate that the total cost to build the hotel space will be approximately \$66,000. Mr. Adam Portnoy is a director and controlling shareholder of Sonesta and Ms. Jennifer Clark is also a director of Sonesta.

For more information about these and other such relationships and certain other related person transactions, refer to our 2020 Annual Report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with our condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our 2020 Annual Report.

OVERVIEW (dollars in thousands, except per share and per square foot data)

We are a real estate investment trust, or REIT, organized under Maryland law. As of September 30, 2021, our wholly owned properties were comprised of 178 properties and we had noncontrolling ownership interests of 51% and 50% in two unconsolidated joint ventures that own three properties containing a combined approximately 444,000 rentable square feet. As of September 30, 2021, our properties are located in 33 states and the District of Columbia and contain approximately 23,274,000 rentable square feet. As of September 30, 2021, our properties were leased to 331 different tenants with a weighted average remaining lease term (based on annualized rental income) of approximately 6.0 years. The U.S. government is our largest tenant, representing approximately 19.7% of our annualized rental income as of September 30, 2021. The term annualized rental income as used herein is defined as the annualized contractual base rents from our tenants pursuant to our lease agreements as of September 30, 2021, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

COVID-19 Pandemic

The COVID-19 pandemic and the various governmental and market responses intended to contain and mitigate the spread of the virus and its detrimental public health impact have had a significant impact on the global economy, including the U.S. economy. Many of the restrictions that had been imposed in the United States during the pandemic have since been lifted and commercial activity in the United States has increasingly returned to pre-pandemic practices and operations. We are continuing to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. To date, the COVID-19 pandemic has not had a significant impact on our business and we continue to believe that our financial resources, the characteristics of our portfolio, including the diversity of our tenant base, both geographically and by industry, and the financial strength and resources of our tenants, will enable us to withstand the COVID-19 pandemic. However, we have received requests from some of our tenants for rent assistance. As of October 26, 2021, we have granted temporary rent assistance totaling \$2,483 to 18 tenants who represent approximately 3.3% of our annualized rental income as of September 30, 2021. This assistance generally entails a deferral of, in most cases, one month of rent pursuant to deferred payment plans which require the deferred rent amounts be payable over a 12-month period, all of which have commenced. As of October 26, 2021, we have collected more than 95% of our granted rent deferrals.

There remains uncertainty as to the ultimate duration and severity of the COVID-19 pandemic, including risks that may arise from mutations or related strains of the virus, the ability to successfully administer vaccinations to a sufficient number of persons or attain immunity to the virus by natural or other means to achieve herd immunity, and the impact on the U.S. economy that may result from the inability of other countries to administer vaccinations to their citizens or their citizens' ability to otherwise achieve immunity to the virus. As a result, we are unable to determine what the ultimate impact will be on our, our tenants' and other stakeholders' businesses, operations, financial results and financial position. For more information and risks relating to the COVID-19 pandemic on us and our business, see Part I, Item 1, "Business—COVID-19 Pandemic" and Part I, Item 1A, "Risk Factors", of our 2020 Annual Report.

Property Operations

Unless otherwise noted, the data presented in this section includes properties classified as held for sale as of September 30, 2021 and excludes three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests. For

more information regarding our properties classified as held for sale and our two unconsolidated joint ventures, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Occupancy data for our properties as of September 30, 2021 and 2020 was as follows (square feet in thousands):

	All Properties ⁽¹⁾		Comparable Properties ⁽²⁾	
	September 30,		September 30,	
	2021	2020	2021	2020
Total properties ⁽³⁾	178	184	163	163
Total rentable square feet ⁽⁴⁾	23,274	24,909	20,729	20,720
Percent leased ⁽⁵⁾	89.0 %	91.2 %	91.2 %	93.4 %

(1) Based on properties we owned on September 30, 2021 and 2020, respectively.

(2) Based on properties we owned continuously since January 1, 2020; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

(3) Includes one leasable land parcel.

(4) Subject to changes when space is remeasured or reconfigured for tenants.

(5) Percent leased includes (i) space being fitted out for tenant occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

The average effective rental rate per square foot for our properties for the three and nine months ended September 30, 2021 and 2020 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Average effective rental rate per square foot ⁽¹⁾ :				
All properties ⁽²⁾	\$ 28.86	\$ 25.85	\$ 27.12	\$ 25.89
Comparable properties ⁽³⁾	\$ 27.40	\$ 27.26	\$ 27.37	\$ 27.22

(1) Average effective rental rate per square foot represents annualized total rental income during the period specified divided by the average rentable square feet leased during the period specified.

(2) Based on properties we owned on September 30, 2021 and 2020, respectively.

(3) Based on properties we owned continuously since July 1, 2020 and January 1, 2020, respectively, excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

During the three and nine months ended September 30, 2021, changes in rentable square feet leased and available for lease at our properties were as follows (square feet in thousands):

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Leased	Available for Lease	Total	Leased	Available for Lease	Total
Beginning of period	21,553	2,538	24,091	22,705	2,184	24,889
Changes resulting from:						
Acquisition of properties	29	20	49	899	27	926
Disposition of properties	(799)	(74)	(873)	(2,491)	(74)	(2,565)
Lease expirations	(738)	738	—	(2,206)	2,206	—
Lease renewals ⁽¹⁾	385	(385)	—	1,206	(1,206)	—
New leases ⁽¹⁾	274	(274)	—	576	(576)	—
Remeasurements ⁽²⁾	1	6	7	16	8	24
End of period	20,705	2,569	23,274	20,705	2,569	23,274

(1) Based on leases entered during the three and nine months ended September 30, 2021.

(2) Rentable square feet are subject to changes when space is remeasured or reconfigured for tenants.

Leases at our properties totaling approximately 738,000 and 2,206,000 rentable square feet expired during the three and nine months ended September 30, 2021, respectively. During the three and nine months ended September 30, 2021, we entered into new and renewal leases as summarized in the following tables (square feet in thousands):

	Three Months Ended September 30, 2021		
	New Leases	Renewals	Total
Rentable square feet leased	274	385	659
Weighted average rental rate change (by rentable square feet)	(7.6 %)	5.4 %	(0.1 %)
Tenant leasing costs and concession commitments ⁽¹⁾	\$ 27,322	\$ 18,811	\$ 46,133
Tenant leasing costs and concession commitments per rentable square foot ⁽¹⁾	\$ 99.81	\$ 48.85	\$ 70.02
Weighted (by square feet) average lease term (years)	12.9	9.6	10.9
Total leasing costs and concession commitments per rentable square foot per year ⁽¹⁾	\$ 7.74	\$ 5.11	\$ 6.40

	Nine Months Ended September 30, 2021		
	New Leases	Renewals	Total
Rentable square feet leased	576	1,206	1,782
Weighted average rental rate change (by rentable square feet)	9.8 %	5.3 %	7.0 %
Tenant leasing costs and concession commitments ⁽¹⁾⁽²⁾	\$ 98,517	\$ 31,463	\$ 129,980
Tenant leasing costs and concession commitments per rentable square foot ⁽¹⁾⁽²⁾	\$ 170.91	\$ 26.10	\$ 72.94
Weighted (by square feet) average lease term (years)	18.9	7.1	10.9
Total leasing costs and concession commitments per rentable square foot per year ⁽¹⁾⁽²⁾	\$ 9.06	\$ 3.66	\$ 6.68

(1) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

(2) Includes commitments totaling approximately \$66,000 in connection with the lease we entered with Sonesta in June 2021 related to the redevelopment of a property in Washington, D.C. These costs represent the estimated costs related to the planned hotel component of the property.

During the three and nine months ended September 30, 2021, changes in effective rental rates per square foot achieved for new leases and lease renewals at our properties that commenced during the three and nine months ended September 30, 2021, when compared to prior effective rental rates per square foot in effect for the same space (and excluding space acquired vacant), were as follows (square feet in thousands):

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Old Effective Rent Per Square Foot ⁽¹⁾	New Effective Rent Per Square Foot ⁽¹⁾	Rentable Square Feet	Old Effective Rent Per Square Foot ⁽¹⁾	New Effective Rent Per Square Foot ⁽¹⁾	Rentable Square Feet
New leases	\$ 18.83	\$ 27.43	8	\$ 20.45	\$ 25.57	109
Lease renewals	\$ 27.99	\$ 30.38	506	\$ 27.11	\$ 28.62	1,271
Total leasing activity	\$ 27.85	\$ 30.33	514	\$ 26.58	\$ 28.38	1,380

(1) Effective rental rate includes contractual base rents from our tenants pursuant to our lease agreements, plus straight line rent adjustments and estimated expense reimbursements to be paid to us, and excludes lease value amortization.

During the three and nine months ended September 30, 2021 and 2020, amounts capitalized at our properties for lease related costs, building improvements and development, redevelopment and other activities were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Lease related costs ⁽¹⁾	\$ 17,074	\$ 7,192	\$ 35,259	\$ 26,226
Building improvements ⁽²⁾	9,267	10,579	21,558	29,814
Recurring capital expenditures	26,341	17,771	56,817	56,040
Development, redevelopment and other activities ⁽³⁾	13,272	5,521	30,916	11,260
Total capital expenditures	<u>\$ 39,613</u>	<u>\$ 23,292</u>	<u>\$ 87,733</u>	<u>\$ 67,300</u>

- (1) Lease related costs generally include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and other tenant inducements.
- (2) Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.
- (3) Development, redevelopment and other activities generally include capital expenditure projects that reposition a property or result in new sources of revenue.

As of September 30, 2021, we have estimated unspent leasing related obligations of \$129,369, of which we expect to spend \$69,248 over the next 12 months.

As of September 30, 2021, we had leases at our properties totaling approximately 2,317,000 rentable square feet that were scheduled to expire through December 31, 2022. As of October 27, 2021, we expect tenants with leases totaling approximately 758,000 rentable square feet that are scheduled to expire through December 31, 2022, to not renew their leases upon expiration and we cannot be sure as to whether other tenants will renew their leases upon expiration. As a result of the COVID-19 pandemic and its economic impact, overall leasing activity has been volatile during 2021 and may remain so until office property market conditions meaningfully improve and stabilize for a sustained period. However, we remain focused on proactive dialogues with our existing tenants and overall tenant retention. Prevailing market conditions and government and other tenants' needs at the time we negotiate and enter leases or lease renewals will generally determine rental rates and demand for leased space at our properties, and market conditions and our tenants' needs are beyond our control. Whenever we renew or enter into new leases for our properties, we intend to seek rents which are equal to or higher than our historical rents for the same properties; however, our ability to maintain or increase the rents for our current properties will depend in large part upon market conditions, which are beyond our control. We cannot be sure of the rental rates which will result from our ongoing negotiations regarding lease renewals or any new or renewed leases we may enter; also, we may experience material declines in our rental income due to vacancies upon lease expirations or early terminations. Additionally, we may incur significant costs to renew our leases with current tenants or lease our properties to new tenants.

As of September 30, 2021, our lease expirations by year are as follows (square feet in thousands):

Year ⁽¹⁾	Number of Leases Expiring	Leased Square Feet Expiring ⁽²⁾	Percent of Total	Cumulative Percent of Total	Annualized Rental Income Expiring	Percent of Total	Cumulative Percent of Total
2021	25	487	2.4 %	2.4 %	\$ 16,114	2.8 %	2.8 %
2022	72	1,830	8.8 %	11.2 %	51,980	8.9 %	11.7 %
2023	67	2,430	11.7 %	22.9 %	78,580	13.5 %	25.2 %
2024	58	3,209	15.5 %	38.4 %	83,908	14.4 %	39.6 %
2025	50	2,128	10.3 %	48.7 %	46,006	7.9 %	47.5 %
2026	39	1,853	8.9 %	57.6 %	48,876	8.4 %	55.9 %
2027	33	1,920	9.3 %	66.9 %	49,987	8.6 %	64.5 %
2028	15	1,254	6.1 %	73.0 %	46,543	8.0 %	72.5 %
2029	19	970	4.7 %	77.7 %	27,403	4.7 %	77.2 %
2030 and thereafter	55	4,624	22.3 %	100.0 %	133,615	22.8 %	100.0 %
Total	433	20,705	100.0 %		\$ 583,012	100.0 %	
Weighted average remaining lease term (in years)		5.9			6.0		

- (1) The year of lease expiration is pursuant to current contract terms. Some of our leases allow the tenants to vacate the leased premises before the stated expirations of their leases with little or no liability. As of September 30, 2021, tenants occupying approximately 5.6% of our rentable square feet and responsible for approximately 5.5% of our annualized rental income as of September 30, 2021 currently have exercisable rights to terminate their leases before the stated terms of their leases expire. Also, in 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2035 and 2040, early termination rights become exercisable by other tenants who currently occupy an additional approximately 0.5%, 1.7%, 2.8%, 1.2%, 3.9%, 1.1%, 0.8%, 1.2%, 0.5%, 0.3%, and 0.3% of our rentable square feet, respectively, and contribute an additional approximately 0.6%, 2.0%, 3.9%, 1.7%, 7.0%, 1.4%, 1.3%, 1.3%, 0.9%, 0.4%, and 0.3% of our annualized rental income, respectively, as of September 30, 2021. In addition, as of September 30, 2021, pursuant to leases with 14 of our tenants, these tenants have rights to terminate their leases if their respective legislature or other funding authority does not appropriate rent amounts in their respective annual budgets. These 14 tenants occupy approximately 6.0% of our rentable square feet and contribute approximately 6.6% of our annualized rental income as of September 30, 2021.
- (2) Leased square feet is pursuant to leases existing as of September 30, 2021, and includes (i) space being fitted out for tenant occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any. Square feet measurements are subject to changes when space is remeasured or reconfigured for new tenants.

We generally will seek to renew or extend the terms of leases in our single tenant properties when they expire. Because of the capital many of the tenants in these properties have invested in the properties and because many of these properties appear to be of strategic importance to the tenants' businesses, we believe that it is likely that these tenants will renew or extend their leases prior to when they expire. If we are unable to extend or renew our leases, it may be time consuming and expensive to relet some of these properties.

We believe that recent government budgetary and spending priorities and enhancements in technology have resulted in a decrease in government office use for employees. Furthermore, over the past several years, government tenants have reduced their space utilization per employee and consolidated government tenants into existing government owned properties. This activity has reduced the demand for government leased space. Our historical experience with respect to properties of the type we own that are majority leased to government tenants has been that government tenants frequently renew leases to avoid the costs and disruptions that may result from relocating their operations. However, efforts to manage space utilization rates may result in our tenants exercising early termination rights under our leases, vacating our properties upon expiration of our leases in order to relocate, or renewing their leases for less space than they currently occupy. Also, our government tenants' desire to reconfigure leased office space to manage utilization per employee may require us to spend significant amounts for tenant improvements, and tenant relocations are often more prevalent in those circumstances. Increasing uncertainty with respect to government agency budgets and funding to implement relocations, consolidations and reconfigurations has resulted in delayed decisions by some of our government tenants and their reliance on short term lease renewals; however, activity prior to the outbreak of the COVID-19 pandemic suggested that the U.S. government had begun to shift its leasing strategy to include longer term leases and was actively exploring 10 to 20 year lease terms at renewal, in some instances. It is also possible that as a result of the COVID-19 pandemic, government tenants may seek to manage space utilization rates in order to provide greater physical distancing for employees, mostly through lease renewals, which may require us to spend significant amounts for tenant improvements. However, the COVID-19 pandemic and its aftermath have had negative impacts on government budgets and resources, although there are indications that to date, certain of those impacts may not have been as negative as originally expected, and it is unclear what the effect of these impacts will be on government demand for leasing office space. In addition, the new presidential administration may result in a change in the federal government's policy priorities, which may impact

leasing at our government leased properties. Given the significant uncertainties, including as to the COVID-19 pandemic, its economic impact and its aftermath and the new presidential administration, we are unable to reasonably project what the financial impact of market conditions or changing government circumstances will be on our financial results for future periods.

As of September 30, 2021, we derive 21.5% of our annualized rental income from our properties located in the metropolitan Washington, D.C. market area, which includes Washington, D.C., Northern Virginia and suburban Maryland. A downturn in economic conditions in this area, including as a result of the COVID-19 pandemic, could result in reduced demand from tenants for our properties or reduce the rents that our tenants in this area are willing to pay when our leases expire or terminate and when renewal or new terms are negotiated. Additionally, in recent years there has been a decrease in demand for new leased office space by the U.S. government in the metropolitan Washington, D.C. market area, and that could increase competition for government tenants and adversely affect our ability to retain government tenants when our leases expire.

Our manager, RMR LLC, employs a tenant review process for us. RMR LLC assesses tenants on an individual basis based on various applicable credit criteria. In general, depending on facts and circumstances, RMR LLC evaluates the creditworthiness of a tenant based on information concerning the tenant that is provided by the tenant and, in some cases, information that is publicly available or obtained from third party sources. RMR LLC also often uses a third party service to monitor the credit ratings, both actual and implied, of our existing tenants. We consider investment grade tenants to include: (a) investment grade rated tenants; (b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and/or (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations. As of September 30, 2021, tenants contributing 52.3% of annualized rental income were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 10.2% of annualized rental income were subsidiaries of an investment grade rated parent (although these parent entities were not liable for the payment of rents).

As of September 30, 2021, tenants representing 1% or more of our total annualized rental income were as follows:

Tenant	Credit Rating	Sq. Ft.	% of Leased Sq. Ft.	Annualized Rental Income	% of Total Annualized Rental Income
1 U.S. Government	Investment Grade	4,196	20.3 %	\$ 115,035	19.7 %
2 Alphabet Inc (Google)	Investment Grade	386	1.9 %	20,924	3.6 %
3 State of California	Investment Grade	651	3.1 %	19,381	3.3 %
4 Shook, Hardy & Bacon L.L.P.	Not Rated	596	2.9 %	19,187	3.3 %
5 Bank of America Corporation	Investment Grade	577	2.8 %	15,803	2.7 %
6 IG Investments Holdings LLC	Non Investment Grade	333	1.6 %	14,553	2.5 %
7 F5 Networks, Inc.	Not Rated	299	1.4 %	13,027	2.2 %
8 Commonwealth of Massachusetts	Investment Grade	311	1.5 %	12,260	2.1 %
9 CareFirst Inc.	Not Rated	207	1.0 %	11,870	2.0 %
10 Northrop Grumman Corporation	Investment Grade	337	1.6 %	11,350	1.9 %
11 Tyson Foods, Inc.	Investment Grade	248	1.2 %	11,198	1.9 %
12 Sonesta International Hotels Corporation ⁽¹⁾	Not Rated	230	1.1 %	10,745	1.8 %
13 CommScope Holding Company Inc	Non Investment Grade	228	1.1 %	8,921	1.5 %
14 Micro Focus International plc	Non Investment Grade	242	1.2 %	7,431	1.3 %
15 State of Georgia	Investment Grade	308	1.5 %	7,248	1.2 %
16 PNC Bank	Investment Grade	441	2.1 %	6,924	1.2 %
17 ServiceNow, Inc.	Investment Grade	149	0.7 %	6,623	1.1 %
18 Compass Group plc	Investment Grade	267	1.3 %	6,496	1.1 %
19 Allstate Insurance Co.	Investment Grade	468	2.3 %	6,475	1.1 %
20 Automatic Data Processing, Inc.	Investment Grade	289	1.4 %	6,037	1.0 %
21 Church & Dwight Co., Inc.	Investment Grade	250	1.2 %	6,031	1.0 %
Total		11,013	53.2 %	\$ 337,519	57.5 %

- (1) In June 2021, we entered into a 30-year lease with Sonesta. The lease relates to the redevelopment of a property we own in Washington, D.C to a mixed use and Sonesta's lease relates to the planned hotel component of the property. The term of the lease commences upon our delivery of the completed hotel, which is estimated to occur in the first quarter of 2023. For more information about our lease with Sonesta, see Note 10 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report on Form 10-Q.

Acquisition Activities

During the nine months ended September 30, 2021, we acquired three properties containing a combined approximately 926,000 rentable square feet for an aggregate purchase price of \$576,975, excluding purchase price adjustments and acquisition related costs.

For more information about our acquisition activities, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Disposition Activities

During the nine months ended September 30, 2021, we sold six properties and a warehouse facility adjacent to a property we own containing a combined approximately 2,565,000 rentable square feet for an aggregate sales price of \$198,415, excluding closing costs.

In October 2021, we sold two vacant land parcels adjacent to properties we own located in Sterling, VA for a sales price of \$28,500, excluding closing costs.

As of October 27, 2021, we have also entered into an agreement to sell five properties located in Brookhaven, GA for a sales price of \$56,000, excluding closing costs. Also, we are currently marketing for sale 17 properties containing approximately 2,161,000 rentable square feet that we expect to generate approximately \$200,000 of gross proceeds. We expect to substantially complete these dispositions by mid-year 2022. We cannot be sure we will sell any properties we are marketing for prices in excess of their carrying values or otherwise. In addition, our pending sale is subject to conditions; accordingly, we cannot be sure that we will complete this sale or that this sale will not be delayed or the terms will not change.

For more information about our disposition activities, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Financing Activities

Senior Unsecured Note Issuances

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,826, after deducting underwriters' discounts and offering expenses, which we used to redeem all \$310,000 of our 5.875% senior unsecured notes due 2046.

In August 2021, we issued \$350,000 of 2.400% senior unsecured notes due 2027 in an underwritten public offering, raising net proceeds of \$346,630, after deducting underwriters' discounts and offering expenses, which we used to redeem all \$300,000 of our 4.15% senior unsecured notes due 2022.

In September 2021, we issued \$400,000 of 3.450% senior unsecured notes due 2031 in an underwritten public offering, raising net proceeds of \$395,698, after deducting underwriters' discounts and offering expenses, which we used to repay amounts outstanding under our revolving credit facility.

Senior Unsecured Note Redemptions

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046 using cash on hand and the net proceeds from the issuance of our 2.650% senior unsecured notes due 2026.

In September 2021, we redeemed, at a premium plus accrued interest, all \$300,000 of our 4.15% senior unsecured notes due 2022 using a portion of the net proceeds from the issuance of our 2.400% senior unsecured notes due 2027.

Mortgage Note Repayment

In June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023 using cash on hand and borrowings under our revolving credit facility.

Segment Information

We operate in one business segment: ownership of real estate properties.

RESULTS OF OPERATIONS (amounts in thousands, except per share amounts)

Three Months Ended September 30, 2021, Compared to Three Months Ended September 30, 2020

	Comparable Properties ⁽¹⁾ Results Three Months Ended September 30,				Non-Comparable Properties Results Three Months Ended September 30,		Consolidated Results Three Months Ended September 30,			
	2021	2020	\$ Change	% Change	2021	2020	2021	2020	\$ Change	% Change
Rental income	\$ 128,995	\$ 130,319	\$ (1,324)	(1.0 %)	\$ 18,577	\$ 15,487	\$ 147,572	\$ 145,806	\$ 1,766	1.2 %
Operating expenses:										
Real estate taxes	13,730	14,273	(543)	(3.8 %)	6,337	1,840	20,067	16,113	3,954	24.5 %
Utility expenses	6,547	6,639	(92)	(1.4 %)	842	925	7,389	7,564	(175)	(2.3 %)
Other operating expenses	23,470	23,933	(463)	(1.9 %)	3,067	2,433	26,537	26,366	171	0.6 %
Total operating expenses	43,747	44,845	(1,098)	(2.4 %)	10,246	5,198	53,993	50,043	3,950	7.9 %
Net operating income ⁽²⁾	\$ 85,248	\$ 85,474	\$ (226)	(0.3 %)	\$ 8,331	\$ 10,289	93,579	95,763	(2,184)	(2.3 %)
Other expenses:										
Depreciation and amortization							59,533	62,227	(2,694)	(4.3 %)
Loss on impairment of real estate							(3)	2,954	(2,957)	(100.1 %)
General and administrative							448	7,059	(6,611)	(93.7 %)
Total other expenses							59,978	72,240	(12,262)	(17.0 %)
Gain on sale of real estate							36	—	36	n/m
Interest and other income							—	2	(2)	(100.0 %)
Interest expense							(26,929)	(27,097)	168	(0.6 %)
Loss on early extinguishment of debt							(2,274)	—	(2,274)	n/m
Income (loss) before income tax (expense) benefit and equity in net losses of investees							4,434	(3,572)	8,006	n/m
Income tax (expense) benefit							(34)	54	(88)	(163.0 %)
Equity in net losses of investees							(688)	(279)	(409)	146.6 %
Net income (loss)							\$ 3,712	\$ (3,797)	\$ 7,509	(197.8 %)
Weighted average common shares outstanding (basic)							48,211	48,132	79	0.2 %
Weighted average common shares outstanding (diluted)							48,244	48,132	112	0.2 %
Per common share amounts (basic and diluted):										
Net income (loss)							\$ 0.08	\$ (0.08)	\$ 0.16	(200.0 %)

n/m - not meaningful

- (1) Comparable properties consists of 164 properties we owned on September 30, 2021 and which we owned continuously since July 1, 2020 and excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.
- (2) Our definition of net operating income, or NOI, and our reconciliation of net income (loss) to NOI are included below under the heading "Non-GAAP Financial Measures."

References to changes in the income and expense categories below relate to the comparison of consolidated results for the three months ended September 30, 2021, compared to the three months ended September 30, 2020.

Rental income. The increase in rental income reflects an increase in rental income of \$14,477 related to acquired properties, offset by decreases in rental income of \$7,158 as a result of property disposition activities, \$4,229 for properties undergoing significant redevelopment and \$1,324 related to comparable properties. The decrease in rental income for properties undergoing significant redevelopment is primarily due to the reduction in occupied space at a property located in Washington, D.C. that began a redevelopment project during 2021. The decrease in rental income for comparable properties is primarily due to reductions in occupied space at certain of our properties in the 2021 period. Rental income includes non-cash straight line rent adjustments totaling \$3,924 in the 2021 period and \$3,912 in the 2020 period, and amortization of acquired real estate leases and assumed real estate lease obligations totaling \$(447) in the 2021 period and \$(1,312) in the 2020 period.

Real estate taxes. The increase in real estate taxes primarily reflects an increase in real estate taxes of \$5,844 related to acquired properties, offset by decreases of \$932 related to property disposition activities, \$543 for comparable properties and \$415 for properties undergoing significant redevelopment. Real estate taxes for comparable properties decreased primarily due to decreases in assessed values and refunds received in the 2021 period at certain of our properties as a result of successful real estate tax appeals.

Utility expenses. The decrease in utility expenses reflects decreases in utility expenses of \$155 for properties undergoing significant redevelopment, \$151 related to property disposition activities and \$92 for comparable properties, offset by an increase in utility expenses of \$223 for acquired properties. The decrease in utility expenses for comparable properties is primarily due to a decrease in electricity and water usage as a result of reductions in occupied space at certain of our properties in the 2021 period, partially offset by an increase related to utility expenses in the 2021 period previously paid directly by one of our tenants that are now being paid by us pursuant to a lease amendment with that tenant effective in January 2021.

Other operating expenses. Other operating expenses consist of salaries and benefit costs of property level personnel, repairs and maintenance expense, cleaning expense, other direct costs of operating our properties and property management fees. The increase in other operating expenses primarily reflects an increase of \$1,910 for acquired properties, offset by decreases of \$841 related to property disposition activities, \$463 for comparable properties and \$435 for properties undergoing significant redevelopment. The decrease in other operating expenses for comparable properties is primarily due to a decrease in repairs and maintenance expenses at certain of our properties in the 2021 period.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects decreases of \$4,868 for comparable properties and \$4,817 related to property disposition activities, offset by an increase of \$6,991 for acquired properties. Depreciation and amortization for comparable properties declined due to certain leasing related assets becoming fully depreciated after July 1, 2020.

Loss on impairment of real estate. We recorded a \$2,954 loss on impairment of real estate in the 2020 period to reduce the carrying value of four properties to their estimated fair values less costs to sell.

General and administrative. General and administrative expenses consist of fees pursuant to our business management agreement, equity compensation expense, legal and accounting fees, Trustees' fees and expenses, securities listing and transfer agency fees and other costs relating to our status as a publicly traded company. The decrease in general and administrative expenses is primarily the result of the reversal of \$6,627 of previously accrued estimated business management incentive fees in the 2021 period and the expiration of an office lease in January 2021 for which we were the lessee, partially offset by an increase in base business management fees resulting from an increase in average total market capitalization in the 2021 period compared to the 2020 period.

Gain on sale of real estate. Gain on sale of real estate for the 2021 period represents a net gain on the sale of three properties.

Interest and other income. Interest and other income reflects interest earned, if any, on cash balances invested.

Interest expense. The decrease in interest expense is primarily due to lower weighted average interest expense incurred on balances outstanding in the 2021 period as a result of financing activities since July 1, 2020, which included the aggregate redemption or repayment of debt totaling \$720,635 with a weighted average interest rate of 4.8% and the aggregate issuance of \$1,312,000 of senior unsecured notes with a weighted average interest rate of 3.2%, partially offset by higher interest expense incurred as a result of a higher average outstanding balance under our revolving credit facility during the 2021 period compared to the 2020 period.

Loss on early extinguishment of debt. We recorded a loss on early extinguishment of debt of \$2,274 in the 2021 period from prepayment fees incurred and the write off of unamortized discounts associated with the prepayment of our senior unsecured notes due 2022.

Income tax (expense) benefit. Income tax (expense) benefit is primarily the result of operating income or losses in jurisdictions where we are subject to state income taxes.

Equity in net losses of investees. Equity in net losses of investees represents our proportionate share of losses from our investments in two unconsolidated joint ventures.

Net income (loss). The change in net income (loss) and net income (loss) per basic and diluted common share from 2020 to 2021 is primarily a result of the changes noted above.

RESULTS OF OPERATIONS (amounts in thousands, except per share amounts)

Nine Months Ended September 30, 2021, Compared to Nine Months Ended September 30, 2020

	Comparable Properties ⁽¹⁾ Results Nine Months Ended September 30,				Non-Comparable Properties Results Nine Months Ended September 30,		Consolidated Results Nine Months Ended September 30,			
	2021	2020	\$ Change	% Change	2021	2020	2021	2020	\$ Change	% Change
Rental income	\$ 388,517	\$ 391,233	\$ (2,716)	(0.7 %)	\$ 40,678	\$ 50,061	\$ 429,195	\$ 441,294	\$ (12,099)	(2.7 %)
Operating expenses:										
Real estate taxes	42,584	42,616	(32)	(0.1 %)	9,549	6,085	52,133	48,701	3,432	7.0 %
Utility expenses	17,182	17,338	(156)	(0.9 %)	1,949	2,439	19,131	19,777	(646)	(3.3 %)
Other operating expenses	69,751	69,551	200	0.3 %	7,123	8,482	76,874	78,033	(1,159)	(1.5 %)
Total operating expenses	129,517	129,505	12	— %	18,621	17,006	148,138	146,511	1,627	1.1 %
NOI ⁽²⁾	\$ 259,000	\$ 261,728	\$ (2,728)	(1.0 %)	\$ 22,057	\$ 33,055	281,057	294,783	(13,726)	(4.7 %)
Other expenses:										
Depreciation and amortization							178,991	189,340	(10,349)	(5.5 %)
Loss on impairment of real estate							55,854	2,954	52,900	n/m
General and administrative							24,690	21,372	3,318	15.5 %
Total other expenses							259,535	213,666	45,869	21.5 %
Gain on sale of real estate							54,154	10,822	43,332	n/m
Interest and other income							7	738	(731)	(99.1 %)
Interest expense							(84,728)	(79,461)	(5,267)	6.6 %
Loss on early extinguishment of debt							(14,068)	(3,839)	(10,229)	n/m
Income (loss) before income tax expense and equity in net losses of investees							(23,113)	9,377	(32,490)	n/m
Income tax expense							(348)	(220)	(128)	58.2 %
Equity in net losses of investees							(1,664)	(815)	(849)	104.2 %
Net income (loss)							\$ (25,125)	\$ 8,342	\$ (33,467)	n/m
Weighted average common shares outstanding (basic and diluted)							48,179	48,111	68	0.1 %
Per common share amounts (basic and diluted):										
Net income (loss)							\$ (0.52)	\$ 0.17	\$ (0.69)	n/m

n/m - not meaningful

- (1) Comparable properties consists of 163 properties we owned on September 30, 2021 and which we owned continuously since January 1, 2020 and excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.
- (2) Our definition of NOI and our reconciliation of net income (loss) to NOI are included below under the heading "Non-GAAP Financial Measures."

References to changes in the income and expense categories below relate to the comparison of consolidated results for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020.

Rental income. The decrease in rental income reflects decreases in rental income of \$17,798 related to property disposition activities, \$8,472 for properties undergoing significant redevelopment and \$2,716 for comparable properties, offset by an

increase in rental income of \$16,887 for acquired properties. The decrease in rental income for properties undergoing significant redevelopment is primarily due to the reduction in occupied space at a property located in Washington, D.C. that began a redevelopment project during the 2021 period. The decrease in rental income for comparable properties is primarily due to reductions in occupied space at certain of our properties in the 2021 period. Rental income includes non-cash straight line rent adjustments totaling \$13,128 in the 2021 period and \$12,963 in the 2020 period, and amortization of acquired real estate leases and assumed real estate lease obligations totaling \$(1,836) in the 2021 period and \$(4,149) in the 2020 period.

Real estate taxes. The increase in real estate taxes primarily reflects an increase in real estate taxes of \$5,992 for acquired properties, offset by decreases in real estate taxes of \$1,478 related to property disposition activities, \$1,050 for properties undergoing significant redevelopment and \$32 for comparable properties.

Utility expenses. The decrease in utility expenses reflects decreases in utility expenses of \$439 related to property disposition activities, \$290 for properties undergoing significant redevelopment and \$156 for comparable properties, offset by an increase in utility expenses of \$239 for acquired properties. Utility expenses for comparable properties declined primarily due to a decrease in electricity and water usage resulting from cost savings initiatives implemented by our manager, RMR LLC, in response to decreased space utilization at our properties as a result of the COVID-19 pandemic and reductions in occupied space at certain of our properties in the 2021 period, partially offset by an increase related to utility expenses in the 2021 period previously paid directly by one of our tenants that are now being paid by us pursuant to a lease amendment with that tenant effective in January 2021.

Other operating expenses. The decrease in other operating expenses primarily reflects decreases in other operating expenses of \$2,557 related to property disposition activities and \$885 for properties undergoing significant redevelopment, offset by increases in other operating expenses of \$2,083 for acquired properties and \$200 for comparable properties.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects decreases of \$11,359 for comparable properties and \$7,187 related to property disposition activities, offset by increases of \$8,158 for acquired properties and \$39 for properties undergoing significant redevelopment. Depreciation and amortization for comparable properties decreased due to certain leasing related assets becoming fully depreciated after January 1, 2020.

Loss on impairment of real estate. We recorded a \$55,854 loss on impairment of real estate in the 2021 period to reduce the carrying value of six properties to their estimated fair values less costs to sell, which includes \$45,196 related to three properties containing approximately 2,001 rentable square feet that were sold during the nine months ended September 30, 2021, as well as \$10,658 related to three properties containing approximately 448 rentable square feet that were classified as held for sale as of September 30, 2021. We recorded a \$2,954 loss on impairment of real estate in the 2020 period to reduce the carrying value of four properties to their estimated fair values less costs to sell.

General and administrative. The increase in general and administrative expenses is primarily the result of \$4,484 of estimated business management incentive fees recorded in the 2021 period and an increase in base business management fees resulting from an increase in average total market capitalization in the 2021 period compared to the 2020 period, partially offset by the expiration of an office lease in January 2021 for which we were the lessee and lower accounting and legal costs.

Gain on sale of real estate. We recorded a \$54,154 net gain on sale of real estate resulting from the sale of four properties and a warehouse facility adjacent to a property we own during the 2021 period. We recorded a \$10,822 net gain on sale of real estate resulting from the sale of six properties during the 2020 period.

Interest and other income. The decrease in interest and other income is primarily due to a settlement payment we received in the 2020 period resulting from a dispute with a vendor, the June 2020 payoff of a mortgage note receivable in connection with a property we sold in 2016 and the effect of lower returns on cash invested in the 2021 period compared to the 2020 period.

Interest expense. The increase in interest expense is primarily due to higher average outstanding debt balances in the 2021 period resulting from the aggregate issuance of \$1,462,000 of senior unsecured notes with a weighted average interest rate of 3.5% since January 1, 2020, partially offset by the aggregate redemption or repayment of debt totaling \$833,187 with a weighted average interest rate of 4.8% since January 1, 2020 and lower interest expense incurred as a result of having a lower average balance outstanding under our revolving credit facility during the 2021 period compared to the 2020 period and lower average interest rates on amounts outstanding.

Loss on early extinguishment of debt. We recorded a loss on early extinguishment of debt of \$14,068 in the 2021 period from prepayment fees incurred and the write off of unamortized discounts and debt issuance costs associated with the prepayment of one mortgage note and the redemption of our senior unsecured notes due 2022 and 2046. In the 2020 period, we

recorded a loss on early extinguishment of debt of \$3,839 from prepayment fees incurred, the write off of unamortized discounts, premiums and debt issuance costs associated with the prepayment of three mortgage notes and a loss on the settlement of a mortgage note receivable related to a property sold in 2016.

Income tax expense. Income tax expense primarily reflects operating income earned in jurisdictions where we are subject to state income taxes.

Equity in net losses of investees. Equity in net losses of investees represents our proportionate share of losses from our investments in two unconsolidated joint ventures.

Net income (loss). Our net income (loss) and net income (loss) per basic and diluted common share decreased in the 2021 period compared to the 2020 period primarily as a result of the changes noted above.

Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of the applicable rules of the Securities and Exchange Commission, or SEC, including the calculations below of NOI, funds from operations, or FFO, and normalized funds from operations, or Normalized FFO. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) as presented in our condensed consolidated statements of comprehensive income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI, reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

Net Operating Income

The calculation of NOI excludes certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We calculate NOI as shown below. We define NOI as income from our rental of real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We use NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI differently than we do.

The following table presents the reconciliation of net income (loss) to NOI for the three and nine months ended September 30, 2021 and 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 3,712	\$ (3,797)	\$ (25,125)	\$ 8,342
Equity in net losses of investees	688	279	1,664	815
Income tax expense (benefit)	34	(54)	348	220
Income (loss) before income tax expense (benefit) and equity in net losses of investees	4,434	(3,572)	(23,113)	9,377
Loss on early extinguishment of debt	2,274	—	14,068	3,839
Interest expense	26,929	27,097	84,728	79,461
Interest and other income	—	(2)	(7)	(738)
Gain on sale of real estate	(36)	—	(54,154)	(10,822)
General and administrative	448	7,059	24,690	21,372
Loss on impairment of real estate	(3)	2,954	55,854	2,954
Depreciation and amortization	59,533	62,227	178,991	189,340
NOI	\$ 93,579	\$ 95,763	\$ 281,057	\$ 294,783

Funds From Operations and Normalized Funds From Operations

We calculate FFO and Normalized FFO as shown below. FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, which is net income (loss), calculated in accordance with GAAP, plus real estate depreciation and amortization of consolidated properties and our proportionate share of the real estate depreciation and amortization of unconsolidated joint venture properties, but excluding impairment charges on real estate assets and any gain or loss on sale of real estate, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the other items shown below and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

The following table presents the reconciliation of net income (loss) to FFO and Normalized FFO for the three and nine months ended September 30, 2021 and 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 3,712	\$ (3,797)	\$ (25,125)	\$ 8,342
Add (less): Depreciation and amortization:				
Consolidated properties	59,533	62,227	178,991	189,340
Unconsolidated joint venture properties	745	1,244	2,674	3,722
Loss on impairment of real estate	(3)	2,954	55,854	2,954
Gain on sale of real estate	(36)	—	(54,154)	(10,822)
FFO	63,951	62,628	158,240	193,536
Add (less): Loss on early extinguishment of debt	2,274	—	14,068	3,839
Estimated business management incentive fees	(6,627)	—	4,484	—
Normalized FFO	\$ 59,598	\$ 62,628	\$ 176,792	\$ 197,375
Weighted average common shares outstanding (basic)	48,211	48,132	48,179	48,111
Weighted average common shares outstanding (diluted)	48,244	48,132	48,179	48,111
FFO per common share (basic and diluted)	\$ 1.33	\$ 1.30	\$ 3.28	\$ 4.02
Normalized FFO per common share (basic and diluted)	\$ 1.24	\$ 1.30	\$ 3.67	\$ 4.10

LIQUIDITY AND CAPITAL RESOURCES

Our Operating Liquidity and Resources (dollar amounts in thousands, except per share amounts)

Our principal sources of funds to meet operating and capital expenses, pay debt service obligations and make distributions to our shareholders are the operating cash flows we generate from our properties, net proceeds from property sales and borrowings under our revolving credit facility. We believe that these sources of funds will be sufficient to meet our operating and capital expenses, pay debt service obligations and make distributions to our shareholders for the next 12 months and for the foreseeable future thereafter. Our future cash flows from operating activities will depend primarily upon:

- our ability to collect rent from our tenants;
- our ability to maintain or increase the occupancy of, and the rental rates at, our properties;
- our ability to control operating and capital expenses at our properties;
- our ability to successfully sell properties that we market for sale;
- our ability to develop or redevelop properties to produce cash flows in excess of our cost of capital; and

- our ability to purchase additional properties which produce cash flows from operations in excess of our cost of acquisition capital and property operating and capital expenses.

On October 14, 2021, we announced a regular quarterly cash distribution of \$0.55 per common share (\$2.20 per common share per year). We determine our distribution payout ratio with consideration for our expected capital expenditures as well as cash flows from operations and debt obligations.

We expect to accretively grow our property portfolio through our capital recycling program, pursuant to which we plan to sell certain properties from time to time to fund future acquisitions and to maintain leverage consistent with our current investment grade ratings with a goal of (1) improving the asset quality of our portfolio by reducing the average age of our properties, lengthening the weighted average term of our leases and increasing the likelihood of retaining our tenants and (2) increasing our cash available for distribution. During the nine months ended September 30, 2021, we acquired three properties for an aggregate purchase price of \$576,975, excluding purchase price adjustments and acquisition related costs, and we sold six properties and a warehouse facility adjacent to a property we own for an aggregate sales price of \$198,415, excluding closing costs. In October 2021, we sold two vacant land parcels adjacent to properties we own located in Sterling, VA for a sales price of \$28,500, excluding closing costs. As of October 27, 2021, we have also entered into an agreement to sell five properties located in Brookhaven, GA for a sales price of \$56,000, excluding closing costs. In addition, we are currently marketing for sale 17 properties containing approximately 2,161,000 rentable square feet that we expect to generate approximately \$200,000 of gross proceeds. We expect to substantially complete these dispositions by mid-year 2022. Given the current economic conditions, we continue to carefully consider our capital allocation strategy and believe we are well positioned to opportunistically recycle and deploy capital.

Our future purchases of properties cannot be accurately projected because such purchases depend upon purchase opportunities which come to our attention and our ability to successfully complete the acquisitions. We generally do not intend to purchase “turn around” properties, or properties which do not generate positive cash flows.

The following is a summary of our sources and uses of cash flows for the periods presented, as reflected in our condensed consolidated statements of cash flows:

	Nine Months Ended September 30,	
	2021	2020
Cash, cash equivalents and restricted cash at beginning of period	\$ 56,855	\$ 100,696
Net cash provided by (used in):		
Operating activities	158,682	166,098
Investing activities	(435,698)	18,104
Financing activities	276,181	(227,259)
Cash, cash equivalents and restricted cash at end of period	\$ 56,020	\$ 57,639

The decrease in cash provided by operating activities for the 2021 period compared to the 2020 period was primarily a result of a decline in NOI as a result of property sales in the 2021 period compared to the 2020 period. The increase in cash used in investing activities in the 2021 period compared to the 2020 period is primarily due to higher acquisition activity in the 2021 period compared to the 2020 period, partially offset by higher cash proceeds from our sales of properties. The increase in cash provided by financing activities in the 2021 period compared to the 2020 period is primarily due to the aggregate issuance of \$1,050,000 of senior unsecured notes in the 2021 period compared to \$412,000 of such issuances in the 2020 period, partially offset by higher debt repayment activity in the 2021 period, which included the aggregate redemption of \$610,000 of senior unsecured notes and the repayment of \$71,000 of mortgage debt.

Our Investment and Financing Liquidity and Resources (dollar amounts in thousands, except per share amounts)

In order to fund acquisitions and to meet cash needs that may result from our desire or need to make distributions or pay operating or capital expenses, we maintain a \$750,000 revolving credit facility. The maturity date of our revolving credit facility is January 31, 2023 and, subject to our payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity date of our revolving credit facility by two additional six month periods. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayment is due until maturity. We are required to pay interest at a rate of LIBOR plus a premium, which was 110 basis points per annum at September 30, 2021, on the amount outstanding under our revolving credit facility, if any. We also pay a facility fee on the total amount of lending commitments under our revolving credit facility, which was 25 basis points per annum at September 30,

2021. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. As of September 30, 2021, the annual interest rate payable on borrowings under our revolving credit facility was 1.2%. As of September 30, 2021 and October 27, 2021, we had no amounts outstanding under our revolving credit facility and \$750,000 available for borrowing.

Our credit agreement includes a feature under which the maximum borrowing availability may be increased to up to \$1,950,000 in certain circumstances.

Our credit agreement provides that, with certain exceptions, a subsidiary of ours is required to guaranty our obligations under our \$750,000 revolving credit facility only if that subsidiary has separately incurred debt (other than nonrecourse debt), within the meaning specified in our credit agreement, or provided a guarantee of debt incurred by us or any of our other subsidiaries.

Senior Unsecured Note Issuances

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,826, after deducting underwriters' discounts and offering expenses. We used the net proceeds from this offering to redeem all \$310,000 of our 5.875% senior unsecured notes due 2046. These notes require semi-annual payments of interest only through maturity on June 15, 2026 and may be repaid at par plus accrued and unpaid interest on or after May 15, 2026.

In August 2021, we issued \$350,000 of 2.400% senior unsecured notes due 2027 in an underwritten public offering, raising net proceeds of \$346,630, after deducting underwriters' discounts and offering expenses. We used the net proceeds from this offering to redeem all \$300,000 of our 4.15% senior unsecured notes due 2022, repay amounts outstanding under our revolving credit facility and for general business purposes. These notes require semi-annual payments of interest only through maturity on February 1, 2027 and may be repaid at par plus accrued and unpaid interest on or after January 1, 2027.

In September 2021, we issued \$400,000 of 3.450% senior unsecured notes due 2031 in an underwritten public offering, raising net proceeds of \$395,698, after deducting underwriters' discounts and offering expenses. We used the net proceeds of this offering to repay amounts outstanding under our revolving credit facility and for general business purposes. These notes require semi-annual payments of interest only through maturity on October 15, 2031 and may be repaid at par plus accrued and unpaid interest on or after July 15, 2031.

Senior Unsecured Note Redemptions

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046 using cash on hand and the net proceeds from the issuance of our 2.650% senior unsecured notes due 2026.

In September 2021, we redeemed, at a premium plus accrued interest, all \$300,000 of our 4.15% senior unsecured notes due 2022 using a portion of the net proceeds from the issuance of our 2.400% senior unsecured notes due 2027.

Mortgage Note Repayment

In June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023 using cash on hand and borrowings under our revolving credit facility.

As of September 30, 2021, our debt maturities (other than our revolving credit facility), consisting of senior unsecured notes and mortgage notes, are as follows:

Year	Debt Maturities
2021	\$ 302
2022	325,518
2023	72,784
2024	350,000
2025	650,000
Thereafter	1,212,000
Total	\$ 2,610,604

None of our unsecured debt obligations require sinking fund payments prior to their maturity dates. Our \$98,604 in mortgage debts generally require monthly payments of principal and interest through maturity.

In addition to our debt obligations, as of September 30, 2021, we have estimated unspent leasing related obligations of \$129,369, of which we expect to spend \$69,248 over the next 12 months.

We are currently in the process of redeveloping a property located in Washington, D.C. We currently estimate the total project costs associated with this redevelopment will be approximately \$200,000 and completion of the redevelopment in the first quarter of 2023. As of September 30, 2021, we have incurred approximately \$25,800 related to this project. In June 2021, we entered into a 30-year lease for approximately 230,000 rentable square feet at this property that is approximately 25.1% higher than the prior rental rate for the same space, making the redevelopment project 54% pre-leased.

We currently expect to use cash balances, borrowings under our revolving credit facility, net proceeds from property sales, incurrences or assumptions of mortgage debt and net proceeds from offerings of debt or equity securities to fund our future operations, capital expenditures, distributions to our shareholders and property acquisitions. When significant amounts are outstanding under our revolving credit facility or the maturities of our indebtedness approach, we expect to explore refinancing alternatives. Such alternatives may include incurring term debt, issuing debt or equity securities, extending the maturity date of our revolving credit facility and entering into a new revolving credit facility. We may assume additional mortgage debt in connection with our acquisitions or elect to place new mortgages on properties we own as a source of financing. We may also seek to participate in additional joint venture or other arrangements that may provide us with additional sources of financing. Although we cannot be sure that we will be successful in consummating any particular type of financing, we believe that we will have access to financing, such as debt and equity offerings, to fund future acquisitions and capital expenditures and to pay our obligations. We currently have an effective shelf registration statement that allows us to issue public securities on an expedited basis, but it does not assure that there will be buyers for such securities.

Our ability to obtain, and the costs of, our future debt financings will depend primarily on credit market conditions and our creditworthiness. We have no control over market conditions. Potential investors and lenders likely will evaluate our ability to pay distributions to shareholders, fund required debt service and repay debts when they become due by reviewing our business practices and plans to balance our use of debt and equity capital so that our financial profile and leverage ratios afford us flexibility to withstand any reasonably anticipated adverse changes. Similarly, our ability to raise equity capital in the future will depend primarily upon equity capital market conditions and our ability to conduct our business to maintain and grow our operating cash flows. We intend to conduct our business in a manner that will afford us reasonable access to capital for investment and financing activities, but we cannot be sure that we will be able to successfully carry out this intention. For instance, it is uncertain what the duration and severity of the COVID-19 pandemic and its ultimate economic impact will be. A protracted and extensive economic downturn may cause a decline in financing availability and increased costs for financings. Further, such conditions could also disrupt capital markets and limit our access to financing from public sources.

During the nine months ended September 30, 2021, we paid quarterly distributions to our shareholders totaling \$79,734 using cash on hand. On October 14, 2021, we declared a regular quarterly distribution payable to shareholders of record on October 25, 2021 of \$0.55 per share, or approximately \$26,600. We expect to pay this distribution on or about November 18, 2021 using cash on hand. For more information regarding the distributions we paid and declared during 2021, see Note 8 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We own 51% and 50% interests in two unconsolidated joint ventures which own three properties. The properties owned by these joint ventures are encumbered by an aggregate \$82,000 principal amount of mortgage indebtedness, none of which is recourse to us. We do not control the activities that are most significant to these joint ventures and, as a result, we account for

our investments in these joint ventures under the equity method of accounting. For more information on the financial condition and results of operations of these joint ventures, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Other than these joint ventures, as of September 30, 2021, we had no off balance sheet arrangements that have had or that we expect would be reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

U.S. Government Funding

The U.S. government recently increased its debt ceiling, which the U.S. Department of the Treasury has stated will provide the U.S. Government with sufficient funding to pay its obligations through December 3, 2021. It is uncertain whether the U.S. government will further increase its debt ceiling. If it does not, and does not find other means to sufficiently fund its obligations, the U.S. government could default on its debts or other obligations, which could potentially include its rent owed to us.

Debt Covenants (dollars in thousands)

Our principal debt obligations at September 30, 2021 consisted of an aggregate outstanding principal balance of \$2,512,000 of public issuances of senior unsecured notes and mortgage notes with an aggregate outstanding principal balance of \$98,604, that were assumed in connection with certain of our acquisitions. Also, the three properties owned by two joint ventures in which we own 51% and 50% interests secure two additional mortgage notes. Our publicly issued senior unsecured notes are governed by indentures and their supplements. Our credit agreement and our senior unsecured notes indentures and their supplements provide for acceleration of payment of all amounts outstanding upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes RMR LLC ceasing to act as our business and property manager. Our credit agreement and our senior unsecured notes indentures and their supplements also contain a number of covenants, including those that restrict our ability to incur debts, including debts secured by mortgages on our properties, in excess of calculated amounts, require us to comply with certain financial covenants and, in the case of our credit agreement, restrict our ability to make distributions to our shareholders under certain circumstances. As of September 30, 2021, we believe we were in compliance with the terms and conditions of our respective covenants under our credit agreement and senior unsecured notes indentures and their supplements. Our mortgage notes are non-recourse, subject to certain limited exceptions, and do not contain any material financial covenants.

Neither our credit agreement nor our senior unsecured notes indentures and their supplements contain provisions for acceleration which could be triggered by our credit ratings. However, under our credit agreement our highest senior credit rating is used to determine the fees and interest rates we pay. Accordingly, if that credit rating is downgraded, our interest expense and related costs under our credit agreement would increase.

Our credit agreement has cross default provisions to other indebtedness that is recourse of \$25,000 or more and indebtedness that is non-recourse of \$50,000 or more. Similarly, our senior unsecured notes indentures and their supplements contain cross default provisions to any other debts of more than \$25,000 (or up to \$50,000 in certain circumstances).

Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, RMR Inc. and others related to them. For more information about these and other such relationships and related person transactions, see Notes 9 and 10 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2020 Annual Report, our definitive Proxy Statement for our 2021 Annual Meeting of Shareholders and our other filings with the SEC. In addition, see the section captioned “Risk Factors” of our 2020 Annual Report for a description of risks that may arise as a result of these and other related person transactions and relationships. We may engage in additional transactions with related persons, including businesses to which RMR LLC or its subsidiaries provide management services.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (dollar amounts in thousands, except per share data)

We are exposed to risks associated with market changes in interest rates. We manage our exposure to this market risk by monitoring available financing alternatives. Our strategy to manage exposure to changes in interest rates has not materially changed since December 31, 2020. Other than as described below, we do not currently foresee any significant changes in our exposure to fluctuations in interest rates or in how we manage this exposure in the near future.

Fixed Rate Debt

At September 30, 2021, our outstanding fixed rate debt consisted of the following:

Debt	Principal Balance ⁽¹⁾	Annual Interest Rate ⁽¹⁾	Annual Interest Expense ⁽¹⁾	Maturity	Interest Payments Due
Senior unsecured notes	\$ 300,000	4.000%	\$ 12,000	2022	Semi-annually
Senior unsecured notes	350,000	4.250%	14,875	2024	Semi-annually
Senior unsecured notes	650,000	4.500%	29,250	2025	Semi-annually
Senior unsecured notes	300,000	2.650%	7,950	2026	Semi-annually
Senior unsecured notes	350,000	2.400%	8,400	2027	Semi-annually
Senior unsecured notes	400,000	3.450%	13,800	2031	Semi-annually
Senior unsecured notes	162,000	6.375%	10,328	2050	Quarterly
Mortgage note (one property in Washington, D.C.)	25,245	4.220%	1,065	2022	Monthly
Mortgage note (one property in Chicago, IL)	50,000	3.700%	1,850	2023	Monthly
Mortgage note (one property in Washington, D.C.)	23,359	4.800%	1,121	2023	Monthly
Total	\$ 2,610,604		\$ 100,639		

- (1) The principal balances and annual interest rates are the amounts stated in the applicable contracts. In accordance with GAAP, our carrying values and recorded interest expense may differ from these amounts because of market conditions at the time we issued or assumed these debts. For more information, see Notes 6 and 7 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Our senior unsecured notes require semi-annual or quarterly interest payments through maturity. Our mortgages generally require principal and interest payments through maturity pursuant to amortization schedules. Because these debts require interest to be paid at a fixed rate, changes in market interest rates during the term of these debts will not affect our interest obligations. If these debts were refinanced at interest rates which are one percentage point higher or lower than shown above, our annual interest cost would increase or decrease by approximately \$26,106.

Changes in market interest rates also would affect the fair value of our fixed rate debt obligations; increases in market interest rates decrease the fair value of our fixed rate debt, while decreases in market interest rates increase the fair value of our fixed rate debt. Based on the balances outstanding at September 30, 2021, and discounted cash flow analyses through the respective maturity dates, and assuming no other changes in factors that may affect the fair value of our fixed rate debt obligations, a hypothetical immediate one percentage point increase in interest rates would change the fair value of those obligations by approximately \$119,658.

Some of our fixed rate secured debt arrangements allow us to make repayments earlier than the stated maturity date. In some cases, we are not allowed to make early repayment prior to a cutoff date and we are generally allowed to make prepayments only at a premium equal to a make whole amount, as defined, which is generally designed to preserve a stated yield to the note holder. These prepayment rights may afford us opportunities to mitigate the risk of refinancing our debts at maturity at higher rates by refinancing prior to maturity.

At September 30, 2021, we had noncontrolling ownership interests of 51% and 50% in two unconsolidated joint ventures that own three properties that are secured by fixed rate debt consisting of the following mortgage notes:

Debt	Our JV Ownership Interest	Principal Balance ⁽¹⁾⁽²⁾	Annual Interest Rate ⁽¹⁾	Annual Interest Expense ⁽¹⁾	Maturity	Interest Payments Due
Mortgage note (two properties in Fairfax, VA)	51%	\$ 50,000	4.090%	\$ 2,045	2029	Monthly
Mortgage note (one property in Washington, D.C.)	50%	32,000	3.690%	1,181	2024	Monthly
Total		\$ 82,000		\$ 3,226		

- (1) The principal balances and annual interest rates are the amounts stated in the applicable contracts. In accordance with GAAP, the joint ventures' recorded interest expense may differ from these amounts because of market conditions at the time they incurred the debt.

- (2) Reflects the entire balance of the debt secured by the properties and is not adjusted to reflect the interests in the joint ventures we do not own. None of the debt is recourse to us.

Floating Rate Debt

At September 30, 2021, we had no outstanding floating rate debt under our revolving credit facility. Our revolving credit facility matures on January 31, 2023 and, subject to the payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity by two six month periods. No principal repayments are required under our revolving credit facility prior to maturity, and we can borrow, repay and reborrow funds available under our revolving credit facility, subject to conditions, at any time without penalty.

Borrowings under our revolving credit facility are in U.S. dollars and require interest to be paid at a rate of LIBOR plus premiums that are subject to adjustment based upon changes to our credit ratings. Accordingly, we are vulnerable to changes in U.S. dollar based short term rates, specifically LIBOR, and to changes in our credit ratings. In addition, upon renewal or refinancing of our revolving credit facility, we are vulnerable to increases in interest rate premiums due to market conditions or our perceived credit characteristics. Generally, a change in interest rates would not affect the value of our floating rate debt but would affect our operating results.

The following table presents the impact a one percentage point increase in interest rates would have on our annual floating rate interest expense as of September 30, 2021 if we were fully drawn on our revolving credit facility:

Impact of an Increase in Interest Rates				
	Annual Interest Rate ⁽¹⁾	Outstanding Debt	Total Interest Expense Per Year	Annual Earnings Per Share Impact ⁽²⁾
At September 30, 2021	1.2 %	\$ 750,000	\$ 9,000	\$ 0.19
One percentage point increase	2.2 %	\$ 750,000	\$ 16,500	\$ 0.34

(1) Based on LIBOR plus a premium, which was 110 basis points per annum, as of September 30, 2021.

(2) Based on the weighted average shares outstanding (diluted) for the nine months ended September 30, 2021.

The foregoing table shows the impact of an immediate increase in floating interest rates as of September 30, 2021. If interest rates were to increase gradually over time, the impact would be spread over time. Our exposure to fluctuations in floating interest rates will increase or decrease in the future with increases or decreases in the outstanding amount under our revolving credit facility or our other floating rate debt, if any. Although we have no present plans to do so, we may in the future enter into hedge arrangements from time to time to mitigate our exposure to changes in interest rates.

LIBOR Phase Out

LIBOR is currently expected to be phased out for new contracts by December 31, 2021 and for pre-existing contracts by June 30, 2023. We are required to pay interest on borrowings under our revolving credit facility at a floating rate based on LIBOR. Interest we may pay on any future debt that we may incur may also require that we pay interest based upon LIBOR. We currently expect that the determination of interest under our revolving credit facility would be revised as provided under our credit agreement or amended as necessary to provide for an interest rate that approximates the existing interest rate as calculated in accordance with LIBOR. Despite our current expectations, we cannot be sure that, if LIBOR is phased out or transitioned, the changes to the determination of interest under our agreements would approximate the current calculation in accordance with LIBOR. We do not know what standard, if any, will replace LIBOR if it is phased out or transitioned.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management carried out an evaluation, under the supervision and with the participation of our Managing Trustees, our President and Chief Operating Officer and our Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our Managing Trustees, our President and Chief Operating Officer and our Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Warning Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Forward-looking statements in this Quarterly Report on Form 10-Q relate to various aspects of our business, including:

- The duration and severity of the COVID-19 pandemic and its impact on us and our tenants and our tenants’ ability and willingness to pay us rent,
- Our expectations about the financial strength of our tenants,
- The likelihood that our rents will increase when we renew or extend our leases or enter new leases,
- Our belief that we are in a position to opportunistically recycle and deploy capital,
- Our expectations that the diversity and other characteristics of our property portfolio and our financial resources will result in our ability to successfully withstand the current economic conditions,
- The likelihood that our tenants will renew or extend their leases and not exercise early termination options pursuant to their leases or that we will obtain replacement tenants, on terms as favorable to us as our prior leases,
- The likelihood that our tenants will be negatively affected by cyclical economic conditions or government budget constraints and, if so, the impact that may have on their ability and willingness to lease our properties and pay us rent,
- Our ability to successfully execute our capital recycling program,
- The expectation that, as a result of the COVID-19 pandemic, leasing activity may remain volatile until office property market conditions meaningfully improve and stabilize,
- Our ability to pay distributions to our shareholders and to maintain or increase the amount of such distributions,
- Our expectations regarding occupancy at our properties,
- Our expectations regarding our future financial performance including FFO, Normalized FFO or NOI,
- Our expectations regarding demand for leased space,
- Our expectations regarding capital expenditures,
- Our expectation that there will be opportunities for us to acquire, and that we will acquire, additional properties primarily leased to single tenants and tenants with high credit quality characteristics such as government entities,
- Our expectations regarding the costs and timing of our redevelopment projects,
- Our ability to compete for acquisitions and tenancies effectively,
- Our sales and acquisitions of properties,
- Our policies and plans regarding investments, financings and dispositions,
- Our ability to appropriately balance our use of debt and equity capital,
- The future availability of borrowings under our revolving credit facility,
- Our ability to raise debt or equity capital,
- Our ability to pay interest on and principal of our debt,
- Our ability to maintain sufficient liquidity during the duration of the COVID-19 pandemic and any resulting economic downturn,

- The U.S. government's debt ceiling limit and related impact on its ability to fund its obligations, including pay rent owed to us,
- Our credit ratings,
- Our expectation that we benefit from our relationships with RMR LLC,
- The credit qualities of our tenants,
- Our qualification for taxation as a REIT,
- Changes in federal or state tax laws, and
- Other matters.

Our actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. Risks, uncertainties and other factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, FFO, Normalized FFO, NOI, cash flows, liquidity and prospects include, but are not limited to:

- The impact of conditions in the economy, including the COVID-19 pandemic and its aftermath, and the capital markets on us and our tenants,
- Competition within the real estate industry, particularly in those markets in which our properties are located,
- The impact of changes in the real estate needs and financial conditions of our tenants,
- Compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters,
- The impact of any U.S. government shutdown on our ability to collect rents or pay our operating expenses, debt obligations and distributions to shareholders on a timely basis,
- Actual and potential conflicts of interest with our related parties, including our Managing Trustees, RMR LLC, Sonesta and others affiliated with them,
- Limitations imposed on our business and our ability to satisfy complex rules in order for us to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes, and
- Acts of terrorism, outbreaks of pandemics, including the COVID-19 pandemic, or other manmade or natural disasters beyond our control.

For example:

- Our ability to make future distributions to our shareholders and to make payments of principal and interest on our indebtedness depends upon a number of factors, including our receipt of rent from our tenants, our future earnings, the capital costs we incur to lease our properties and our working capital requirements. We may be unable to pay our debt obligations or to maintain our current rate of distributions on our common shares and future distributions may be reduced or eliminated,
- Our ability to grow our business and increase our distributions depends in large part upon our ability to buy properties and lease them for rents, less their property operating costs, that exceed our capital costs. We may be unable to identify properties that we want to acquire, and we may fail to reach agreement with the sellers and complete the purchases of any properties we want to acquire. In addition, any properties we may acquire may not provide us with rents less property operating costs that exceed our capital costs or achieve our expected returns,
- We may fail to maintain, or we may elect to change our distribution rate. Our Board of Trustees considers many factors when setting distribution rates, including our historical and projected income, Normalized FFO, CAD, the then current and expected needs and availability of cash to pay our obligations and fund our investments, distributions which may be required to be paid to maintain our qualification for taxation as a REIT and other factors deemed

relevant by our Board of Trustees. Accordingly, future distribution rates may be increased or decreased and there is no assurance as to the rate at which future distributions will be paid,

- We expect to selectively sell properties from time to time when we determine our continued ownership or ongoing required capital expenditures will not achieve desired returns or when we believe we can successfully pursue more desirable opportunities than retaining those properties. We cannot be sure we will sell any of these properties or what the terms of any sales may be or that we will acquire replacement properties that improve our asset quality or our ability to increase our distributions to shareholders,
- We may not receive the amounts we expect for properties we seek to sell,
- We may not succeed in maintaining our leverage consistent with our current investment grade ratings or levels that the market or credit rating agencies believe are appropriate,
- Some of our tenants may not renew expiring leases or they may exercise their rights, if any, to vacate their space before the stated expirations of their leases, and we may be unable to obtain new tenants to maintain or increase the historical occupancy rates of, or rents from, our properties,
- Rents that we can charge at our properties may decline upon renewals or expirations because of changing market conditions or otherwise,
- Leasing for some of our properties depends on a private sector single tenant and we may be adversely affected by the bankruptcy, insolvency, a downturn of business or a lease termination of such single tenant,
- Our belief that there is a likelihood that tenants may renew or extend our leases prior to their expirations whenever they have made significant investments in the leased properties, or because those properties may be of strategic importance to them, may not be realized,
- Overall new leasing volume may decrease more than we currently expect. In addition, if the COVID-19 pandemic and any resulting economic downturn continue for an extended period or worsen, our tenants may become unable to pay rent or they may elect to not renew their leases with us. Further, some of our government leases provide the tenant with certain rights to terminate their lease early. Budgetary and other fiscal pressures may result in some governmental tenants terminating their leases early or not renewing their leases. In addition, the COVID-19 pandemic has caused changes in workplace practices, including increased remote work arrangements. To the extent those practices become permanent or increased, leasing demand for office space may decline. As a result of these factors, our tenant retention levels could decline and we may experience reduced rent or incur increased costs under future new or renewal leases,
- Our belief that we are well positioned to opportunistically recycle and deploy capital may not be realized. We may fail to identify and execute on opportunities to deploy capital and any deployment of capital we may make may not result in the returns that we expect,
- Our perception that, as a result of the COVID-19 pandemic, government tenants may seek to manage space utilization rates in order to provide greater physical distancing for employees, may prove incorrect,
- Our perception that activity prior to the outbreak of the COVID-19 pandemic suggested that the government had begun to shift its leasing strategy to include longer term leases and that the government was actively exploring 10 to 20 year lease terms at renewal, in some instances, may mistakenly imply that these activities are indicative of a trend or broader change in government leasing strategy or practices that will recommence after the COVID-19 pandemic ends. Further, even if such a trend or change were to recommence, that trend or change may not be sustained by the government,
- Contingencies in our acquisition and sale agreements may not be satisfied and any expected acquisitions and sales and any related lease arrangements we expect to enter may not occur, may be delayed or the terms of such transactions or arrangements may change,
- We expect to pursue accretively growing our property portfolio. However, we may not succeed in making acquisitions that are accretive and future acquisitions could be dilutive,
- The competitive advantages we believe we have may not in fact exist or provide us with the advantages we expect. We may fail to maintain any of these advantages or our competition may obtain or increase their competitive advantages relative to us,

- We intend to conduct our business activities in a manner that will afford us reasonable access to capital for investment and financing activities. However, we may not succeed in this regard and we may not have reasonable access to capital,
- Continued availability of borrowings under our revolving credit facility is subject to our satisfying certain financial covenants and other credit facility conditions that we may be unable to satisfy,
- Actual costs under our revolving credit facility will be higher than LIBOR plus a premium because of fees and expenses associated with such debt,
- The interest rates payable under our floating rate debt obligations depend upon our credit ratings. If our credit ratings are downgraded, our borrowing costs will increase,
- Our ability to access debt capital and the cost of our debt capital will depend in part on our credit ratings. If our credit ratings are downgraded, we may not be able to access debt capital or the debt capital we can access may be expensive,
- We may be unable to repay our debt obligations when they become due,
- The maximum borrowing availability under our revolving credit facility may be increased to up to \$1.95 billion in certain circumstances; however, increasing the maximum borrowing availability under our revolving credit facility is subject to our obtaining additional commitments from lenders, which may not occur,
- We have the option to extend the maturity date of our revolving credit facility upon payment of a fee and meeting other conditions; however, the applicable conditions may not be met,
- We may incur significant costs to prepare a property for tenancy, particularly for single tenant properties,
- We may spend more for capital expenditures than we currently expect,
- We may fail to obtain development rights or entitlements that we may seek for development and other projects we may wish to conduct at our properties,
- Our existing joint venture arrangements and any other joint venture arrangements that we may enter may not be successful,
- Any redevelopment projects we undertake may be unsuccessful, may require greater capital expenditures or other costs than we project or may take significant time to complete,
- We believe that we are well positioned to weather the present disruptions of the COVID-19 pandemic facing the real estate industry. However, the full extent of the future impact of the COVID-19 pandemic is unknown and we may not realize similar or better operating results in the future,
- We believe that the near term impact of the COVID-19 pandemic to us will not be material due to the strength of our tenant base. However, if the COVID-19 pandemic and any resulting economic downturn continue for an extended period of time or worsen, our tenants may be significantly adversely impacted, which may result in those tenants seeking relief from their rent obligations, their inability to pay rent, the termination of their leases or our tenants not renewing their leases or renewing their leases for less space. Therefore, the impact we experience in the near term may be worse than we currently expect and our results of operations and financial position may be negatively affected,
- We have granted requests to some of our tenants to defer payments over, in most cases, a 12-month period, all of which have commenced. However, current market and economic conditions may deteriorate further and the rent assistance granted by us may not be sufficient to ensure that tenants will be able to meet their rent payment obligations under their leases with us, which may result in an increase in tenant defaults and terminations,
- The business and property management agreements between us and RMR LLC have continuing 20 year terms. However, those agreements permit early termination in certain circumstances. Accordingly, we cannot be sure that these agreements will remain in effect for continuing 20 year terms,
- We believe that our relationships with our related parties, including RMR LLC, Sonesta and others affiliated with them, may benefit us and provide us with competitive advantages in operating and growing our business. However, the advantages we believe we may realize from these relationships may not materialize, and

- It is difficult to accurately estimate leasing related obligations and costs of property repositioning, development, redevelopment and tenant improvement costs. Our unspent leasing related obligations and development or redevelopment costs may cost more and may take longer to complete than we currently expect, and we may incur increased amounts for these and similar purposes in the future.

Currently unexpected results could occur due to many different circumstances, some of which are beyond our control, such as the COVID-19 pandemic and its aftermath, changes in our tenants' needs for leased space, the ability of the U.S. and state governments to approve spending bills to fund their obligations, acts of terrorism, natural disasters, climate change or changes in capital markets or the economy generally.

The information contained elsewhere in this Quarterly Report on Form 10-Q and our 2020 Annual Report, or in our other filings with the SEC, including under the caption "Risk Factors", or incorporated herein or therein, identifies other important factors that could cause differences from our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon our forward-looking statements.

Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Statement Concerning Limited Liability

The amended and restated declaration of trust establishing Office Properties Income Trust, dated June 8, 2009, as amended, as filed with the State Department of Assessments and Taxation of Maryland, provides that no trustee, officer, shareholder, employee or agent of Office Properties Income Trust shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, Office Properties Income Trust. All persons dealing with Office Properties Income Trust in any way shall look only to the assets of Office Properties Income Trust for the payment of any sum or the performance of any obligation.

Part II. Other Information

Item 1A. Risk Factors

There have been no material changes to the risk factors from those previously disclosed in our 2020 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer purchases of equity securities. The following table provides information about our purchases of our equity securities during the quarter ended September 30, 2021:

<u>Calendar Month</u>	<u>Number of Shares Purchased ⁽¹⁾</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs</u>
September 2021	25,533	\$ 25.24	—	—

- (1) These common share withholdings and purchases were made to satisfy tax withholding and payment obligations of one of our Trustees, our officers and certain other employees of RMR LLC in connection with awards of our common shares and the vesting of those and prior awards of common shares to them. We withheld and purchased these shares at their fair market values based upon the trading prices of our common shares at the close of trading on Nasdaq on the purchase dates.

Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Composite Copy of Amended and Restated Declaration of Trust, dated June 8, 2009, as amended to date. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.)
3.2	Amended and Restated Bylaws of the Company, adopted March 27, 2019. (Incorporated by reference to the Company's Current Report on Form 8-K filed on March 28, 2019.)

- 4.1 [Form of Common Share Certificate. \(Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.\)](#)
- 4.2 [Indenture, dated as of July 20, 2017, between the Company and U.S. Bank National Association. \(Incorporated by reference to the Company's Current Report on Form 8-K filed on July 21, 2017.\)](#)
- 4.3 [First Supplemental Indenture, dated as of July 20, 2017, between the Company and U.S. Bank National Association, relating to the Company's 4.000% Senior Notes due 2022, including form thereof. \(Incorporated by reference to the Company's Current Report on Form 8-K filed on July 21, 2017.\)](#)
- 4.4 [Second Supplemental Indenture, dated as of June 23, 2020, between the Company and U.S. Bank National Association, relating to the Company's 6.375% Senior Notes due 2050, including form thereof. \(Incorporated by reference to the Company's Registration Statement on Form 8-A filed on June 23, 2020.\)](#)
- 4.5 [Third Supplemental Indenture, dated as of May 18, 2021, between the Company and U.S. Bank National Association, relating to the Company's 2.650% Senior Notes due 2026, including form thereof. \(Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.\)](#)
- 4.6 [Fourth Supplemental Indenture, dated as of August 13, 2021, between the Company and U.S. Bank National Association, relating to the Company's 2.400% Senior Notes due 2027, including form thereof. \(Filed herewith.\)](#)
- 4.7 [Fifth Supplemental Indenture, dated as of September 28, 2021, between the Company and U.S. Bank National Association, relating to the Company's 3.450% Senior Notes due 2031, including form thereof. \(Filed herewith.\)](#)
- 4.8 [Indenture, dated as of February 3, 2015, between the Company \(as successor to Select Income REIT\) and U.S. Bank National Association. \(Incorporated by reference to Select Income REIT's Current Report on Form 8-K filed on February 3, 2015.\)](#)
- 4.9 [First Supplemental Indenture, dated as of February 3, 2015, between the Company \(as successor to Select Income REIT\) and U.S. Bank National Association, including the form of 4.50% Senior Notes due 2025. \(Incorporated by reference to Select Income REIT's Current Report on Form 8-K filed on February 3, 2015.\)](#)
- 4.10 [Second Supplemental Indenture, dated as of May 15, 2017, between the Company \(as successor to Select Income REIT\) and U.S. Bank National Association, including the form of 4.250% Senior Notes due 2024. \(Incorporated by reference to Select Income REIT's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed by Select Income REIT on July 25, 2017.\)](#)
- 4.11 [Third Supplemental Indenture, dated as of December 31, 2018, among Select Income REIT, the Company and U.S. Bank National Association. \(Incorporated by reference to the Company's Current Report on Form 8-K filed on December 31, 2018.\)](#)
- 4.12 [Authentication Order, dated as of September 24, 2020, from the Company to U.S. Bank National Association, relating to the Company's 4.50% Senior Notes due 2025. \(Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.\)](#)
- 4.13 [Registration Rights and Lock-Up Agreement, dated as of June 5, 2015, among the Company, ABP Trust \(f/k/a Reit Management & Research Trust\) and Adam D. Portnoy. \(Incorporated by reference to the Company's Current Report on Form 8-K filed on June 8, 2015.\)](#)
- 10.1 [Second Amendment to Second Amended and Restated Business Management Agreement, effective as of August 1, 2021, between the Company and The RMR Group LLC. \(Filed herewith.\)](#)
- 31.1 [Rule 13a-14\(a\) Certification. \(Filed herewith.\)](#)
- 31.2 [Rule 13a-14\(a\) Certification. \(Filed herewith.\)](#)
- 31.3 [Rule 13a-14\(a\) Certification. \(Filed herewith.\)](#)
- 31.4 [Rule 13a-14\(a\) Certification. \(Filed herewith.\)](#)
- 32.1 [Section 1350 Certification. \(Furnished herewith.\)](#)

101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Christopher J. Bilotto
Christopher J. Bilotto
President and Chief Operating Officer
Dated: October 28, 2021

By: /s/ Matthew C. Brown
Matthew C. Brown
Chief Financial Officer and Treasurer
(principal financial officer and principal accounting officer)
Dated: October 28, 2021

FOURTH SUPPLEMENTAL INDENTURE

between

OFFICE PROPERTIES INCOME TRUST

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of August 13, 2021

SUPPLEMENTAL TO THE INDENTURE DATED AS OF JULY 20, 2017

OFFICE PROPERTIES INCOME TRUST

2.400% Senior Notes due 2027

This FOURTH SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”) dated as of August 13, 2021 between Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust organized and existing under the laws of the State of Maryland (the “*Company*”), having its principal office at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, and U.S. Bank National Association, a national banking organization organized and existing under the laws of the United States, as Trustee (the “*Trustee*”).

RECITALS OF THE COMPANY

The Company (then known as Government Properties Income Trust) and the Trustee are parties to an Indenture, dated as of July 20, 2017 (as from time to time hereafter amended, supplemented or otherwise modified in so far as it applies to the Notes (as defined herein), the “*Base Indenture*” and, together with this Supplemental Indenture, as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) to provide for the future issuance of the Company’s senior unsecured debentures, notes or other evidences of indebtedness (the “*Securities*”), to be issued from time to time in one or more series; and

Pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of a series of its Securities, to be known as its 2.400% Senior Notes due 2027, the form and substance of such Securities and the terms, provisions and conditions thereof to be set forth as provided in the Indenture;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

ARTICLE 1

DEFINED TERMS

Section 1.1 Terms Defined in Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed to such terms in the Base Indenture.

Section 1.2 Supplemental Definitions. The following definitions supplement, and, to the extent inconsistent with, replace the definitions in Section 101 of the Base Indenture:

“*Acquired Debt*” means Debt of a Person: (i) existing at the time such Person becomes a Subsidiary; or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt is deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

“*Adjusted Total Assets*” has the meaning provided in clause (i) of Section 3.1(a) of this Supplemental Indenture.

“*Annual Debt Service*” as of any date means the maximum amount which is expensed in any 12-month period for interest on Debt of the Company and its Subsidiaries, excluding amortization of debt discounts and deferred financing costs.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York or in the city in which the Corporate Trust Office is located are required or authorized to close.

“*Capital Stock*” means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participation or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for capital stock), warrants or options to purchase any thereof.

“*Cash Equivalents*” means demand deposits, certificates of deposit or repurchase agreements with banks or other financial institutions, marketable obligations issued or directly and fully guaranteed as to timely payment by the United States of America or any of its agencies or instrumentalities, or any commercial paper or other obligation rated, at time of purchase, “P-2” (or its equivalent) or better by Moody’s Investors Service, Inc. (or any successor thereof) or “A-2” (or its equivalent) or better by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (or any successor thereof).

“*Consolidated Income Available for Debt Service*” for any period means Earnings from Operations of the Company and its Subsidiaries plus amounts which have been deducted, and minus amounts which have been added, for the following (without duplication): (i) interest on Debt of the Company and its Subsidiaries; (ii) provision for taxes of the Company and its Subsidiaries based on income; (iii) amortization of debt premium/discount and deferred debt issuance costs; (iv) provisions for gains and losses on properties and property depreciation and amortization; (v) the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such period; and (vi) amortization of deferred charges.

“*Debt*” of the Company or any Subsidiary means, without duplication, any indebtedness of the Company or any Subsidiary, whether or not contingent, in respect of:

- (i) borrowed money or evidenced by bonds, notes, debentures or similar instruments;
- (ii) borrowed money secured by any Encumbrance existing on property owned by the Company or any Subsidiary, to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such Encumbrance;
- (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued (other than letters of credit issued to provide credit enhancement or support with respect to other indebtedness of the Company or any Subsidiary otherwise reflected as Debt hereunder) or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement;
- (iv) the principal amount of all obligations of the Company or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock; or
- (v) any lease of property by the Company or any Subsidiary as lessee which is reflected on the Company’s consolidated balance sheet as a capitalized lease in accordance with GAAP;

to the extent, in the case of items of indebtedness under (i) through (v) above, that any such items (other than letters of credit) would be properly classified as a liability on the Company’s consolidated balance sheet in accordance with GAAP. Debt (1) excludes any indebtedness (A) with respect to which a defeasance or covenant defeasance or discharge has been effected (or an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, the applicable maturity date or redemption date, and any premium or otherwise as provided in the terms of such indebtedness) in accordance with the terms thereof or which has been repurchased, retired, repaid, redeemed, irrevocably called for redemption (and an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, such redemption date, and any premium) or otherwise satisfied or (B) that is secured by cash or Cash Equivalents irrevocably deposited with a trustee in an amount, in the case of this clause (B), at least equal to the outstanding principal amount of such indebtedness and the remaining scheduled payments of interest thereon and (2) includes, to the extent not otherwise included, any obligation by the Company or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Company or any Subsidiary) (it being understood that Debt shall be deemed to be incurred by the Company or any Subsidiary whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

“*Depositary*” has the meaning provided in Section 2.1(d) of this Supplemental Indenture.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise: (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt); (ii) is convertible into or exchangeable or exercisable for Debt (other than Subordinated

Debt or Disqualified Stock); or (iii) is redeemable at the option of the holder thereof, in whole or in part (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt), in each case on or prior to the Stated Maturity of the principal of the Notes.

“Earnings from Operations” for any period means (i) net earnings, excluding (1) gains and losses on sales of investments, (2) extraordinary items, (3) gains and losses on early extinguishment of debt, (4) property valuation losses and (5) equity in the earnings and losses of Equity Method Investments, plus (ii) to the extent not included in net earnings, cash distributions received by the Company or its Subsidiaries from Equity Method Investments, in each case as reflected in the financial statements of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Encumbrance” means any mortgage, lien, charge, pledge or security interest or other encumbrance.

“Equity Method Investments” means equity securities that at the time of determination: (i) are part of a class of equity securities that is traded on a national or regional securities exchange or a recognized over-the-counter market; (ii) issued by an entity (a) to which the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services, (b) that operates in a manner intended to qualify such entity for taxation as a “real estate investment trust” under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended, and (c) that is not a consolidated Subsidiary of the Company; and (iii) are or in any prior period were accounted for in the consolidated financial statements of the Company using the equity method of accounting.

“Fair Value” means, for an Equity Method Investment, the lower of: (i) the original cost of such investment; or (ii) last reported sale price on the exchange or market on which the class of equity securities of which the investment is a part is primarily traded at the time of valuation.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on the date of initial issuance of securities pursuant to the Base Indenture (i.e., July 20, 2017).

“Interest Payment Date” with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

“Issue Date” means August 13, 2021.

“Joint Venture Interests” means assets of the Company and its Subsidiaries constituting an equity investment in real estate assets or other properties, or in an entity holding real estate assets or other properties, jointly owned by the Company and its Subsidiaries, on the one hand, and one or more other Persons not constituting Affiliates of the Company, on the other, excluding any entity or properties (i) which is a Subsidiary or are properties if the co-ownership thereof (if in a separate entity) would constitute or would have constituted a Subsidiary, or (ii) to which, at the time of determination, the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services. In no event shall Joint Venture Interests include equity securities that are part of a class of equity securities that are traded on a national or regional securities exchange or a recognized over-the-counter market or any investments in debt securities, mortgages or other Debt or Equity Method Investments.

“Make-Whole Amount” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on January 1, 2027, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on January 1, 2027 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after January 1, 2027, the Make-Whole Amount will equal

zero. The Make-Whole Amount shall be calculated by the Company and set forth in an Officer's Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer's Certificate.

"Notes" means the Company's 2.400% Senior Notes due 2027, issued under the Indenture, as amended or supplemented from time to time.

"Regular Record Date" with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

"Reinvestment Rate" means a rate per annum equal to the sum of 0.250% (twenty five one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be January 1, 2027) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Secured Debt" means Debt secured by an Encumbrance on the property of the Company or its Subsidiaries.

"Significant Subsidiary" means any Subsidiary which is a "significant subsidiary" (within the meaning of Regulation S-X promulgated by the Commission under the Securities Act) of the Company.

"Statistical Release" means the statistical release designated "H.15" or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

"Subordinated Debt" means Debt which by the terms of such Debt is subordinated in right of payment to the principal of and interest and premium, if any, on the Notes.

"Subsidiary" means any corporation or other Person of which a majority of (1) the voting power of the voting equity securities or (2) the outstanding equity interests of which are owned, directly or indirectly, by the Company or one or more other Subsidiaries of the Company, and which is required to be consolidated in accordance with GAAP. For the purposes of this definition, "voting equity securities" means equity securities having voting power for the election of directors or persons serving comparable functions as directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

"Total Assets" as of any date means the sum of (i) the Undepreciated Real Estate Assets; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries; and (iii) all other assets of the Company and its Subsidiaries on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided that* the portion of Total Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

"Total Unencumbered Assets" as of any date, means the sum of (i) those Undepreciated Real Estate Assets not securing any portion of Secured Debt; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries not securing any portion of Secured Debt; and (iii) all other assets of the Company and its Subsidiaries not securing any portion of Secured Debt on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided that*, in determining Total Unencumbered Assets as a percentage of the aggregate outstanding principal amount of Unsecured Debt of the Company and its Subsidiaries on a consolidated basis for purposes of the covenant set forth in Section 3.1(b) of this Supplemental Indenture, Joint Venture Interests shall be excluded from Total Unencumbered Assets to the extent such Joint Venture Interests would otherwise be included therein; and *provided further*

that the portion of Total Unencumbered Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

“*Undepreciated Real Estate Assets*” as of any date means the cost (original cost plus capital improvements) of real estate assets of the Company and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with GAAP.

“*Unsecured Debt*” means any Debt of the Company or its Subsidiaries which is not Secured Debt.

ARTICLE 2

TERMS OF THE NOTES

Section 2.1 Terms of the Notes. Pursuant to Section 301 of the Base Indenture, the Notes shall have the following terms and conditions:

(a) Title. The Notes shall be in registered form under the Indenture and shall be known as the Company’s “2.400% Senior Notes due 2027.”

(b) Aggregate Principal Amount. Except (i) as provided in this Section and (ii) for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Base Indenture and except for any Notes which, pursuant to Section 303 of the Base Indenture, are deemed never to have been authenticated and delivered hereunder, the Notes will be limited to an aggregate principal amount of \$350,000,000, subject to the right of the Company to reopen such series for issuances of additional Notes having the same terms and conditions as the Notes issued on the Issue Date except for issue date, issue price and, if applicable, the first Interest Payment Date thereon and related interest accrual date.

(c) Form of Notes. The Notes (together with the Trustee’s certificate of authentication) shall be substantially in the form of Exhibit A hereto, which is hereby incorporated in and made a part of this Supplemental Indenture.

(d) Registered Securities in Book Entry Form. The Notes shall be initially issued in the form of one or more registered Global Securities without coupons (each, a “*Global Note*”) and shall be deposited with, or on behalf of, The Depository Trust Company (“*DTC*” and, together with any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”) and registered in the name of DTC’s nominee, Cede & Co. Unless and until it is exchanged in whole or in part for the individual Notes represented thereby under the circumstances described below, a Global Note may not be transferred except as a whole by a Depository to its nominee, by a nominee of a Depository to such Depository or another nominee of such Depository, or by a Depository or its nominee to a successor Depository or a nominee of such successor.

So long as a Depository or its nominee is the Holder of a Global Note, such Depository or its nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of a beneficial interest in Notes evidenced by a Global Note will not be entitled to have any of the individual Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of any such Notes in definitive form and will not be considered the owners or Holders thereof under the Indenture for any purpose, including with respect to giving of any direction, instructions or approvals to the Trustee hereunder.

A Global Note may be exchanged in whole or in part for individual Notes represented thereby only if (i) the Depository (A) has notified the Company that it is unwilling or unable to continue as a depository for such Global Note or (B) has ceased to be a clearing agency registered under the Exchange Act, and in either case a successor depository shall not have been appointed by the Company within ninety (90) days after such notice is received by the Company or the Company becomes aware of such cessation, respectively, or (ii) there shall have occurred and be continuing an Event of Default with respect to such Global Note and the Security Registrar has received a written request from an owner of beneficial interest in

such Global Note to receive registered Notes. In any such case, the Company will issue individual Notes in exchange for such Global Note representing such Notes in authorized denominations.

Notwithstanding any provisions of Section 2.1(e) or Section 2.1(f) of this Supplemental Indenture to the contrary, payments of principal, premium, if any, and interest on any Global Note shall be made in accordance with the procedures of the Depositary and its participants in effect from time to time.

(e) Interest and Interest Rate. The Notes will bear interest at a rate of 2.400% per annum, from August 13, 2021 (or, in the case of Notes issued after August 13, 2021, from the date designated by the Company in connection with such issuance), or from the immediately preceding Interest Payment Date to which interest has been paid or duly provided for, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2022 (each of which shall be an “*Interest Payment Date*”), or if such day is not a Business Day, on the next succeeding Business Day, to the Persons in whose names the Notes are registered in the Security Register at the close of business on the Regular Record Date for such interest, which shall be January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date (each, a “*Regular Record Date*”).

(f) Principal Repayment; Currency. The Stated Maturity of the principal of the Notes is February 1, 2027; provided, however, the Notes may be earlier redeemed at the option of the Company as provided in Section 2.1(g) of this Supplemental Indenture. The principal of each Note payable at its Maturity shall be paid against presentation and surrender thereof at the Corporate Trust Office, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public or private debts.

(g) Redemption at the Option of the Company. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Global Note, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after January 1, 2027, the Make-Whole Amount equals zero).

On or before 11:00 a.m. Eastern Time on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003 of the Base Indenture) an amount of money sufficient to pay the Redemption Price of, and accrued and unpaid interest on, all the Notes which are to be redeemed on such Redemption Date. If the Company instructs the Trustee in writing to send the notice of redemption in the name of and at the expense of the Company as provided in Section 1104 of the Base Indenture, the Company shall provide the Trustee with such written instruction at least five (5) Business Days (or such shorter time as the Trustee may agree) prior to the date such notice of redemption is to be sent.

(h) Notices. Notices to the Company shall be directed to it at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, email: cbilotto@rmrgroup.com, Attention: President; notices to the Trustee shall be directed to it at One Federal Street, 3rd Floor, Boston, Massachusetts 02110, email: david.doucette@usbank.com, Attention: Corporate Trust Department, Re: Office Properties Income Trust 2.400% Senior Notes due 2027, or as to either party, at such other address as shall be designated by such party in a written notice to the other party. All notices and communications (other than those sent to Holders of the Notes) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); when receipt is acknowledged, if sent by e-mail; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(i) Legal Holidays. If any Interest Payment Date, Redemption Date or the Stated Maturity for the principal of the Notes falls on a day that is not a Business Day, the payment otherwise payable on such day will be due and payable on the next succeeding Business Day, and no interest will accrue thereon for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, through such next succeeding Business Day. The provisions of this Section 2.1(i) shall supersede and replace Section 113 of the Base Indenture with respect to the Notes.

ARTICLE 3

ADDITIONAL COVENANTS

Section 3.1 Additional Covenants of the Company. In addition to the covenants of the Company set forth in Article Eight and Article Ten of the Base Indenture, the Holders of the Notes shall have the benefit of the following covenants:

(a) Limitations on Incurrence of Debt.

(i) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (without duplication):

(A) Total Assets as of the end of the fiscal quarter covered by the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted or required under the Exchange Act, with the Trustee) (such quarter, the "*Latest Completed Fiscal Quarter*") prior to the incurrence of such additional Debt; and

(B) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any Subsidiary since the end of such Latest Completed Fiscal Quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

For purposes of this Supplemental Indenture, the sum of (A) and (B) above is the Company's "*Adjusted Total Assets*."

(ii) The Company will not, and will not permit any Subsidiary to, incur any additional Secured Debt if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Secured Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 40% of Adjusted Total Assets.

(iii) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and on a pro forma basis, including the application of the proceeds therefrom, the ratio of Consolidated Income Available for Debt Service to Annual Debt Service for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, and calculated on the assumptions that:

(A) such Debt and any other Debt incurred by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period;

(B) the repayment, retirement or other discharge of any other Debt by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period had occurred at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period);

(C) in the case of Acquired Debt or Debt incurred in connection with or in contemplation of any acquisition, including any Person becoming a Subsidiary, since the first day of such

four-quarter period, the related acquisition had occurred as of the first day of such period with appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and

(D) in the case of any acquisition or disposition by the Company and its Subsidiaries on a consolidated basis of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

If the Debt giving rise to the need to make the foregoing calculation or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating interest rate, then, for purposes of calculating the Annual Debt Service, the interest rate on such Debt will be computed on a pro forma basis as if the average interest rate which would have been in effect during the entirety of such four-quarter period had been the applicable rate for the entirety of such period.

(b) Maintenance of Total Unencumbered Assets. The Company and its Subsidiaries will at all times maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt of the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

ARTICLE 4

OTHER PROVISIONS

Section 4.1 Restatement and Amendment of Certain Provisions of Section 101 of the Base Indenture. (a) The provisions of Section 101(a) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and the term “Notes” has the meaning assigned to it in the Supplemental Indenture and includes the plural as well as the singular;”

(b) Section 101 of the Base Indenture, as applied to the Notes, is further amended by adding the following defined term in its appropriate alphabetical position:

“**Supplemental Indenture**” means the Fourth Supplemental Indenture to this Indenture, dated as of August 13, 2021, by and between the Company and the Trustee, as the same may be amended or supplemented from time to time.”

Section 4.2 Sinking Funds not Applicable. Section 501(c) of the Base Indenture shall not be applicable to the Notes.

Section 4.3 Restatement of Section 501(d) of the Base Indenture. The provisions of Section 501(d) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(d) a default in the performance of, or breach of, any covenant of the Company in this Indenture (not including a covenant a default in whose performance or whose breach is elsewhere in the Indenture specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default or breach for a period of sixty (60) days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in principal amount of the Outstanding Securities of that series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or”

Section 4.4 Restatement of Section 501(e) of Base Indenture. The provisions of Section 501(e) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(e) the Company or one of its Significant Subsidiaries, if any, pursuant to or within the meaning of any Bankruptcy Law (i) commences a voluntary case, (ii) consents to the entry of an order for relief against it in an involuntary case, or (iii) consents to the appointment of a Custodian of it or for all or substantially all of the Company’s or such Significant Subsidiary’s property; or”

Section 4.5 Restatement of Section 501(f) of Base Indenture. The provisions of Section 501(f) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against the Company or one of its Significant Subsidiaries, if any, in an involuntary case, (ii) appoints a Custodian of the Company, or such Significant Subsidiary, or for all or substantially all of the Company’s or such Significant Subsidiary’s property, or (iii) orders the liquidation of the Company, or such Significant Subsidiary, and the order or decree remains unstayed and in effect for ninety (90) days; or”

Section 4.6 Additional Events of Default. In accordance with Section 501(g) of the Base Indenture, the following shall also constitute an “Event of Default” with respect to the Notes:

“(1) a default under any bond, debenture, note or other evidence of indebtedness of the Company, or under any mortgage, indenture or other instrument of the Company (including a default with respect to Securities issued under the Indenture other than the Notes) under which there may be issued or by which there may be secured any indebtedness of the Company (or by any Subsidiary, the repayment of which the Company has guaranteed or for which the Company is directly responsible or liable as obligor or guarantor), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay an aggregate principal amount exceeding \$25,000,000 of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto and shall have resulted in such indebtedness in an aggregate principal amount exceeding \$25,000,000 becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable; provided, however, that if there is no other senior unsecured indebtedness of the Company, the maturity of which would be accelerated by a default under any of the Company’s indebtedness in an aggregate principal amount of \$25,000,000 or less, the references to \$25,000,000 in this clause (c) shall be replaced by the lesser of the indebtedness cross-default amount contained in the Company’s then existing senior unsecured credit facility or such other senior unsecured indebtedness, as long as such amount is greater than \$25,000,000, not to exceed \$50,000,000. Such default shall not be an Event of Default if the indebtedness shall have been discharged, or such acceleration shall have been rescinded or annulled, within a period of ten (10) days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in aggregate principal amount of the Outstanding Notes a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a “Notice of Default” under the Indenture;”

Section 4.7 Amounts due on Acceleration. Notwithstanding any provisions to the contrary in the Base Indenture, upon any acceleration of the Notes under Section 502 of the Base Indenture, the amount immediately due and payable in respect of the Notes shall equal the outstanding principal amount thereof, plus accrued and unpaid interest thereon.

Section 4.8 Applicability of Satisfaction and Discharge. Article Four of the Base Indenture applies to the Notes, except for the proviso at the end of Section 401(a).

Section 4.9 Applicability of Defeasance and Covenant Defeasance. Article Thirteen of the Base Indenture applies to the Notes, except for the proviso in the first sentence of Section 1304(a).

ARTICLE 5

EFFECTIVENESS

This Supplemental Indenture shall be effective for all purposes as of the date and time this Supplemental Indenture has been executed and delivered by the Company and the Trustee in accordance with Article Nine of the Base Indenture. As supplemented hereby, the Base Indenture is hereby confirmed as being in full force and effect.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Separability. In the event any provision of this Supplemental Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or any provision of the Indenture.

Section 6.2 Construction of Terms. To the extent that any terms of this Supplemental Indenture or the Notes are inconsistent with the terms of the Base Indenture, the terms of this Supplemental Indenture or the Notes shall govern and supersede such inconsistent terms.

Section 6.3 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.4 Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

Section 6.5 Counterparts and Electronic Signatures. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture or in any other certificate, agreement or document related to this Supplemental Indenture or the Notes shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The Company agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Trustee have caused this Supplemental Indenture to be executed as an instrument under seal in their respective corporate names as of the date first above written.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Matthew C. Brown
Name: Matthew C. Brown
Title: Chief Financial Officer and Treasurer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

[Signature Page: Fourth Supplemental Indenture]

FORM OF NOTE

[Form of Face of Security]

[Insert Applicable Legends]

OFFICE PROPERTIES INCOME TRUST

2.400% Senior Notes due 2027

No. _____

\$ _____

Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust duly organized and existing under the laws of Maryland (the “*Company*”, which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$) [(as the same may be revised from time to time on the Schedule of Exchanges of Interests in the Global Security attached hereto)] on February 1, 2027, and to pay interest thereon from _____, 20__ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on February 1 and August 1 in each year, commencing February 1, 2022 at the rate of 2.400% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or, in the case of any Note that is a Global Security, in accordance with the procedures of The Depository Trust Company (“*DTC*”), or any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”), and its participants in effect from time to time; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THE AMENDED AND RESTATED DECLARATION OF TRUST ESTABLISHING OFFICE PROPERTIES INCOME TRUST, DATED JUNE 8, 2009, AS AMENDED, AS FILED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND, PROVIDES THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF OFFICE PROPERTIES INCOME TRUST SHALL BE HELD TO ANY PERSONAL

LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, OFFICE PROPERTIES INCOME TRUST. ALL PERSONS DEALING WITH OFFICE PROPERTIES INCOME TRUST IN ANY WAY SHALL LOOK ONLY TO THE ASSETS OF OFFICE PROPERTIES INCOME TRUST FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: OFFICE PROPERTIES INCOME TRUST

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By: _____
Name:
Title:

[Form of Reverse of Security]

1. General. This Security is one of a duly authorized issue of securities of the Company (the “*Securities*”), issued and to be issued in one or more series under an Indenture, dated as of July 20, 2017 (the “*Base Indenture*”), between the Company and U.S. Bank National Association (the “*Trustee*”, which term includes any successor trustee under the Base Indenture), as supplemented by a Fourth Supplemental Indenture, dated as of August 13, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Supplemental Indenture*” and the Base Indenture, as supplemented by such Supplemental Indenture, the “*Indenture*”), between the Company and the Trustee, and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof (such series, the “*Notes*”).

2. Optional Redemption. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Note that is a Global Security, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after January 1, 2027, the Make-Whole Amount equals zero).

As used herein, the term “*Make-Whole Amount*” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on January 1, 2027, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on January 1, 2027 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after January 1, 2027, the Make-Whole Amount will equal zero. The Make-Whole Amount shall be calculated by the Company and set forth in an Officer’s Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer’s Certificate.

As used herein, the term “*Reinvestment Rate*” means a rate per annum equal to the sum of 0.250% (twenty five one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading “*Week Ending*” published in the Statistical Release under the caption “*Treasury Constant Maturities*” for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be January 1, 2027) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

As used herein, the term “*Statistical Release*” means the statistical release designated “*H.15*” or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

The Company shall not be required to make sinking fund or redemption payments with respect to the Notes.

In the event of redemption of this Security in part only, a new Note or Notes and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

3. Discharge and Defeasance. The Indenture contains provisions for discharge or defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

4. Defaults and Remedies. If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes, plus accrued and unpaid interest thereon, may be declared due and payable in the manner and with the effect provided in the Indenture.

5. Actions of Holders. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or this Security or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Notes, the Holders of not less than a majority in principal amount of the Notes at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Notes at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

6. Payments Not Impaired. No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

7. Denominations, Transfer, Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

8. Persons Deemed Owners. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

9. Defined Terms. All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

[ASSIGNMENT FORM]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT --	_____	Custodian	_____
TEN ENT --	as tenants by the entireties		(Cust)		(Minor)
JT TEN --	as joint tenants with right of survivorship		Under Uniform Gifts to Minors		
	and not as tenants in common		Act	_____	
				(State)	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

the within security and all rights thereunder, hereby irrevocably constituting and appointing

to transfer said security on the books of the Company with full power of substitution in the premises. Attorney

Dated: _____ Signed: _____

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within security in every particular, without alteration or enlargement or any change whatever.

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[Include this Schedule only for a Global Security]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

The initial principal amount of this Global Security is \$[●].

The following exchanges, transfers or cancellations of this Global Security have been made:

<u>Date of Exchange</u>	<u>Amount of Decrease in Principal Amount of this Global Security</u>	<u>Amount of Increase in Principal Amount of this Global Security</u>	<u>Principal Amount of this Global Security Following Such Decrease (or Increase)</u>	<u>Signature of Authorized Officer of Trustee</u>
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FIFTH SUPPLEMENTAL INDENTURE

between

OFFICE PROPERTIES INCOME TRUST

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of September 28, 2021

SUPPLEMENTAL TO THE INDENTURE DATED AS OF JULY 20, 2017

OFFICE PROPERTIES INCOME TRUST

3.450% Senior Notes due 2031

This FIFTH SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”) dated as of September 28, 2021 between Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust organized and existing under the laws of the State of Maryland (the “*Company*”), having its principal office at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, and U.S. Bank National Association, a national banking organization organized and existing under the laws of the United States, as Trustee (the “*Trustee*”).

RECITALS OF THE COMPANY

The Company (then known as Government Properties Income Trust) and the Trustee are parties to an Indenture, dated as of July 20, 2017 (as from time to time hereafter amended, supplemented or otherwise modified in so far as it applies to the Notes (as defined herein), the “*Base Indenture*” and, together with this Supplemental Indenture, as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) to provide for the future issuance of the Company’s senior unsecured debentures, notes or other evidences of indebtedness (the “*Securities*”), to be issued from time to time in one or more series; and

Pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of a series of its Securities, to be known as its 3.450% Senior Notes due 2031, the form and substance of such Securities and the terms, provisions and conditions thereof to be set forth as provided in the Indenture;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

ARTICLE 1

DEFINED TERMS

Section 1.1 Terms Defined in Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed to such terms in the Base Indenture.

Section 1.2 Supplemental Definitions. The following definitions supplement, and, to the extent inconsistent with, replace the definitions in Section 101 of the Base Indenture:

“*Acquired Debt*” means Debt of a Person: (i) existing at the time such Person becomes a Subsidiary; or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt is deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

“*Adjusted Total Assets*” has the meaning provided in clause (i) of Section 3.1(a) of this Supplemental Indenture.

“*Annual Debt Service*” as of any date means the maximum amount which is expensed in any 12-month period for interest on Debt of the Company and its Subsidiaries, excluding amortization of debt discounts and deferred financing costs.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York or in the city in which the Corporate Trust Office is located are required or authorized to close.

“*Capital Stock*” means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participation or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for capital stock), warrants or options to purchase any thereof.

“*Cash Equivalents*” means demand deposits, certificates of deposit or repurchase agreements with banks or other financial institutions, marketable obligations issued or directly and fully guaranteed as to timely payment by the United States of America or any of its agencies or instrumentalities, or any commercial paper or other obligation rated, at time of purchase, “P2” (or its equivalent) or better by Moody’s Investors Service, Inc. (or any successor thereof) or “A2” (or its equivalent) or better by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (or any successor thereof).

“*Consolidated Income Available for Debt Service*” for any period means Earnings from Operations of the Company and its Subsidiaries plus amounts which have been deducted, and minus amounts which have been added, for the following (without duplication): (i) interest on Debt of the Company and its Subsidiaries; (ii) provision for taxes of the Company and its Subsidiaries based on income; (iii) amortization of debt premium/discount and deferred debt issuance costs; (iv) provisions for gains and losses on properties and property depreciation and amortization; (v) the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such period; and (vi) amortization of deferred charges.

“*Debt*” of the Company or any Subsidiary means, without duplication, any indebtedness of the Company or any Subsidiary, whether or not contingent, in respect of:

- (i) borrowed money or evidenced by bonds, notes, debentures or similar instruments;
- (ii) borrowed money secured by any Encumbrance existing on property owned by the Company or any Subsidiary, to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such Encumbrance;
- (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued (other than letters of credit issued to provide credit enhancement or support with respect to other indebtedness of the Company or any Subsidiary otherwise reflected as Debt hereunder) or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement;
- (iv) the principal amount of all obligations of the Company or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock; or
- (v) any lease of property by the Company or any Subsidiary as lessee which is reflected on the Company’s consolidated balance sheet as a capitalized lease in accordance with GAAP;

to the extent, in the case of items of indebtedness under (i) through (v) above, that any such items (other than letters of credit) would be properly classified as a liability on the Company’s consolidated balance sheet in accordance with GAAP. Debt (1) excludes any indebtedness (A) with respect to which a defeasance or covenant defeasance or discharge has been effected (or an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, the applicable maturity date or redemption date, and any premium or otherwise as provided in the terms of such indebtedness) in accordance with the terms thereof or which has been repurchased, retired, repaid, redeemed, irrevocably called for redemption (and an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, such redemption date, and any premium) or otherwise satisfied or (B) that is secured by cash or Cash Equivalents irrevocably deposited with a trustee in an amount, in the case of this clause (B), at least equal to the outstanding principal amount of such indebtedness and the remaining scheduled payments of interest thereon and (2) includes, to the extent not otherwise included, any obligation by the Company or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Company or any Subsidiary) (it being understood that Debt shall be deemed to be incurred by the Company or any Subsidiary whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

“*Depositary*” has the meaning provided in Section 2.1(d) of this Supplemental Indenture.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise: (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt); (ii) is convertible into or exchangeable or exercisable for Debt (other than Subordinated

Debt or Disqualified Stock); or (iii) is redeemable at the option of the holder thereof, in whole or in part (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt), in each case on or prior to the Stated Maturity of the principal of the Notes.

“Earnings from Operations” for any period means (i) net earnings, excluding (1) gains and losses on sales of investments, (2) extraordinary items, (3) gains and losses on early extinguishment of debt, (4) property valuation losses and (5) equity in the earnings and losses of Equity Method Investments, plus (ii) to the extent not included in net earnings, cash distributions received by the Company or its Subsidiaries from Equity Method Investments, in each case as reflected in the financial statements of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Encumbrance” means any mortgage, lien, charge, pledge or security interest or other encumbrance.

“Equity Method Investments” means equity securities that at the time of determination: (i) are part of a class of equity securities that is traded on a national or regional securities exchange or a recognized over-the-counter market; (ii) issued by an entity (a) to which the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services, (b) that operates in a manner intended to qualify such entity for taxation as a “real estate investment trust” under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended, and (c) that is not a consolidated Subsidiary of the Company; and (iii) are or in any prior period were accounted for in the consolidated financial statements of the Company using the equity method of accounting.

“Fair Value” means, for an Equity Method Investment, the lower of: (i) the original cost of such investment; or (ii) last reported sale price on the exchange or market on which the class of equity securities of which the investment is a part is primarily traded at the time of valuation.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on the date of initial issuance of securities pursuant to the Base Indenture (i.e., July 20, 2017).

“Interest Payment Date” with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

“Issue Date” means September 28, 2021.

“Joint Venture Interests” means assets of the Company and its Subsidiaries constituting an equity investment in real estate assets or other properties, or in an entity holding real estate assets or other properties, jointly owned by the Company and its Subsidiaries, on the one hand, and one or more other Persons not constituting Affiliates of the Company, on the other, excluding any entity or properties (i) which is a Subsidiary or are properties if the co-ownership thereof (if in a separate entity) would constitute or would have constituted a Subsidiary, or (ii) to which, at the time of determination, the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services. In no event shall Joint Venture Interests include equity securities that are part of a class of equity securities that are traded on a national or regional securities exchange or a recognized over-the-counter market or any investments in debt securities, mortgages or other Debt or Equity Method Investments.

“Make-Whole Amount” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on July 15, 2031, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on July 15, 2031 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after July 15, 2031, the Make-Whole Amount will equal zero.

The Make-Whole Amount shall be calculated by the Company and set forth in an Officer's Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer's Certificate.

"Notes" means the Company's 3.450% Senior Notes due 2031, issued under the Indenture, as amended or supplemented from time to time.

"Regular Record Date" with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

"Reinvestment Rate" means a rate per annum equal to the sum of 0.350% (thirty five one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be July 15, 2031) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Secured Debt" means Debt secured by an Encumbrance on the property of the Company or its Subsidiaries.

"Significant Subsidiary" means any Subsidiary which is a "significant subsidiary" (within the meaning of Regulation S-X promulgated by the Commission under the Securities Act) of the Company.

"Statistical Release" means the statistical release designated "H.15" or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

"Subordinated Debt" means Debt which by the terms of such Debt is subordinated in right of payment to the principal of and interest and premium, if any, on the Notes.

"Subsidiary" means any corporation or other Person of which a majority of (1) the voting power of the voting equity securities or (2) the outstanding equity interests of which are owned, directly or indirectly, by the Company or one or more other Subsidiaries of the Company, and which is required to be consolidated in accordance with GAAP. For the purposes of this definition, "voting equity securities" means equity securities having voting power for the election of directors or persons serving comparable functions as directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

"Total Assets" as of any date means the sum of (i) the Undepreciated Real Estate Assets; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries; and (iii) all other assets of the Company and its Subsidiaries on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided that* the portion of Total Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

"Total Unencumbered Assets" as of any date, means the sum of (i) those Undepreciated Real Estate Assets not securing any portion of Secured Debt; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries not securing any portion of Secured Debt; and (iii) all other assets of the Company and its Subsidiaries not securing any portion of Secured Debt on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided that*, in determining Total Unencumbered Assets as a percentage of the aggregate outstanding principal amount of Unsecured Debt of the Company and its Subsidiaries on a consolidated basis for purposes of the covenant set forth in Section 3.1(b) of this Supplemental Indenture, Joint Venture Interests shall be excluded from Total Unencumbered Assets to the extent such Joint Venture Interests would otherwise be included therein; and *provided further*

that the portion of Total Unencumbered Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

“*Undepreciated Real Estate Assets*” as of any date means the cost (original cost plus capital improvements) of real estate assets of the Company and its Subsidiaries on such date, before depreciation and amortization, determined on a consolidated basis in accordance with GAAP.

“*Unsecured Debt*” means any Debt of the Company or its Subsidiaries which is not Secured Debt.

ARTICLE 2

TERMS OF THE NOTES

Section 2.1 Terms of the Notes. Pursuant to Section 301 of the Base Indenture, the Notes shall have the following terms and conditions:

(a) Title. The Notes shall be in registered form under the Indenture and shall be known as the Company’s “3.450% Senior Notes due 2031.”

(b) Aggregate Principal Amount. Except (i) as provided in this Section and (ii) for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Base Indenture and except for any Notes which, pursuant to Section 303 of the Base Indenture, are deemed never to have been authenticated and delivered hereunder, the Notes will be limited to an aggregate principal amount of \$400,000,000, subject to the right of the Company to reopen such series for issuances of additional Notes having the same terms and conditions as the Notes issued on the Issue Date except for issue date, issue price and, if applicable, the first Interest Payment Date thereon and related interest accrual date.

(c) Form of Notes. The Notes (together with the Trustee’s certificate of authentication) shall be substantially in the form of Exhibit A hereto, which is hereby incorporated in and made a part of this Supplemental Indenture.

(d) Registered Securities in Book Entry Form. The Notes shall be initially issued in the form of one or more registered Global Securities without coupons (each, a “*Global Note*”) and shall be deposited with, or on behalf of, The Depository Trust Company (“*DTC*” and, together with any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”) and registered in the name of DTC’s nominee, Cede & Co. Unless and until it is exchanged in whole or in part for the individual Notes represented thereby under the circumstances described below, a Global Note may not be transferred except as a whole by a Depository to its nominee, by a nominee of a Depository to such Depository or another nominee of such Depository, or by a Depository or its nominee to a successor Depository or a nominee of such successor.

So long as a Depository or its nominee is the Holder of a Global Note, such Depository or its nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of a beneficial interest in Notes evidenced by a Global Note will not be entitled to have any of the individual Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of any such Notes in definitive form and will not be considered the owners or Holders thereof under the Indenture for any purpose, including with respect to giving of any direction, instructions or approvals to the Trustee hereunder.

A Global Note may be exchanged in whole or in part for individual Notes represented thereby only if (i) the Depository (A) has notified the Company that it is unwilling or unable to continue as a depository for such Global Note or (B) has ceased to be a clearing agency registered under the Exchange Act, and in either case a successor depository shall not have been appointed by the Company within ninety (90) days after such notice is received by the Company or the Company becomes aware of such cessation, respectively, or (ii) there shall have occurred and be continuing an Event of Default with respect to such Global Note and the Security Registrar has received a written request from an owner of beneficial interest in

such Global Note to receive registered Notes. In any such case, the Company will issue individual Notes in exchange for such Global Note representing such Notes in authorized denominations.

Notwithstanding any provisions of Section 2.1(e) or Section 2.1(f) of this Supplemental Indenture to the contrary, payments of principal, premium, if any, and interest on any Global Note shall be made in accordance with the procedures of the Depositary and its participants in effect from time to time.

(e) Interest and Interest Rate. The Notes will bear interest at a rate of 3.450% per annum, from September 28, 2021 (or, in the case of Notes issued after September 28, 2021, from the date designated by the Company in connection with such issuance), or from the immediately preceding Interest Payment Date to which interest has been paid or duly provided for, payable semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2022 (each of which shall be an “*Interest Payment Date*”), or if such day is not a Business Day, on the next succeeding Business Day, to the Persons in whose names the Notes are registered in the Security Register at the close of business on the Regular Record Date for such interest, which shall be April 1 or October 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date (each, a “*Regular Record Date*”).

(f) Principal Repayment; Currency. The Stated Maturity of the principal of the Notes is October 15, 2031; provided, however, the Notes may be earlier redeemed at the option of the Company as provided in Section 2.1(g) of this Supplemental Indenture. The principal of each Note payable at its Maturity shall be paid against presentation and surrender thereof at the Corporate Trust Office, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public or private debts.

(g) Redemption at the Option of the Company. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Global Note, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after July 15, 2031, the Make-Whole Amount equals zero).

On or before 11:00 a.m. Eastern Time on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003 of the Base Indenture) an amount of money sufficient to pay the Redemption Price of, and accrued and unpaid interest on, all the Notes which are to be redeemed on such Redemption Date. If the Company instructs the Trustee in writing to send the notice of redemption in the name of and at the expense of the Company as provided in Section 1104 of the Base Indenture, the Company shall provide the Trustee with such written instruction at least five (5) Business Days (or such shorter time as the Trustee may agree) prior to the date such notice of redemption is to be sent.

(h) Notices. Notices to the Company shall be directed to it at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, email: cbilotto@rmrgroup.com, Attention: President; notices to the Trustee shall be directed to it at One Federal Street, 3rd Floor, Boston, Massachusetts 02110, email: david.doucette@usbank.com, Attention: Corporate Trust Department, Re: Office Properties Income Trust 3.450% Senior Notes due 2031, or as to either party, at such other address as shall be designated by such party in a written notice to the other party. All notices and communications (other than those sent to Holders of the Notes) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); when receipt is acknowledged, if sent by e-mail; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(i) Legal Holidays. If any Interest Payment Date, Redemption Date or the Stated Maturity for the principal of the Notes falls on a day that is not a Business Day, the payment otherwise payable on such day will be due and payable on the next succeeding Business Day, and no interest will accrue thereon for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, through such next succeeding Business Day. The provisions of this Section 2.1(i) shall supersede and replace Section 113 of the Base Indenture with respect to the Notes.

ARTICLE 3

ADDITIONAL COVENANTS

Section 3.1 Additional Covenants of the Company. In addition to the covenants of the Company set forth in Article Eight and Article Ten of the Base Indenture, the Holders of the Notes shall have the benefit of the following covenants:

(a) Limitations on Incurrence of Debt.

(i) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (without duplication):

(A) Total Assets as of the end of the fiscal quarter covered by the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted or required under the Exchange Act, with the Trustee) (such quarter, the "*Latest Completed Fiscal Quarter*") prior to the incurrence of such additional Debt; and

(B) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any Subsidiary since the end of such Latest Completed Fiscal Quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

For purposes of this Supplemental Indenture, the sum of (A) and (B) above is the Company's "*Adjusted Total Assets*."

(ii) The Company will not, and will not permit any Subsidiary to, incur any additional Secured Debt if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Secured Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 40% of Adjusted Total Assets.

(iii) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and on a pro forma basis, including the application of the proceeds therefrom, the ratio of Consolidated Income Available for Debt Service to Annual Debt Service for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, and calculated on the assumptions that:

(A) such Debt and any other Debt incurred by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period;

(B) the repayment, retirement or other discharge of any other Debt by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period had occurred at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period);

(C) in the case of Acquired Debt or Debt incurred in connection with or in contemplation of any acquisition, including any Person becoming a Subsidiary, since the first day of such

four-quarter period, the related acquisition had occurred as of the first day of such period with appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and

(D) in the case of any acquisition or disposition by the Company and its Subsidiaries on a consolidated basis of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

If the Debt giving rise to the need to make the foregoing calculation or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating interest rate, then, for purposes of calculating the Annual Debt Service, the interest rate on such Debt will be computed on a pro forma basis as if the average interest rate which would have been in effect during the entirety of such four-quarter period had been the applicable rate for the entirety of such period.

(b) Maintenance of Total Unencumbered Assets. The Company and its Subsidiaries will at all times maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt of the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

ARTICLE 4

OTHER PROVISIONS

Section 4.1 Restatement and Amendment of Certain Provisions of Section 101 of the Base Indenture. (a) The provisions of Section 101(a) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and the term “Notes” has the meaning assigned to it in the Supplemental Indenture and includes the plural as well as the singular;”

(b) Section 101 of the Base Indenture, as applied to the Notes, is further amended by adding the following defined term in its appropriate alphabetical position:

“**Supplemental Indenture**” means the Fifth Supplemental Indenture to this Indenture, dated as of September 28, 2021, by and between the Company and the Trustee, as the same may be amended or supplemented from time to time.”

Section 4.2 Sinking Funds not Applicable. Section 501(c) of the Base Indenture shall not be applicable to the Notes.

Section 4.3 Restatement of Section 501(d) of the Base Indenture. The provisions of Section 501(d) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(d) a default in the performance of, or breach of, any covenant of the Company in this Indenture (not including a covenant a default in whose performance or whose breach is elsewhere in the Indenture specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default or breach for a period of sixty (60) days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in principal amount of the Outstanding Securities of that series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or”

Section 4.4 Restatement of Section 501(e) of Base Indenture. The provisions of Section 501(e) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(e) the Company or one of its Significant Subsidiaries, if any, pursuant to or within the meaning of any Bankruptcy Law (i) commences a voluntary case, (ii) consents to the entry of an order for relief against it in an involuntary case, or (iii) consents to the appointment of a Custodian of it or for all or substantially all of the Company’s or such Significant Subsidiary’s property; or”

Section 4.5 Restatement of Section 501(f) of Base Indenture. The provisions of Section 501(f) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against the Company or one of its Significant Subsidiaries, if any, in an involuntary case, (ii) appoints a Custodian of the Company, or such Significant Subsidiary, or for all or substantially all of the Company’s or such Significant Subsidiary’s property, or (iii) orders the liquidation of the Company, or such Significant Subsidiary, and the order or decree remains unstayed and in effect for ninety (90) days; or”

Section 4.6 Additional Events of Default. In accordance with Section 501(g) of the Base Indenture, the following shall also constitute an “Event of Default” with respect to the Notes:

“(1) a default under any bond, debenture, note or other evidence of indebtedness of the Company, or under any mortgage, indenture or other instrument of the Company (including a default with respect to Securities issued under the Indenture other than the Notes) under which there may be issued or by which there may be secured any indebtedness of the Company (or by any Subsidiary, the repayment of which the Company has guaranteed or for which the Company is directly responsible or liable as obligor or guarantor), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay an aggregate principal amount exceeding \$25,000,000 of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto and shall have resulted in such indebtedness in an aggregate principal amount exceeding \$25,000,000 becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable; provided, however, that if there is no other senior unsecured indebtedness of the Company, the maturity of which would be accelerated by a default under any of the Company’s indebtedness in an aggregate principal amount of \$25,000,000 or less, the references to \$25,000,000 in this clause (c) shall be replaced by the lesser of the indebtedness cross-default amount contained in the Company’s then existing senior unsecured credit facility or such other senior unsecured indebtedness, as long as such amount is greater than \$25,000,000, not to exceed \$50,000,000. Such default shall not be an Event of Default if the indebtedness shall have been discharged, or such acceleration shall have been rescinded or annulled, within a period of ten (10) days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in aggregate principal amount of the Outstanding Notes a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a “Notice of Default” under the Indenture;”

Section 4.7 Amounts due on Acceleration. Notwithstanding any provisions to the contrary in the Base Indenture, upon any acceleration of the Notes under Section 502 of the Base Indenture, the amount immediately due and payable in respect of the Notes shall equal the outstanding principal amount thereof, plus accrued and unpaid interest thereon.

Section 4.8 Applicability of Satisfaction and Discharge. Article Four of the Base Indenture applies to the Notes, except for the proviso at the end of Section 401(a).

Section 4.9 Applicability of Defeasance and Covenant Defeasance. Article Thirteen of the Base Indenture applies to the Notes, except for the proviso in the first sentence of Section 1304(a).

ARTICLE 5

EFFECTIVENESS

This Supplemental Indenture shall be effective for all purposes as of the date and time this Supplemental Indenture has been executed and delivered by the Company and the Trustee in accordance with Article Nine of the Base Indenture. As supplemented hereby, the Base Indenture is hereby confirmed as being in full force and effect.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Separability. In the event any provision of this Supplemental Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or any provision of the Indenture.

Section 6.2 Construction of Terms. To the extent that any terms of this Supplemental Indenture or the Notes are inconsistent with the terms of the Base Indenture, the terms of this Supplemental Indenture or the Notes shall govern and supersede such inconsistent terms.

Section 6.3 Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.4 Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

Section 6.5 Counterparts and Electronic Signatures. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture or in any other certificate, agreement or document related to this Supplemental Indenture or the Notes shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The Company agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Trustee have caused this Supplemental Indenture to be executed as an instrument under seal in their respective corporate names as of the date first above written.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Matthew C. Brown
Name: Matthew C. Brown
Title: Chief Financial Officer and Treasurer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

[Signature Page: Fifth Supplemental Indenture]

FORM OF NOTE

[Form of Face of Security]

[Insert Applicable Legends]

OFFICE PROPERTIES INCOME TRUST

3.450% Senior Notes due 2031

No. ____ \$ _____

Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust duly organized and existing under the laws of Maryland (the “*Company*”, which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) [(as the same may be revised from time to time on the Schedule of Exchanges of Interests in the Global Security attached hereto)] on October 15, 2031, and to pay interest thereon from _____, 20__ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on April 15 and October 15 in each year, commencing April 15, 2022 at the rate of 3.450% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be April 1 or October 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or, in the case of any Note that is a Global Security, in accordance with the procedures of The Depository Trust Company (“*DTC*”), or any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”), and its participants in effect from time to time; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THE AMENDED AND RESTATED DECLARATION OF TRUST ESTABLISHING OFFICE PROPERTIES INCOME TRUST, DATED JUNE 8, 2009, AS AMENDED, AS FILED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND, PROVIDES THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF OFFICE PROPERTIES INCOME TRUST SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, OFFICE PROPERTIES

INCOME TRUST. ALL PERSONS DEALING WITH OFFICE PROPERTIES INCOME TRUST IN ANY WAY SHALL LOOK ONLY TO THE ASSETS OF OFFICE PROPERTIES INCOME TRUST FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: OFFICE PROPERTIES INCOME TRUST

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By: _____
Name:
Title:

[Form of Reverse of Security]

1. General. This Security is one of a duly authorized issue of securities of the Company (the “*Securities*”), issued and to be issued in one or more series under an Indenture, dated as of July 20, 2017 (the “*Base Indenture*”), between the Company and U.S. Bank National Association (the “*Trustee*”, which term includes any successor trustee under the Base Indenture), as supplemented by a Fifth Supplemental Indenture, dated as of September 28, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Supplemental Indenture*” and the Base Indenture, as supplemented by such Supplemental Indenture, the “*Indenture*”), between the Company and the Trustee, and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof (such series, the “*Notes*”).

2. Optional Redemption. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Note that is a Global Security, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after July 15, 2031, the Make-Whole Amount equals zero).

As used herein, the term “*Make-Whole Amount*” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on July 15, 2031, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on July 15, 2031 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after July 15, 2031, the Make-Whole Amount will equal zero. The Make-Whole Amount shall be calculated by the Company and set forth in an Officer’s Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer’s Certificate.

As used herein, the term “*Reinvestment Rate*” means a rate per annum equal to the sum of 0.350% (thirty five one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading “*Week Ending*” published in the Statistical Release under the caption “*Treasury Constant Maturities*” for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be July 15, 2031) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

As used herein, the term “*Statistical Release*” means the statistical release designated “*H.15*” or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

The Company shall not be required to make sinking fund or redemption payments with respect to the Notes.

In the event of redemption of this Security in part only, a new Note or Notes and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

3. Discharge and Defeasance. The Indenture contains provisions for discharge or defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

4. Defaults and Remedies. If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes, plus accrued and unpaid interest thereon, may be declared due and payable in the manner and with the effect provided in the Indenture.

5. Actions of Holders. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or this Security or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Notes, the Holders of not less than a majority in principal amount of the Notes at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Notes at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

6. Payments Not Impaired. No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

7. Denominations, Transfer, Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

8. Persons Deemed Owners. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

9. Defined Terms. All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

[ASSIGNMENT FORM]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT --	_____	Custodian	_____
TEN ENT --	as tenants by the entireties		(Cust)		(Minor)
JT TEN --	as joint tenants with right of survivorship		Under Uniform Gifts to Minors		
	and not as tenants in common		Act	_____	
				(State)	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

the within security and all rights thereunder, hereby irrevocably constituting and appointing

to transfer said security on the books of the Company with full power of substitution in the premises. Attorney

Dated: _____ Signed: _____

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within security in every particular, without alteration or enlargement or any change whatever.

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[Include this Schedule only for a Global Security]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

The initial principal amount of this Global Security is \$[●].

The following exchanges, transfers or cancellations of this Global Security have been made:

<u>Date of Exchange</u>	<u>Amount of Decrease in Principal Amount of this Global Security</u>	<u>Amount of Increase in Principal Amount of this Global Security</u>	<u>Principal Amount of this Global Security Following Such Decrease (or Increase)</u>	<u>Signature of Authorized Officer of Trustee</u>
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SECOND AMENDMENT TO SECOND AMENDED AND RESTATED BUSINESS MANAGEMENT AGREEMENT

This SECOND AMENDMENT TO SECOND AMENDED AND RESTATED BUSINESS MANAGEMENT AGREEMENT (this “Amendment”), effective as of August 1, 2021, is made and entered into by and between Office Properties Income Trust, a Maryland real estate investment trust (the “Company”), and The RMR Group LLC, a Maryland limited liability company (the “Manager”).

WHEREAS, the Company and the Manager are parties to that certain Second Amended and Restated Business Management Agreement, dated as of June 5, 2015, as amended by the Amendment to Second Amended and Restated Business Management Agreement, dated as of December 31, 2018 (the “Business Management Agreement”); and

WHEREAS, the Company and the Manager wish to amend certain provisions of the Business Management Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto agree as follows:

1. The definition of “SNL Index” included in Section 11 of the Business Management Agreement shall be replaced in its entirety by the following:

“Index” shall mean (i) the SNL U.S. Office REIT Index, as published from time to time, for all periods ending prior to August 1, 2021 and (ii) the MSCI U.S. REIT/Office REIT Index, as published from time to time, for all periods beginning on or after August 1, 2021.
2. The Business Management Agreement shall be amended by deleting all references therein to “SNL Index” and replacing them with references to the “Index”.
3. As amended hereby, the Business Management Agreement shall remain in full force and effect.
4. The provisions of this Amendment shall be governed by and construed in accordance with the laws of the State of Maryland.
5. This Amendment may be executed in separate counterparts, each of such counterparts shall for all purposes be deemed to be an original and all such counterparts shall together constitute but one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their respective duly authorized officers, as of the date first written above.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Christopher J. Bilotto

Name: Christopher J. Bilotto

Title: President and Chief Operating Officer

THE RMR GROUP LLC

By: /s/ Matthew P. Jordan

Name: Matthew P. Jordan

Title: Executive Vice President, Chief Financial Officer and Treasurer

[Signature Page to Second Amendment to Second Amended and Restated Business Management Agreement]

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Adam D. Portnoy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2021

/s/ Adam D. Portnoy

Adam D. Portnoy
Managing Trustee

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Jennifer B. Clark, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2021

/s/ Jennifer B. Clark

Jennifer B. Clark
Managing Trustee

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Christopher J. Bilotto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2021

/s/ Christopher J. Bilotto

Christopher J. Bilotto
President and Chief Operating Officer

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Matthew C. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2021

/s/ Matthew C. Brown

Matthew C. Brown
Chief Financial Officer and Treasurer

Certification Pursuant to 18 U.S.C. Sec. 1350

In connection with the filing by Office Properties Income Trust (the “Company”) of the Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the “Report”), each of the undersigned hereby certifies, to the best of his knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adam D. Portnoy

Adam D. Portnoy
Managing Trustee

/s/ Christopher J. Bilotto

Christopher J. Bilotto
President and Chief Operating Officer

/s/ Jennifer B. Clark

Jennifer B. Clark
Managing Trustee

/s/ Matthew C. Brown

Matthew C. Brown
Chief Financial Officer and Treasurer

Date: October 28, 2021