

Select Income REIT
Form 8-K
December 17, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **December 12, 2012**

SELECT INCOME REIT

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation)

001-35442
(Commission File Number)

Two Newton Place, 255 Washington Street,
Suite 300, Newton, Massachusetts
(Address of Principal Executive Offices)

45-4071747
(IRS Employer Identification No.)

02458-1634
(Zip Code)

(617) 796-8303

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(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Business Management Agreement

On December 12, 2012, Select Income REIT, or the Company, entered into an amended and restated business management agreement, or the business management agreement, with Reit Management & Research LLC, or Reit Management. The business management agreement amended and restated the preexisting business management agreement, or the prior business management agreement, between the Company and Reit Management. The business management agreement is substantially similar to the prior business management agreement, except that it clarifies certain currently existing policies and changes certain procedures for the arbitration of disputes pursuant to the business management agreement. The terms of the business management agreement described above were reviewed, approved and adopted by the Compensation Committee of the Board of Trustees of the Company, or the Compensation Committee, which is comprised solely of Independent Trustees.

The foregoing description of the business management agreement is not complete and is subject to and qualified in its entirety by reference to the amended and restated business management agreement, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Information Regarding Certain Relationships and Related Transactions

One of the Company's Managing Trustees, Mr. Barry Portnoy, is Chairman, majority owner and an employee of Reit Management. The Company's other Managing Trustee, Mr. Adam Portnoy, is the son of Mr. Barry Portnoy and an owner, President, Chief Executive Officer and a director of Reit Management. Each of the Company's executive officers is also an officer of Reit Management. The Company's Independent Trustees also serve as independent directors or independent trustees of other public companies to which Reit Management provides management services. Mr. Barry Portnoy serves as a managing director or managing trustee of those companies and Mr. Adam Portnoy serves as a managing trustee of a majority of those companies.

Reit Management also provides management services to Commonwealth REIT, or CWH. The Company was formerly a 100% owned subsidiary of CWH. CWH is the Company's largest shareholder and, as of the date of this report, CWH owned 22,000,000 of the Company's common shares, or approximately 56.0% of the Company's outstanding common shares. One of the Company's Managing Trustees, Mr. Barry Portnoy, is a managing trustee of CWH. The Company's other Managing Trustee, Mr. Adam Portnoy, is a managing trustee and President of CWH. In addition, the Company's Treasurer and Chief Financial Officer also serves as the treasurer and chief financial officer of CWH, one of the Company's Independent Trustees, Mr. William Lamkin, is also an independent trustee of CWH, and CWH's executive officers are officers of Reit Management.

The Company, Reit Management, CWH and five other companies to which Reit Management provides management services each currently own 12.5% of Affiliates Insurance Company, or Affiliates Insurance, an Indiana insurance company. All of the Company's Trustees, all of the trustees and directors of the other publicly held Affiliates Insurance shareholders and nearly all of the directors of Reit Management currently serve on the board of directors of Affiliates Insurance. Reit Management provides management and administrative services to Affiliates Insurance pursuant to a management and administrative services agreement.

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with Affiliates Insurance. The Company and the other shareholders of Affiliates Insurance participate in a property insurance program designed and reinsured in part by Affiliates Insurance.

For further information about these and other such relationships and related person transactions, including the business management agreement and the property management agreement, please see the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, or the Quarterly Report, and the Registration Statement on Form S-11 that was filed by the Company with the Securities and Exchange Commission, or the SEC, on November 23, 2012, or the Registration Statement, and the Company's other filings with the SEC, including Note 10 to the Condensed Consolidated Financial Statements included in the Quarterly Report and the sections captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Related Person Transactions," and "Warning Concerning Forward Looking Statements" of the Quarterly Report and the sections captioned "Manager" and "Certain Relationships and Related Person Transactions" in the Registration Statement. In addition, please see the section captioned "Risk Factors" of the Registration Statement for a description of risks that may arise from these transactions and relationships. The Company's filings with the SEC, including the Quarterly Report and the Registration Statement, are available at the SEC's website at www.sec.gov. Copies of certain of the Company's agreements with its related parties are also publicly available as exhibits to the Company's public filings with the SEC and accessible at the SEC's website.

Item 8.01. Other Events.

On December 12, 2012, the Company entered into a first amendment, or the amendment, to the Company's property management agreement, or the property management agreement, with Reit Management. The amendment amended certain procedures for the arbitration of disputes pursuant to the property management agreement. The terms of the amendment described above were reviewed, approved and adopted by the Compensation Committee. The foregoing description of the amendment is not complete and is subject to and qualified in its entirety by reference to the first amendment to property management agreement, a copy of which is attached as Exhibit 10.2 hereto and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

10.1 Amended and Restated Business Management Agreement, dated as of December 12, 2012, by and between Select Income REIT and Reit Management & Research LLC

10.2 First Amendment to Property Management Agreement, dated as of December 12, 2012, by and among Reit Management & Research LLC and Select Income REIT, on behalf of itself and certain of its subsidiaries

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 hereunto duly authorized.

SELECT INCOME REIT

By: /s/ John C. Popeo
Name: John C. Popeo
Title: Treasurer and Chief Financial Officer

Date: December 17, 2012

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EXHIBIT INDEX

| Exhibit | Description |
|----------------|--|
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