

**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):

April 28, 2020

American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35030
(Commission
File No.)

27-3338708
(I.R.S. Employer
Identification No.)

11455 El Camino Real, Suite 200
San Diego, California 92130
(Address of principal executive offices and Zip Code)

(858) 350-2600
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

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))
-

Securities registered pursuant to Section 12(b) of the Act:

| <u>Name of Registrant</u> | <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|-----------------------------|--|-----------------------|--|
| American Assets Trust, Inc. | Common Stock, par value \$0.01 per share | AAT | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On April 28, 2020, American Assets Trust, Inc. (the “Company”) issued a press release regarding its financial results for the quarter ending March 31, 2020. Also on April 28, 2020, the Company made available on the “Investors” page of its website at www.americanassetstrust.com certain supplemental information concerning the Company’s financial results and operations for the quarter ending March 31, 2020. Copies of the press release and supplemental information are attached hereto as Exhibits 99.1 and 99.2, respectively.

Exhibits 99.1 and 99.2, are being furnished pursuant to Item 2.02 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 7.01 Regulation FD Disclosure.

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the quarter ending March 31, 2020 and made available on its website certain supplement information relating thereto.

The information being furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

The following exhibits are filed herewith:

| <u>Exhibit Number</u> | <u>Exhibit Description</u> |
|-----------------------|--|
| 99.1** | Press release issued by American Assets Trust, Inc. on April 28, 2020. |
| 99.2** | American Assets Trust, Inc. Supplemental Information for the quarter ended March 31, 2020. |
| 104 | Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document). |

** Furnished herewith

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.

American Assets Trust, Inc.

By: /s/ Robert F. Barton

Robert F. Barton

Executive Vice President, CFO

April 28, 2020



American Assets Trust, Inc. Reports First Quarter 2020 Financial Results and COVID-19 Operational Update

Net income available to common stockholders of \$12.1 million for the first quarter, or \$0.20 per diluted share
Funds From Operations per diluted share remained relatively unchanged year-over-year for the first quarter at \$0.56 per diluted share
Same-store cash NOI increased 8.6% year-over-year for the first quarter

SAN DIEGO, California - 4/28/2020 - American Assets Trust, Inc. (NYSE: AAT) (the “company”) today reported financial results for its first quarter ended March 31, 2020.

First Quarter Highlights

- **Net income available to common stockholders of \$12.1 million for the first quarter, or \$0.20 per diluted share**
- **Funds From Operations remained relatively unchanged year-over-year at \$0.56 per diluted share for the first quarter. Excluding lease termination fees for the first quarter, Funds From Operations would have increased 14.3%**
- **Same-store cash NOI increased 8.6% year-over-year for the first quarter. Excluding lease termination fees for the first quarter, same-store cash NOI would have been 7.6%**
- **Leased approximately 181,000 comparable office square feet at an average straight-line basis and cash-basis contractual rent increase of 7% and 8%, respectively, for the first quarter**
- **Leased approximately 62,000 comparable retail square feet at an average straight-line basis and cash-basis contractual rent increase of 7% and decrease of 2%, respectively, during the first quarter**

Financial Results

Net income attributable to common stockholders was \$12.1 million, or \$0.20 per basic and diluted share for the first quarter of 2020 compared to \$11.1 million, or \$0.24 per basic and diluted share for the first quarter of 2019. The year-over-year increase in net income attributable to common stockholders is primarily due to the increase in revenue from the acquisition of La Jolla Commons on June 20, 2019 and an increase in annualized base rents at The Landmark at One Market, Lloyd District Portfolio, Torrey Point, and City Center Bellevue offset by an increase in depreciation and amortization expense related La Jolla Commons, a decrease in lease termination fees at Carmel Mountain Plaza attributed to the termination of our former ground lease in the prior year, and a decrease in revenue at our Waikiki Beach Walk Retail and Embassy Suites Hotel due to the COVID-19 pandemic causing a decline in occupancy.

During the first quarter of 2020, the company generated funds from operations (“FFO”) for common stockholders of \$42.8 million, or \$0.56 per diluted share, compared to \$35.7 million, or \$0.56 per diluted share, for the first quarter of 2019. The lack of change in FFO from the corresponding period in 2019 was primarily due to the increase in annualized base rents at The Landmark at One Market, Lloyd District Portfolio, Torrey Point, and City Center Bellevue and the acquisition of La Jolla Commons on June 20, 2019 offset by the decrease in lease termination fees at Carmel Mountain Plaza attributed to the termination of our former ground lease and a decrease in revenue at our Waikiki Beach Walk Retail and Embassy Suites Hotel due to the COVID-19 pandemic causing a decline in occupancy.

FFO is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of FFO to net income is attached to this press release.

Leasing

The portfolio leased status as of the end of the indicated quarter was as follows:

| | March 31, 2020 | December 31, 2019 | March 31, 2019 |
|-----------------------------|----------------|-------------------|----------------|
| Total Portfolio | | | |
| Office | 94.3% | 95.0% | 92.3% |
| Retail | 95.2% | 97.8% | 97.1% |
| Multifamily | 93.0% | 92.8% | 93.9% |
| Mixed-Use: | | | |
| Retail | 98.5% | 97.9% | 98.2% |
| Hotel | 75.4% | 91.7% | 91.8% |
| Same-Store Portfolio | | | |
| Office ⁽¹⁾ | 95.7% | 95.7% | 92.0% |
| Retail ⁽²⁾ | 94.4% | 97.6% | 96.7% |
| Multifamily | 93.0% | 92.8% | 93.9% |

(1) Same-store office leased percentages includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019 after renovating the building. Same-store office leased percentages excludes (i) La Jolla Commons, which was acquired on June 20, 2019 and (ii) One Beach Street due to significant redevelopment activity. La Jolla Commons will be included in same-store office leased percentages commencing in the third quarter of 2020.

(2) Same-store retail leased percentages exclude Waikele Center, due to significant redevelopment activity.

During the first quarter of 2020, the company signed 34 leases for approximately 274,400 square feet of office and retail space, as well as 375 multifamily apartment leases. Renewals accounted for 73% of the comparable office leases, 86% of the comparable retail leases, and 48% of the residential leases.

Office and Retail

On a comparable space basis (i.e. leases for which there was a former tenant) during the first quarter of 2020 and trailing four quarters ended March 31, 2020, our retail and office leasing spreads are shown below:

| | | Number of Leases Signed | Comparable Leased Sq. Ft. | Average Cash Basis % Change Over Prior Rent | Average Cash Contractual Rent Per Sq. Ft. | Prior Average Cash Contractual Rent Per Sq. Ft. | Straight-Line Basis % Change Over Prior Rent |
|--------|-----------------|-------------------------|---------------------------|---|---|---|--|
| Office | Q1 2020 | 11 | 181,000 | 8.4% | \$40.84 | \$37.68 | 6.6% |
| | Last 4 Quarters | 50 | 420,000 | 15.1% | \$47.92 | \$41.65 | 25.0% |
| Retail | Q1 2020 | 14 | 62,000 | (1.8)% | \$32.41 | \$32.99 | 7.0% |
| | Last 4 Quarters | 53 | 163,000 | (0.3)% | \$41.56 | \$41.69 | 8.8% |

Multifamily

The average monthly base rent per leased unit for same-store properties for the first quarter of 2020 was \$2,079 compared to an average monthly base rent per leased unit of \$2,057 for the first quarter of 2019, which is an increase of approximately 1%.

Same-Store Cash Net Operating Income

For the first quarter of 2020, same-store cash NOI increased 8.6% compared to the first quarter of 2019. The same-store cash NOI by segment was as follows (in thousands):

| | Three Months Ended ⁽¹⁾ | | |
|------------------------------------|-----------------------------------|-----------|--------|
| | March 31, | | |
| | 2020 | 2019 | Change |
| Cash Basis: | | | |
| Office ⁽²⁾ | \$ 20,591 | \$ 17,391 | 18.4 % |
| Retail ⁽²⁾ | 15,652 | 14,795 | 5.8 |
| Multifamily | 7,267 | 7,892 | (7.9) |
| Mixed-Use | — | — | — |
| Same-store Cash NOI ⁽³⁾ | \$ 43,510 | \$ 40,078 | 8.6 % |

(1) Same-store portfolio excludes (i) Waikole Center due to significant redevelopment activity; (ii) La Jolla Commons, which was acquired on June 20, 2019; (iii) One Beach Street due to significant redevelopment activity; (iv) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (v) land held for development.

(2) Same-store cash NOI for the three months ended March 31, 2020 includes cash lease termination fees received of \$0.4 million. Excluding lease termination fees for the three months ended March 31, 2020, Office same-store cash NOI would have been 17.8%

(3) Excluding lease termination fees for the three months March 31, 2020, same-store cash NOI would have been 7.6%

Same-store cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of same-store cash NOI to net income is attached to this press release.

Balance Sheet and Liquidity

At March 31, 2020, the company had gross real estate assets of \$3.2 billion and liquidity of \$402.4 million, comprised of cash and cash equivalents of \$52.4 million and \$350.0 million of availability on its line of credit, which the company believes is sufficient to meet the company's short-term liquidity requirements. At March 31, 2020, the company has no debt obligations maturing during the remainder of 2020; and only 1 out of 28 assets encumbered by a mortgage. The company has \$150 million of debt obligations maturing in 2021, assuming the company exercises its option and satisfies the conditions to extend the maturity date of its \$100 million term loan from January 9, 2021 to January 9, 2022.

Dividends

The company declared dividends on its shares of common stock of \$0.30 per share for the first quarter of 2020. The dividends were paid on March 26, 2020.

In addition, the company has declared a dividend on its common stock of \$0.20 per share for the second quarter of 2020. The dividend will be paid in cash on June 25, 2020 to stockholders of record on June 11, 2020. The company reduced the second quarter dividend by \$0.10, or one-third, from the first quarter of 2020 out of an abundance of caution, recognizing the uncertainties that the COVID-19 pandemic has created in commercial real estate and the financial markets.

Guidance

In light of the ongoing COVID-19 pandemic, the company withdrew its full year 2020 guidance that was previously issued on October 29, 2019.

COVID-19 Operational Update

Employees

In response to the COVID-19 pandemic, including the "stay-at-home" order from the various municipalities in which we conduct business, the company initiated its business continuity and crisis management plans, and has directed all employees to work from home in order to maintain social distancing unless an employee was deemed to provide essential services to any of the company's properties and/or tenants. To date, the company is unaware of any employees having been infected by COVID-19.

Operations

As of April 27, 2020, we have collected 94% of office rents, 47% of retail rents (including the retail component of Waikiki Beach Walk) and 94% of multifamily rents, that were due in April 2020.

The company recently began negotiating and executing lease amendments to defer the rent obligations of certain retail, office and multifamily tenants that suffered and proven financial hardship due to the COVID-19 pandemic. The company believes that many rent relief requests from tenants are opportunistic and coming from tenants that likely have the finances to pay rent. As such, not all tenant requests will result in deferments. Additionally, in April 2020, due to the significant reduction in tourism, the company substantially reduced the scope of operations at its Waikiki Beach Walk - Embassy Suites Hotel in Honolulu, Hawaii.

As a result of the impact of the COVID-19 pandemic on non-essential retail and office business operations and the spike in unemployment, among other reasons, our ability to collect past due and future rent may deteriorate.

Financial Update

In April 2020, the company drew down \$100 million out of the \$350 million capacity under its revolving credit facility for working capital and general corporate purposes and to ensure future liquidity given the recent significant impact on global financial markets and the economy as a result of the COVID-19 pandemic.

Conference Call

The company will hold a conference call to discuss the results for the first quarter of 2020 on Wednesday, April 29, 2020 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-877-868-5513 and use the pass code 4776946. A telephonic replay of the conference call will be available beginning at 2:00 p.m. PT on Wednesday, April 29, 2020 through Wednesday, May 6, 2020. To access the replay, dial 1-855-859-2056 and use the pass code 4776946. A live on-demand audio webcast of the conference call will be available on the company's website at www.americanassetstrust.com. A replay of the call will also be available on the company's website.

Supplemental Information

Supplemental financial information regarding the company's first quarter 2020 results may be found on the "Investors" page of the company's website at www.americanassetstrust.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

Financial Information
American Assets Trust, Inc.
Consolidated Balance Sheets
(In Thousands, Except Share Data)

| | March 31, 2020 | December 31, 2019 |
|--|---------------------|---------------------|
| | (unaudited) | |
| Assets | | |
| Real estate, at cost | | |
| Operating real estate | \$ 3,118,356 | \$ 3,096,886 |
| Construction in progress | 90,598 | 91,264 |
| Held for development | 547 | 547 |
| | 3,209,501 | 3,188,697 |
| Accumulated depreciation | (687,932) | (665,222) |
| Net real estate | 2,521,569 | 2,523,475 |
| Cash and cash equivalents | 52,371 | 99,303 |
| Restricted cash | 4,457 | 10,148 |
| Accounts receivable, net | 8,621 | 12,016 |
| Deferred rent receivables, net | 56,869 | 52,171 |
| Other assets, net | 112,298 | 93,220 |
| Total assets | \$ 2,756,185 | \$ 2,790,333 |
| Liabilities and equity | | |
| Liabilities: | | |
| Secured notes payable, net | \$ 110,892 | \$ 161,879 |
| Unsecured notes payable, net | 1,196,036 | 1,195,780 |
| Accounts payable and accrued expenses | 67,348 | 62,576 |
| Security deposits payable | 8,346 | 8,316 |
| Other liabilities and deferred credits, net | 92,542 | 68,110 |
| Total liabilities | 1,475,164 | 1,496,661 |
| Commitments and contingencies | | |
| Equity: | | |
| American Assets Trust, Inc. stockholders' equity | | |
| Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,068,228 shares issued and outstanding at both March 31, 2020 and December 31, 2019 | 601 | 601 |
| Additional paid-in capital | 1,453,264 | 1,452,014 |
| Accumulated dividends in excess of net income | (150,226) | (144,378) |
| Accumulated other comprehensive income | 603 | 5,680 |
| Total American Assets Trust, Inc. stockholders' equity | 1,304,242 | 1,313,917 |
| Noncontrolling interests | (23,221) | (20,245) |
| Total equity | 1,281,021 | 1,293,672 |
| Total liabilities and equity | \$ 2,756,185 | \$ 2,790,333 |

American Assets Trust, Inc.
Unaudited Consolidated Statements of Operations
(In Thousands, Except Shares and Per Share Data)

| | Three Months Ended March 31, | |
|--|------------------------------|------------------|
| | 2020 | 2019 |
| Revenue: | | |
| Rental income | \$ 92,070 | \$ 76,831 |
| Other property income | 4,673 | 8,488 |
| Total revenue | 96,743 | 85,319 |
| Expenses: | | |
| Rental expenses | 22,568 | 20,796 |
| Real estate taxes | 11,045 | 9,046 |
| General and administrative | 6,820 | 6,073 |
| Depreciation and amortization | 27,462 | 20,583 |
| Total operating expenses | 67,895 | 56,498 |
| Operating income | 28,848 | 28,821 |
| Interest expense | (13,472) | (13,349) |
| Other income (expense), net | 108 | (229) |
| Net income | 15,484 | 15,243 |
| Net income attributable to restricted shares | (104) | (93) |
| Net income attributable to unitholders in the Operating Partnership | (3,312) | (4,055) |
| Net income attributable to American Assets Trust, Inc. stockholders | \$ 12,068 | \$ 11,095 |
| Net income per share | | |
| Basic income attributable to common stockholders per share | \$ 0.20 | \$ 0.24 |
| Weighted average shares of common stock outstanding - basic | 59,723,072 | 47,004,465 |
| Diluted income attributable to common stockholders per share | \$ 0.20 | \$ 0.24 |
| Weighted average shares of common stock outstanding - diluted | 76,113,620 | 64,182,073 |
| Dividends declared per common share | \$ 0.30 | \$ 0.28 |

Reconciliation of Net Income to Funds From Operations

The company's FFO attributable to common stockholders and operating partnership unitholders and reconciliation to net income is as follows (in thousands except shares and per share data, unaudited):

| | Three Months Ended March 31, 2020 | |
|---|--------------------------------------|------------|
| Funds From Operations (FFO) | | |
| Net income | \$ | 15,484 |
| Depreciation and amortization of real estate assets | | 27,462 |
| FFO, as defined by NAREIT | \$ | 42,946 |
| Less: Nonforfeitable dividends on restricted stock awards | | (102) |
| FFO attributable to common stock and units | \$ | 42,844 |
| FFO per diluted share/unit | \$ | 0.56 |
| Weighted average number of common shares and units, diluted | | 76,117,072 |

Reconciliation of Same-Store Cash NOI to Net Income

The company's reconciliation of Same-Store Cash NOI to Net Income is as follows (in thousands, unaudited):

| | Three Months Ended ⁽¹⁾ March 31, | |
|--|--|-----------|
| | 2020 | 2019 |
| Same-store cash NOI | 43,510 | \$ 40,078 |
| Non-same-store cash NOI | 13,183 | 8,959 |
| Tenant improvement reimbursements ⁽²⁾ | 2,796 | 991 |
| Cash NOI | \$ 59,489 | \$ 50,028 |
| Non-cash revenue and other operating expenses ⁽³⁾ | 3,641 | 5,449 |
| General and administrative | (6,820) | (6,073) |
| Depreciation and amortization | (27,462) | (20,583) |
| Interest expense | (13,472) | (13,349) |
| Other income (expense), net | 108 | (229) |
| Net income | \$ 15,484 | \$ 15,243 |
| Number of properties included in same-store analysis | 24 | 24 |

(1) Same-store portfolio includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019 after renovating the building. Same-store portfolio excludes (i) Waikēle Center, due to significant redevelopment activity; (ii) La Jolla Commons, which was acquired on June 20, 2019; (iii) One Beach Street, due to significant redevelopment activity; (iv) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (v) land held for development.

(2) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

(3) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, lease termination fees at Carmel Mountain Plaza, and straight-line rent expense for our lease of the Annex at The Landmark at One Market.

Reported results are preliminary and not final until the filing of the company's Form 10-Q with the Securities and Exchange Commission and, therefore, remain subject to adjustment.

Use of Non-GAAP Information

Funds from Operations

The company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year-over-year, captures trends in occupancy rates, rental rates and operating costs. The company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the company's operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the company's properties, all of which have real economic effects and could materially impact the company's results from operations, the utility of FFO as a measure of the company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the company does, and, accordingly, the company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the company's performance. FFO should not be used as a measure of the company's liquidity, nor is it indicative of funds available to fund the company's cash needs, including the company's ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Cash Net Operating Income

The company uses cash net operating income ("NOI") internally to evaluate and compare the operating performance of the company's properties. The company believes cash NOI provides useful information to investors regarding the company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the company's properties as this measure is not affected by (1) the non-cash revenue and expense recognition items, (2) the cost of funds of the property owner, (3) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP or (4) general and administrative expenses and other gains and losses that are specific to the property owner. The company believes the exclusion of these items from net income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP.

Cash NOI, is a non-GAAP financial measure of performance. The company defines cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other nonproperty income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, the company's cash NOI may not be comparable to the cash NOIs of other REITs.

About American Assets Trust, Inc.

American Assets Trust, Inc. is a full service, vertically integrated and self-administered real estate investment trust, or REIT, headquartered in San Diego, California. The company has over 50 years of experience in acquiring, improving, developing and managing premier retail, office and residential properties throughout the United States in some of the nation's most dynamic, high-barrier-to-entry markets primarily in Southern California, Northern California, Oregon, Washington, Texas and Hawaii. The company's office portfolio comprises approximately 3.4 million rentable square feet, and its retail portfolio comprises approximately 3.1 million square feet. In addition, the company owns one mixed-use property (including approximately 97,000 rentable square feet of retail space and a 369-room all-suite hotel) and 2,112 multifamily units. In 2011, the company was formed to succeed to the real estate business of American Assets, Inc., a privately held corporation founded in 1967 and, as such, has significant experience, long-standing relationships and extensive knowledge of its core markets, submarkets and asset classes. For additional information, please visit www.americanassetstrust.com.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. While forward-looking statements reflect the company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. Currently, one of the most significant risk factors, is the potential adverse effect of the current COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of the company, its tenants and guests, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the Company, its tenants and guests will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the company's most recent annual report on Form 10-K, and other risks described in documents subsequently filed by the company from time to time with the Securities and Exchange Commission. The company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

Source: American Assets Trust, Inc.

Investor and Media Contact:

American Assets Trust
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

FIRST QUARTER 2020

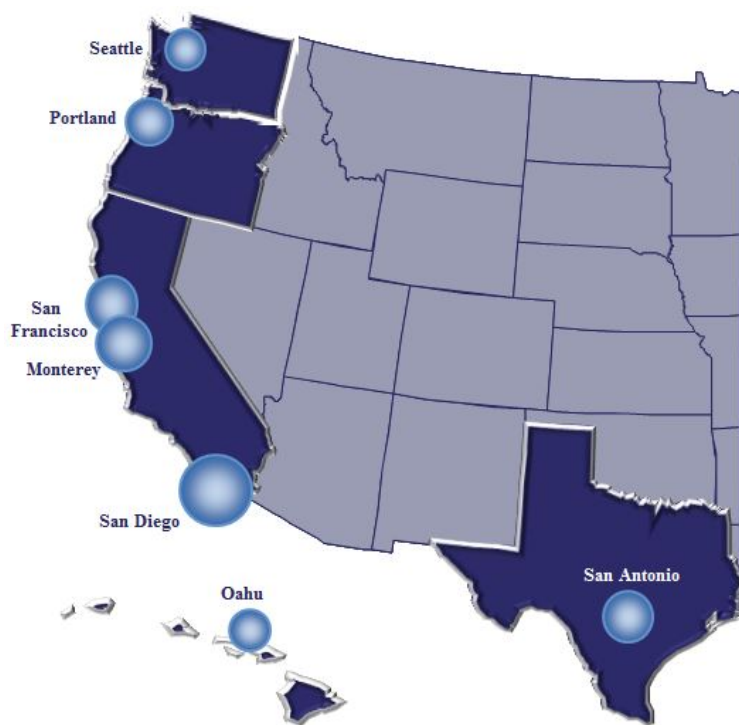
Supplemental Information



Investor and Media Contact
American Assets Trust, Inc.
Robert F. Barton
Executive Vice President and Chief Financial Officer
858-350-2607

AMERICAN
ASSETS
TRUST 

**American Assets Trust, Inc.'s Portfolio is concentrated in high-barrier-to-entry markets
with favorable supply/demand characteristics**



| Market | Office | Retail | Multifamily | Mixed-Use | |
|----------------------|------------------|------------------|----------------------|---------------|------------|
| | Square Feet | Square Feet | Units | Square Feet | Suites |
| San Diego | 1,549,860 | 1,322,817 | 1,455 ⁽¹⁾ | — | — |
| San Francisco | 520,040 | 35,159 | — | — | — |
| Oahu | — | 429,718 | — | 96,707 | 369 |
| Monterey | — | 673,572 | — | — | — |
| San Antonio | — | 588,148 | — | — | — |
| Portland | 876,491 | 44,236 | 657 | — | — |
| Seattle | 497,488 | — | — | — | — |
| Total | 3,443,879 | 3,093,650 | 2,112 | 96,707 | 369 |

Note: Circled areas represent all markets in which American Assets Trust, Inc. currently owns and operates its real estate properties. Size of circle denotes approximation of square feet / units. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.

Data is as of March 31, 2020.

(1) Includes 122 RV spaces.

(2) Percentage of Net Operating Income (NOI) calculated for the three months ended March 31, 2020. Reconciliation of NOI to net income is included in the Glossary of Terms.

| | Square Feet | % | NOI % ⁽²⁾ |
|---------------|--------------------|------------|----------------------|
| Office | 3.4 million | 52% | 52% |
| Retail | 3.1 million | 48% | 29% |
| Totals | 6.5 million | | |

| | |
|---|----|
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This Supplemental Information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: adverse economic or real estate developments in our markets; our failure to generate sufficient cash flows to service our outstanding indebtedness; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; difficulties in identifying properties to acquire and completing acquisitions; difficulties in completing dispositions; our failure to successfully operate acquired properties and operations; our inability to develop or redevelop our properties due to market conditions; fluctuations in interest rates and increased operating costs; risks related to joint venture arrangements; our failure to obtain necessary outside financing; on-going litigation; general economic conditions; financial market fluctuations; risks that affect the general retail, office, multifamily and mixed-use environment; the competitive environment in which we operate; decreased rental rates or increased vacancy rates; conflicts of interests with our officers or directors; lack or insufficient amounts of insurance; environmental uncertainties and risks related to adverse weather conditions and natural disasters; other factors affecting the real estate industry generally; limitations imposed on our business and our ability to satisfy complex rules in order for us to continue to qualify as a REIT for U.S. federal income tax purposes; and changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs. Currently, one of the most significant risk factors, is the potential adverse effect of the current COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of the company, its tenants and guests, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the Company, its tenants and guests will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, refer to our most recent Annual Report on Form 10-K and other risks described in documents subsequently filed by us from time to time with the Securities and Exchange Commission.

FINANCIAL HIGHLIGHTS

(Amounts in thousands, except shares and per share data)

| | <u>March 31, 2020</u> | <u>December 31, 2019</u> |
|--|-----------------------|--------------------------|
| | (unaudited) | (audited) |
| ASSETS | | |
| Real estate, at cost | | |
| Operating real estate | \$ 3,118,356 | \$ 3,096,886 |
| Construction in progress | 90,598 | 91,264 |
| Held for development | 547 | 547 |
| | <u>3,209,501</u> | <u>3,188,697</u> |
| Accumulated depreciation | (687,932) | (665,222) |
| Net real estate | 2,521,569 | 2,523,475 |
| Cash and cash equivalents | 52,371 | 99,303 |
| Restricted cash | 4,457 | 10,148 |
| Accounts receivable, net | 8,621 | 12,016 |
| Deferred rent receivable, net | 56,869 | 52,171 |
| Other assets, net | 112,298 | 93,220 |
| TOTAL ASSETS | <u>\$ 2,756,185</u> | <u>\$ 2,790,333</u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES: | | |
| Secured notes payable, net | \$ 110,892 | \$ 161,879 |
| Unsecured notes payable, net | 1,196,036 | 1,195,780 |
| Accounts payable and accrued expenses | 67,348 | 62,576 |
| Security deposits payable | 8,346 | 8,316 |
| Other liabilities and deferred credits, net | 92,542 | 68,110 |
| Total liabilities | <u>1,475,164</u> | <u>1,496,661</u> |
| Commitments and contingencies | | |
| EQUITY: | | |
| American Assets Trust, Inc. stockholders' equity | | |
| Common stock, \$0.01 par value, 490,000,000 shares authorized, 60,068,228 shares issued and outstanding at both March 31, 2020 and December 31, 2019 | 601 | 601 |
| Additional paid in capital | 1,453,264 | 1,452,014 |
| Accumulated dividends in excess of net income | (150,226) | (144,378) |
| Accumulated other comprehensive income | 603 | 5,680 |
| Total American Assets Trust, Inc. stockholders' equity | <u>1,304,242</u> | <u>1,313,917</u> |
| Noncontrolling interests | (23,221) | (20,245) |
| Total equity | <u>1,281,021</u> | <u>1,293,672</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 2,756,185</u> | <u>\$ 2,790,333</u> |

(Unaudited, amounts in thousands, except shares and per share data)

| | Three Months Ended | |
|---|---------------------------|------------------|
| | March 31, | |
| | 2020 | 2019 |
| REVENUE: | | |
| Rental income | \$ 92,070 | \$ 76,831 |
| Other property income | 4,673 | 8,488 |
| Total revenue | 96,743 | 85,319 |
| EXPENSES: | | |
| Rental expenses | 22,568 | 20,796 |
| Real estate taxes | 11,045 | 9,046 |
| General and administrative | 6,820 | 6,073 |
| Depreciation and amortization | 27,462 | 20,583 |
| Total operating expenses | 67,895 | 56,498 |
| OPERATING INCOME | 28,848 | 28,821 |
| Interest expense | (13,472) | (13,349) |
| Other (expense) income, net | 108 | (229) |
| NET INCOME | 15,484 | 15,243 |
| Net income attributable to restricted shares | (104) | (93) |
| Net income attributable to unitholders in the Operating Partnership | (3,312) | (4,055) |
| NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS | \$ 12,068 | \$ 11,095 |
| EARNINGS PER COMMON SHARE | | |
| Basic income from operations attributable to common stockholders per share | \$ 0.20 | \$ 0.24 |
| Weighted average shares of common stock outstanding - basic | 59,723,072 | 47,004,465 |
| Diluted income from continuing operations attributable to common stockholders per share | \$ 0.20 | \$ 0.24 |
| Weighted average shares of common stock outstanding - diluted | 76,113,620 | 64,182,073 |

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION

(Unaudited, amounts in thousands, except shares and per share data)

| | Three Months Ended | |
|---|--------------------|------------|
| | March 31, | |
| | 2020 | 2019 |
| Funds from Operations (FFO) ⁽¹⁾ | | |
| Net income | \$ 15,484 | \$ 15,243 |
| Depreciation and amortization of real estate assets | 27,462 | 20,583 |
| FFO, as defined by NAREIT | 42,946 | 35,826 |
| Less: Nonforfeitable dividends on restricted stock awards | (102) | (91) |
| FFO attributable to common stock and common units | \$ 42,844 | \$ 35,735 |
| FFO per diluted share/unit | \$ 0.56 | \$ 0.56 |
| Weighted average number of common shares and common units, diluted ⁽²⁾ | 76,117,072 | 64,185,323 |
| Funds Available for Distribution (FAD) ⁽¹⁾ | \$ 19,065 | \$ 13,873 |
| Dividends | | |
| Dividends declared and paid | \$ 22,937 | \$ 18,061 |
| Dividends declared and paid per share/unit | \$ 0.30 | \$ 0.28 |

FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION (CONTINUED)

(Unaudited, amounts in thousands, except shares and per share data)

| | Three Months Ended | |
|---|--------------------|------------------|
| | March 31, | |
| | 2020 | 2019 |
| Funds Available for Distribution (FAD) ⁽¹⁾ | | |
| FFO | \$ 42,946 | \$ 35,826 |
| Adjustments: | | |
| Tenant improvements, leasing commissions and maintenance capital expenditures | (21,762) | (17,879) |
| Net effect of straight-line rents ⁽³⁾ | (2,752) | (203) |
| Amortization of net above (below) market rents ⁽⁴⁾ | (947) | (925) |
| Net effect of other lease assets ⁽⁵⁾ | 58 | (4,321) |
| Amortization of debt issuance costs and debt fair value adjustment | 374 | 368 |
| Non-cash compensation expense | 1,250 | 1,098 |
| Nonforfeitable dividends on restricted stock awards | (102) | (91) |
| FAD | \$ 19,065 | \$ 13,873 |
| Summary of Capital Expenditures | | |
| Tenant improvements and leasing commissions | \$ 15,032 | \$ 10,993 |
| Maintenance capital expenditures | 6,730 | 6,886 |
| | \$ 21,762 | \$ 17,879 |

Notes:

(1) See Glossary of Terms.

(2) For the three months ended March 31, 2020 and 2019, the weighted average common shares and common units used to compute FFO per diluted share/unit include operating partnership common units and unvested restricted stock awards that are subject to time vesting. The shares/units used to compute FFO per diluted share/unit include additional shares/units which were excluded from the computation of diluted EPS, as they were anti-dilutive for the periods presented.

(3) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.

(4) Represents the adjustment related to the acquisition of buildings with above (below) market rents.

(5) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles, lease termination fees at Carmel Mountain Plaza and straight-line rent expense for our leases at the Annex at The Landmark at One Market.

(Unaudited, amounts in thousands)

| | Three Months Ended March 31, 2020 | | | | |
|---|-----------------------------------|------------------|-----------------|-----------------|------------------|
| | Office | Retail | Multifamily | Mixed-Use | Total |
| Real estate rental revenue | | | | | |
| Same-store | \$ 33,596 | \$ 21,601 | \$ 12,825 | \$ — | \$ 68,022 |
| Non-same store ⁽¹⁾ | 10,913 | 4,225 | — | 13,583 | 28,721 |
| Total | 44,509 | 25,826 | 12,825 | 13,583 | 96,743 |
| Real estate expenses | | | | | |
| Same-store | 8,773 | 5,881 | 5,510 | — | 20,164 |
| Non-same store ⁽¹⁾ | 3,020 | 1,450 | — | 8,979 | 13,449 |
| Total | 11,793 | 7,331 | 5,510 | 8,979 | 33,613 |
| Net Operating Income (NOI) | | | | | |
| Same-store | 24,823 | 15,720 | 7,315 | — | 47,858 |
| Non-same store ⁽¹⁾ | 7,893 | 2,775 | — | 4,604 | 15,272 |
| Total | \$ 32,716 | \$ 18,495 | \$ 7,315 | \$ 4,604 | \$ 63,130 |
| Same-store NOI | \$ 24,823 | \$ 15,720 | \$ 7,315 | \$ — | \$ 47,858 |
| Net effect of straight-line rents ⁽²⁾ | (1,046) | 224 | (48) | — | (870) |
| Amortization of net above (below) market rents ⁽³⁾ | (411) | (291) | — | — | (702) |
| Net effect of other lease intangibles ⁽⁴⁾ | 20 | — | — | — | 20 |
| Tenant improvement reimbursements ⁽⁵⁾ | (2,795) | (1) | — | — | (2,796) |
| Same-store cash NOI ⁽⁵⁾ | \$ 20,591 | \$ 15,652 | \$ 7,267 | \$ — | \$ 43,510 |

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on March 31, 2020 and 2019. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants, amortization of lease intangibles and straight-line rent expense for our leases at the Annex at The Landmark at One Market.
- (5) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.

NOI and same-store cash NOI are non-GAAP supplemental earnings measures which we consider meaningful in measuring our operating performance. Reconciliations of NOI and same-store cash NOI to net income are included in the Glossary of Terms.

(Unaudited, amounts in thousands)

| | Three Months Ended | | Change |
|---------------------------------------|--------------------|-----------|--------|
| | March 31, | | |
| | 2020 | 2019 | |
| Cash Basis: | | | |
| Office | 20,591 | 17,391 | 18.4 % |
| Retail | \$ 15,652 | \$ 14,795 | 5.8 |
| Multifamily | 7,267 | 7,892 | (7.9) |
| Mixed-Use | — | — | — |
| Same-store Cash NOI ⁽¹⁾⁽²⁾ | \$ 43,510 | \$ 40,078 | 8.6 % |

Notes:
 (1) Excluding lease termination fees, for the three months ended March 31, 2020 and 2019, same-store cash NOI would be 7.6%.
 (2) See Glossary of Terms.

Same-store cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI to net income is included in the Glossary of Terms.

(Unaudited, amounts in thousands)

| | Three Months Ended | | Change |
|--|--------------------|------------------|--------------|
| | March 31, | | |
| | 2020 | 2019 | |
| Cash Basis: | | | |
| Office | \$ 20,427 | \$ 18,162 | 12.5 % |
| Retail | 18,403 | 17,081 | 7.7 |
| Multifamily | 7,267 | 7,892 | (7.9) |
| Mixed-Use | — | — | — |
| Same-store Cash NOI with Redevelopment ⁽¹⁾⁽²⁾ | <u>\$ 46,097</u> | <u>\$ 43,135</u> | <u>6.9 %</u> |

Notes:

(1) Excluding lease termination fees, for the three months ended March 31, 2020 and 2019, same-store cash NOI with redevelopment would be 6.0%.

(2) See Glossary of Terms.

Same-store cash NOI with redevelopment is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of same-store cash NOI with redevelopment to net income is included in the Glossary of Terms.

(Unaudited, amounts in thousands)

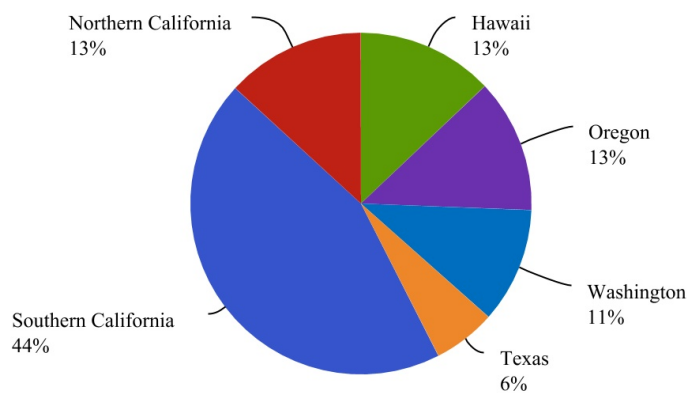
| | Three Months Ended March 31, 2020 | | | | |
|---------------------|-----------------------------------|-----------|-------------|-----------|-----------|
| | Office | Retail | Multifamily | Mixed-Use | Total |
| Cash Basis: | | | | | |
| Southern California | 11,724 | 8,841 | 5,798 | — | 26,363 |
| Northern California | 5,254 | 2,586 | — | — | 7,840 |
| Hawaii | — | 3,205 | — | 4,500 | 7,705 |
| Oregon | 5,833 | 237 | 1,469 | — | 7,539 |
| Texas | — | 3,534 | — | — | 3,534 |
| Washington | 6,508 | — | — | — | 6,508 |
| Total Cash NOI | \$ 29,319 | \$ 18,403 | \$ 7,267 | \$ 4,500 | \$ 59,489 |

Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

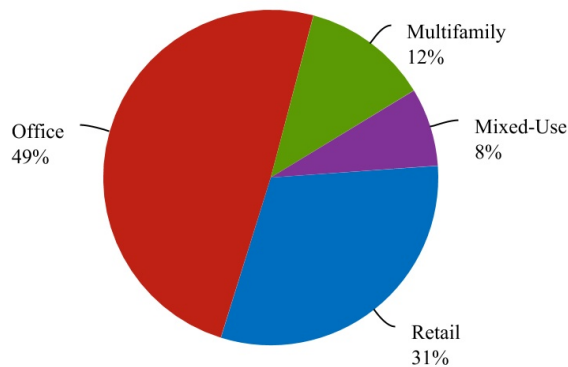
Three Months Ended March 31, 2020

Cash NOI Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

(Unaudited, amounts in thousands)

Three Months Ended March 31, 2020

| Property | Base Rent ⁽¹⁾ | Additional Property Income ⁽²⁾ | Billed Expense Reimbursements ⁽³⁾ | Property Operating Expenses ⁽⁴⁾ | Rental Adjustments ⁽⁵⁾ | Cash NOI ⁽⁶⁾ |
|---|--------------------------|---|--|--|-----------------------------------|-------------------------|
| Office Portfolio | | | | | | |
| La Jolla Commons ⁽⁷⁾ | \$ 6,109 | \$ 234 | \$ 2,450 | \$ (2,604) | \$ (86) | \$ 6,103 |
| Torrey Reserve Campus ⁽⁸⁾ | 5,123 | 40 | 263 | (1,559) | (75) | 3,792 |
| Torrey Point | 738 | 77 | 17 | (360) | (160) | 312 |
| Solana Crossing ⁽⁸⁾ | 2,029 | 38 | 87 | (573) | (58) | 1,523 |
| The Landmark at One Market | 9,332 | 69 | 143 | (2,428) | (1,789) | 5,327 |
| One Beach Street | 439 | — | 21 | (284) | (249) | (73) |
| First & Main | 2,839 | 215 | 529 | (967) | — | 2,616 |
| Lloyd District Portfolio ⁽⁸⁾ | 3,646 | 832 | 180 | (1,300) | (49) | 3,309 |
| City Center Bellevue | 5,145 | 759 | 239 | (1,589) | 1,954 | 6,508 |
| Subtotal Office Portfolio | \$ 35,400 | \$ 2,264 | \$ 3,929 | \$ (11,664) | \$ (512) | \$ 29,417 |
| Retail Portfolio | | | | | | |
| Carmel Country Plaza | \$ 975 | \$ 22 | \$ 179 | \$ (172) | \$ — | \$ 1,004 |
| Carmel Mountain Plaza | 3,530 | 43 | 824 | (826) | — | 3,571 |
| South Bay Marketplace | 619 | 32 | 204 | (182) | — | 673 |
| Gateway Marketplace | 581 | 2 | 182 | (205) | (1) | 559 |
| Lomas Santa Fe Plaza | 1,516 | 9 | 304 | (379) | 1 | 1,451 |
| Solana Beach Towne Centre | 1,617 | 15 | 506 | (523) | (32) | 1,583 |
| Del Monte Center | 2,569 | 109 | 889 | (1,291) | — | 2,276 |
| Geary Marketplace | 308 | — | 156 | (154) | — | 310 |
| The Shops at Kalakaua | 472 | 26 | 52 | (97) | — | 453 |
| Waialele Center | 3,108 | 221 | 872 | (1,449) | — | 2,752 |
| Alamo Quarry Market | 3,503 | 342 | 1,648 | (1,959) | — | 3,534 |
| Hassalo on Eighth - Retail | 237 | 50 | 44 | (94) | — | 237 |
| Subtotal Retail Portfolio | \$ 19,035 | \$ 871 | \$ 5,860 | \$ (7,331) | \$ (32) | \$ 18,403 |

(Unaudited, amounts in thousands)

| Property | Three Months Ended March 31, 2020 | | | | | |
|--|-----------------------------------|---|--|--|-----------------------------------|-------------------------|
| | Base Rent ⁽¹⁾ | Additional Property Income ⁽²⁾ | Billed Expense Reimbursements ⁽³⁾ | Property Operating Expenses ⁽⁴⁾ | Rental Adjustments ⁽⁵⁾ | Cash NOI ⁽⁶⁾ |
| Multifamily Portfolio | | | | | | |
| Loma Palisades | \$ 3,390 | \$ 224 | \$ — | \$ (1,412) | \$ (8) | \$ 2,194 |
| Imperial Beach Gardens | 844 | 81 | — | (364) | (3) | 558 |
| Mariner's Point | 421 | 32 | — | (184) | (2) | 267 |
| Santa Fe Park RV Resort | 321 | 16 | — | (217) | — | 120 |
| Pacific Ridge Apartments | 4,258 | 160 | — | (1,745) | (14) | 2,659 |
| Hassalo on Eighth - Multifamily | 2,880 | 344 | — | (1,586) | (169) | 1,469 |
| Subtotal Multifamily Portfolio | \$ 12,114 | \$ 857 | \$ — | \$ (5,508) | \$ (196) | \$ 7,267 |
| Mixed-Use Portfolio | | | | | | |
| Waikiki Beach Walk - Retail | \$ 2,758 | \$ 920 | \$ 1,070 | \$ (1,859) | \$ — | \$ 2,889 |
| Waikiki Beach Walk - Embassy Suites™ | 8,125 | 606 | — | (7,120) | — | 1,611 |
| Subtotal Mixed-Use Portfolio | \$ 10,883 | \$ 1,526 | \$ 1,070 | \$ (8,979) | \$ — | \$ 4,500 |
| Subtotal Development Properties | \$ — | \$ 33 | \$ — | \$ (131) | \$ — | \$ (98) |
| Total | \$ 77,432 | \$ 5,551 | \$ 10,859 | \$ (33,613) | \$ (740) | \$ 59,489 |

Cash NOI is a non-GAAP supplemental earnings measure which the company considers meaningful in measuring its operating performance. A reconciliation of total cash NOI to net income is included in the Glossary of Terms.

Notes:

- (1) Base rent for our office and retail portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended March 31, 2020 (before abatements and tenant improvement reimbursements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our office and retail portfolio were approximately \$3,307 and \$33, respectively, for the three months ended March 31, 2020. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended March 31, 2020. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. Multifamily portfolio base rent represents base rent (including parking, before abatements) less vacancy allowance and employee rent credits and includes additional rents (additional rents include insufficient notice penalties, month-to-month charges and pet rent). There were \$196 of abatements for our multifamily portfolio for the three months ended March 31, 2020. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended March 31, 2020. Total tenant improvement reimbursements for our office and retail portfolio were approximately \$2,795 and \$1, respectively, for the three months ended March 31, 2020. There were no tenant improvement reimbursements for the retail portion of our mixed-use portfolio for the three months ended March 31, 2020.
- (2) Represents additional property-related income for the three months ended March 31, 2020, which includes: (i) percentage rent, (ii) other rent (such as storage rent, license fees and association fees) and (iii) other property income (such as late fees, default fees, lease termination fees, parking revenue, the reimbursement of general excise taxes, laundry income and food and beverage sales).
- (3) Represents billed tenant expense reimbursements for the three months ended March 31, 2020.
- (4) Represents property operating expenses for the three months ended March 31, 2020. Property operating expenses includes all rental expenses, except non cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) Represents various rental adjustments related to base rent (abatements and tenant improvement reimbursements).
- (6) See Glossary of Terms.
- (7) La Jolla Commons, consisting of approximately 724,000 square feet in two office towers, was acquired by us on June 20, 2019.
- (8) Base rent shown includes amounts related to American Assets Trust, L.P.'s corporate leases at Torrey Reserve Campus, Solana Crossing and Lloyd District Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatements were both \$385 for the three months ended March 31, 2020.

SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

Three Months Ended March 31, 2020

| Segment | Tenant Improvements and Leasing Commissions | Maintenance Capital Expenditures | Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures | Redevelopment and Expansions | New Development | Total Capital Expenditures |
|-----------------------|--|--|---|---------------------------------|--------------------|-------------------------------|
| Office Portfolio | \$ 13,603 | \$ 2,453 | \$ 16,056 | \$ 508 | \$ 1,636 | \$ 18,200 |
| Retail Portfolio | 1,407 | 2,132 | 3,539 | 19 | — | 3,558 |
| Multifamily Portfolio | — | 1,284 | 1,284 | — | — | 1,284 |
| Mixed-Use Portfolio | 22 | 861 | 883 | — | — | 883 |
| Total | \$ 15,032 | \$ 6,730 | \$ 21,762 | \$ 527 | \$ 1,636 | \$ 23,925 |

(Unaudited, amounts in thousands)

| Debt | Amount Outstanding at March 31, 2020 | Interest Rate | Annual Debt Service ⁽¹⁾ | Maturity Date |
|---|--|---------------|---------------------------------------|------------------|
| City Center Bellevue ⁽²⁾ | 111,000 | 3.98 % | 4,479 | November 1, 2022 |
| Secured Notes Payable / Weighted Average ⁽³⁾ | \$ 111,000 | 3.98 % | \$ 4,479 | |
| Term Loan A ⁽⁴⁾ | \$ 100,000 | 4.13 % | \$ 103,614 | January 9, 2021 |
| Series A Notes ⁽⁵⁾ | 150,000 | 3.88 % | 6,060 | October 31, 2021 |
| Term Loan B ⁽⁶⁾ | 100,000 | 2.65 % | 2,749 | March 1, 2023 |
| Term Loan C ⁽⁷⁾ | 50,000 | 2.64 % | 1,371 | March 1, 2023 |
| Series F Notes ⁽⁸⁾ | 100,000 | 3.85 % | 3,780 | July 19, 2024 |
| Series B Notes | 100,000 | 4.45 % | 4,450 | February 2, 2025 |
| Series C Notes | 100,000 | 4.50 % | 4,500 | April 1, 2025 |
| Series D Notes ⁽⁹⁾ | 250,000 | 3.87 % | 10,725 | March 1, 2027 |
| Series E Notes ⁽¹⁰⁾ | 100,000 | 4.18 % | 4,240 | May 23, 2029 |
| Series G Notes ⁽¹¹⁾ | 150,000 | 3.88 % | 5,865 | July 30, 2030 |
| Unsecured Notes Payable / Weighted Average ⁽¹²⁾ | \$ 1,200,000 | 3.87 % | \$ 147,354 | |
| Unsecured Line of Credit ⁽¹³⁾ | \$ — | | | |

Notes:

(1) Includes interest and principal payments due over the next twelve months.

(2) Interest only.

(3) The Secured Notes Payable total does not include debt issuance costs, net of \$0.1 million.

(4) Term Loan A has a stated maturity of January 9, 2021, subject to our option to extend Term Loan A up to three times, with each such extension for a one-year period. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an effective interest rate of 4.13%, subject to adjustments based on our consolidated leverage ratio.

(5) \$150 million of 4.04% Senior Guaranteed Notes, Series A, due October 31, 2021. Net of the settlement of the forward-starting interest rate swap, the effective interest rate for the Series A Notes is approximately 3.88% per annum, through maturity.

(6) Term Loan B matures on March 1, 2023. Term Loan B accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 2.65%, subject to adjustments based on our consolidated leverage ratio.

(7) Term Loan C matures on March 1, 2023. Term Loan C accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 2.64%, subject to adjustments based on our consolidated leverage ratio.

(8) \$100 million of 3.78% Senior Guaranteed Notes, Series F, due July 19, 2024. Net of the settlement of the treasury lock contract, the effective interest rate for the Series F Notes is approximately 3.85%, through maturity.

(9) \$250 million of 4.29% Senior Guaranteed Notes, Series D, due March 1, 2027. Net of the settlement of the forward-starting interest rate swap, the effective interest rate for the Series D Notes is approximately 3.87% per annum, through maturity.

(10) \$100 million of 4.24% Senior Guaranteed Notes, Series E, due May 23, 2029. Net of the settlement of the treasury lock contract, the effective interest rate for the Series E Notes is approximately 4.18%, through maturity.

(11) \$150 million of 3.91% Senior Guaranteed Notes, Series G, due July 30, 2030. Net of the settlement of the treasury lock contract, the effective interest rate for the Series G Notes is approximately 3.88% through maturity.

(12) The Unsecured Notes Payable total does not include debt issuance costs, net of \$4.0 million.

(13) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$350 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$250 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan matures on January 9, 2022, subject to our option to extend the Revolver Loan up to two times, with each such extension for a six-month period. The Revolver Loan currently accrues interest at LIBOR, plus a spread which ranges from 1.05%-1.50%, based on our consolidated leverage ratio. The Revolver Loan total does not include debt issuance costs, net of \$1.2 million.

(Unaudited, amounts in thousands, except per share data)

| Market data | March 31, 2020 |
|---|----------------|
| Common shares outstanding | 60,068 |
| Common units outstanding | 16,390 |
| Common shares and common units outstanding | 76,458 |
| Market price per common share | \$ 25.00 |
| Equity market capitalization | \$ 1,911,450 |
| Total debt | \$ 1,311,000 |
| Total market capitalization | \$ 3,222,450 |
| Less: Cash on hand | \$ (52,371) |
| Total enterprise value | \$ 3,170,079 |
| Total unencumbered assets, gross | \$ 3,157,487 |
| Total debt/Total capitalization | 40.7 % |
| Total debt/Total enterprise value | 41.4 % |
| Net debt/Total enterprise value ⁽¹⁾ | 39.7 % |
| Total unencumbered assets, gross/Unsecured debt | 263.1 % |
| Total debt/Adjusted EBITDA ⁽²⁾⁽³⁾ | 5.8x |
| Net debt/Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾ | 5.6x |
| Interest coverage ratio ⁽⁴⁾ | 4.3x |
| Fixed charge coverage ratio ⁽⁴⁾ | 4.3x |

Notes:

(1) Net debt is equal to total debt less cash on hand.

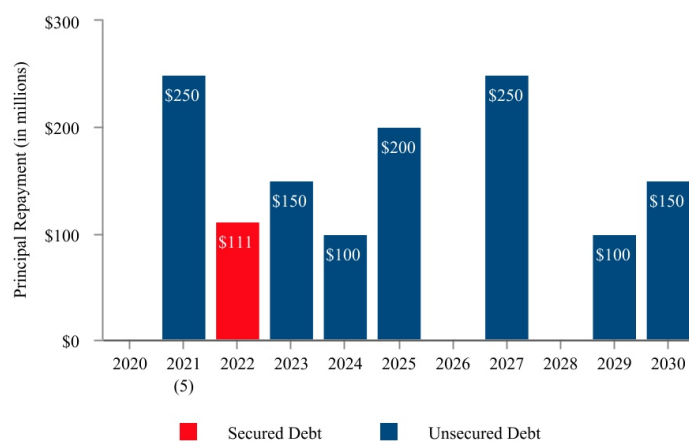
(2) See Glossary of Terms for discussion of EBITDA and Adjusted EBITDA.

(3) As used here, Adjusted EBITDA represents the actual for the three months ended March 31, 2020, annualized.

(4) Calculated as Adjusted EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

(5) Of this total, the company has an option to extend the maturity on \$100 million from January 9, 2021 to January 9, 2022, subject to certain conditions.

Debt Maturity Schedule
as of March 31, 2020



| Weighted Average Fixed Interest Rate | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------------------------------|------|-------|-------|-------|-------|-------|------|-------|------|-------|-------|
| | — % | 4.0 % | 4.0 % | 2.6 % | 3.8 % | 4.5 % | — % | 3.9 % | — % | 4.2 % | 3.9 % |

Total Weighted Average Fixed Interest Rate: 3.9%

Weighted Average Term to Maturity: 5.1 years

Credit Ratings

| Rating Agency | Rating | Outlook |
|------------------|--------|---------|
| Fitch | BBB | Stable |
| Moody's | Baa3 | Stable |
| Standard & Poors | BBB- | Stable |

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. This schedule will update as we modify various assumptions and markets conditions change. Square footages and units set forth below are estimates only and ultimately may differ materially from actual square footages and units.

| Development Projects | | | | | | | | Project Costs (in thousands) ⁽³⁾ | |
|-----------------------------|-----------------|-------------------|------------------------|--|-----------------------------|-----------------------|--|--|-----------------------------------|
| Property | Location | Start Date | Completion Date | Estimated Stabilized Yield ⁽¹⁾ | Rentable Square Feet | Percent Leased | Estimated Stabilization Date ⁽²⁾ | Cost Incurred to Date | Total Estimated Investment |
| Office Property: | | | | | | | | | |
| Torrey Point | San Diego, CA | 2015 | July 31, 2017 | 6.75% - 7.75% | 90,000 | 59.5% | 2020 | \$45,559 | \$55,800 |

| Development/Redevelopment Pipeline | | | | | | |
|---|----------------------|---------------------------------------|---------------------------------------|--------------------------|--|--|
| Property | Property Type | Location | Estimated Rentable Square Feet | Multifamily Units | Opportunity | |
| La Jolla Commons | Office | University Town Center, San Diego, CA | 214,000 | N/A | Development of approximately 214,000 square feet class A+ office, hotel | |
| One Beach | Office | San Francisco, CA | 85,000 | N/A | Modernize and expand office building to include roof-top deck | |
| Waialele Center | Retail | Honolulu, HI | 90,000 | N/A | Development of 90,000 square feet retail building (former KMart Space) | |
| Lomas Santa Fe Plaza | Retail | Solana Beach, CA | 45,000 | N/A | Development of 45,000 square feet retail building | |
| Lloyd District Portfolio - multiple phases ⁽⁴⁾ | Mixed Use | Portland, OR | TBD | TBD | | |
| Phase 2A - Oregon Square | | | 33,000 | N/A | Remodel and repurpose a 33,000 square feet office building into flexible creative office space | |
| Phase 2B - Oregon Square | | | TBD | TBD | Development of mixed-use residential tower and/or build-to-suit office tower | |

Notes:

- (1) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (2) Based on management's estimation of stabilized occupancy (90%).
- (3) Project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (4) The Lloyd District Portfolio was acquired in 2011, consisting of approximately 600,000 rentable square feet on more than 16 acres located in the Lloyd District of Portland, Oregon. The portion of the property that has been designated for additional development is expected to include a high density, transit oriented, mixed-use urban village, with the potential to be in excess of approximately three million square feet. The entitlement for such development opportunity allows a 12:1 Floor Area Ratio with a 250 foot height limit and provides for retail, office and/or multifamily development. Additional development plans are in the early stages and will continue to progress as demand and economic conditions allow.

PORTFOLIO DATA

As of March 31, 2020

Retail and Office Portfolios

| Property | Location | Year Built/ Renovated | Number of Buildings | Net Rentable Square Feet ⁽¹⁾ | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Annualized Base Rent per Square Foot ⁽⁴⁾ | Retail Anchor Tenant(s) ⁽⁵⁾ | Other Principal Retail Tenants ⁽⁶⁾ |
|--|-------------------|--------------------------|---------------------------|--|-------------------------------------|--|--|---|---|
| Office Properties | | | | | | | | | |
| La Jolla Commons | San Diego, CA | 2008/2014 | 2 | 723,945 | 98.5% | \$ 38,187,533 | \$53.55 | | |
| Torrey Reserve Campus | San Diego, CA | 1996-2000/2014-2016 | 14 | 521,311 | 88.7% | 21,277,332 | 46.01 | | |
| Torrey Point | San Diego, CA | 2017 | 2 | 91,990 | 59.5 | 3,011,459 | 55.02 | | |
| Solana Crossing | Solana Beach, CA | 1982/2005 | 4 | 212,614 | 97.7 | 8,727,669 | 42.02 | | |
| The Landmark at One Market ⁽⁷⁾ | San Francisco, CA | 1917/2000 | 1 | 422,426 | 100.0 | 37,336,839 | 88.39 | | |
| One Beach Street | San Francisco, CA | 1924/1972/1987/1992 | 1 | 97,614 | 22.8 | 1,318,001 | 59.22 | | |
| First & Main | Portland, OR | 2010 | 1 | 360,641 | 98.7 | 11,373,978 | 31.95 | | |
| Lloyd District Portfolio | Portland, OR | 1940-2015 | 2 | 515,850 | 100.0 | 15,264,800 | 29.59 | | |
| City Center Bellevue | Bellevue, WA | 1987 | 1 | 497,488 | 98.9 | 21,918,975 | 44.55 | | |
| Subtotal/Weighted Average Office Portfolio ⁽⁸⁾ | | | 28 | 3,443,879 | 94.3% | \$ 158,416,586 | \$48.78 | | |
| Retail Properties | | | | | | | | | |
| Carmel Country Plaza | San Diego, CA | 1991 | 9 | 78,098 | 95.0% | \$ 4,020,796 | \$54.19 | | Sharp Healthcare, San Diego County Credit Union |
| Carmel Mountain Plaza ⁽⁹⁾ | San Diego, CA | 1994/2014 | 15 | 528,416 | 97.0 | 13,912,434 | 27.14 | At Home Stores | Dick's Sporting Goods, Saks Fifth Avenue Off 5th |
| South Bay Marketplace ⁽⁹⁾ | San Diego, CA | 1997 | 9 | 132,877 | 100.0 | 2,474,185 | 18.62 | | Ross Dress for Less, Grocery Outlet |
| Gateway Marketplace | San Diego, CA | 1997/2016 | 3 | 127,861 | 100.0 | 2,480,141 | 19.40 | Hobby Lobby | Smart & Final, Aldi |
| Lomas Santa Fe Plaza | Solana Beach, CA | 1972/1997 | 9 | 208,030 | 97.7 | 6,117,658 | 30.10 | | Vons, Home Goods |
| Solana Beach Towne Centre | Solana Beach, CA | 1973/2000/2004 | 12 | 247,535 | 97.7 | 6,596,535 | 27.28 | | Dixieline Probuild, Marshalls |
| Del Monte Center ⁽⁹⁾ | Monterey, CA | 1967/1984/2006 | 16 | 673,572 | 88.8 | 11,141,366 | 18.63 | Macy's | Century Theatres, Whole Foods Market |
| Gearly Marketplace | Walnut Creek, CA | 2012 | 3 | 35,159 | 100.0 | 1,233,763 | 35.09 | | Sprouts Farmer Market, Freebirds Wild Burrito |
| The Shops at Kalakaua | Honolulu, HI | 1971/2006 | 3 | 11,671 | 100.0 | 1,894,936 | 162.36 | | Hawaii Beachware & Fashion, Diesel U.S.A. Inc. |
| Waialele Center | Waipahu, HI | 1993/2008 | 9 | 418,047 | 100.0 | 12,289,174 | 29.40 | Lowe's, Safeway | UFC Gym, Old Navy |
| Alamo Quarry Market ⁽⁹⁾ | San Antonio, TX | 1997/1999 | 16 | 588,148 | 93.5 | 13,961,746 | 25.39 | Regal Cinemas | Bed Bath & Beyond, Whole Foods Market |
| Hassalo on Eighth | Portland, OR | 2015 | 3 | 44,236 | 89.5 | 991,585 | 25.05 | | Providence Health & Services, Green Zebra Grocery |
| Subtotal/Weighted Average Retail Portfolio ⁽⁸⁾ | | | 107 | 3,093,650 | 95.2% | \$ 77,114,319 | \$26.18 | | |
| Total/Weighted Average Office and Retail Portfolio ⁽⁸⁾ | | | 135 | 6,537,529 | 94.7% | \$ 235,530,905 | \$38.04 | | |

As of March 31, 2020

| Property | Location | Year Built/ Renovated | Number of | | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Average Monthly Base Rent per Leased Unit ⁽⁴⁾ |
|---|--------------------|--------------------------|--------------|--------------|-------------------------------------|--|--|
| | | | Buildings | Units | | | |
| Loma Palisades | San Diego, CA | 1958/2001-2008 | 80 | 548 | 97.8% | \$ 13,644,120 | \$ 2,122 |
| Imperial Beach Gardens | Imperial Beach, CA | 1959/2008 | 26 | 160 | 95.0 | 3,638,724 | \$ 1,995 |
| Mariner's Point | Imperial Beach, CA | 1986 | 8 | 88 | 94.3 | 1,746,528 | \$ 1,754 |
| Santa Fe Park RV Resort ⁽¹⁰⁾ | San Diego, CA | 1971/2007-2008 | 1 | 126 | 73.0 | 1,305,348 | \$ 1,183 |
| Pacific Ridge Apartments | San Diego, CA | 2013 | 3 | 533 | 97.9 | 17,782,764 | \$ 2,840 |
| Hassalo on Eighth - Velomor | Portland, OR | 2015 | 1 | 177 | 87.5 | 3,024,684 | \$ 1,627 |
| Hassalo on Eighth - Aster Tower | Portland, OR | 2015 | 1 | 337 | 89.6 | 6,301,200 | \$ 1,739 |
| Hassalo on Eighth - Elwood | Portland, OR | 2015 | 1 | 143 | 85.3 | 2,365,236 | \$ 1,616 |
| Total/Weighted Average Multifamily Portfolio | | | 121 | 2,112 | 93.0% | \$ 49,808,604 | \$ 2,113 |

Mixed-Use Portfolio

| Retail Portion | Location | Year Built/ Renovated | Number of Buildings | Net Rentable Square Feet ⁽¹⁾ | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Annualized Base Rent per Leased Square Foot ⁽⁴⁾ | Retail | |
|--------------------------------------|--------------|--------------------------|---------------------------|---|--------------------------------------|--|--|---------------------------------|---|
| | | | | | | | | Anchor Tenant(s) ⁽⁵⁾ | Other Principal Retail Tenants ⁽⁶⁾ |
| Waikiki Beach Walk - Retail | Honolulu, HI | 2006 | 3 | 96,707 | 98.5 % | \$ 11,411,642 | \$ 119.80 | | Yard House, Roy's |
| Hotel Portion | Location | Year Built/ Renovated | Number of Buildings | Units | Average Occupancy ⁽¹¹⁾ | Average Daily Rate ⁽¹¹⁾ | Annualized Revenue per Available Room ⁽¹¹⁾ | | |
| Waikiki Beach Walk - Embassy Suites™ | Honolulu, HI | 2008/2014 | 2 | 369 | 75.4 % | \$ 320.96 | \$ 241.98 | | |

Notes:

- (1) The net rentable square feet for each of our retail properties and the retail portion of our mixed-use property is the sum of (1) the square footages of existing leases, plus (2) for available space, the field-verified square footage. The net rentable square feet for each of our office properties is the sum of (1) the square footages of existing leases, plus (2) for available space, management's estimate of net rentable square feet based, in part, on past leases. The net rentable square feet included in such office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 2010 measurement guidelines. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.
- (2) Percentage leased for each of our retail and office properties and the retail portion of the mixed-use property includes square footage under leases as of March 31, 2020, including leases which may not have commenced as of March 31, 2020. Percentage leased for our multifamily properties includes total units rented as of March 31, 2020.
- (3) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) under commenced leases for the month ended March 31, 2020 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. The foregoing notwithstanding, the annualized base rent for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases, by adding the contractual annualized triple net base rent of \$27,342,896 to our estimate of annual triple net operating expenses of \$10,844,637 for an estimated annualized base rent on a modified gross lease basis of \$38,187,533 for La Jolla Commons.
- (4) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of March 31, 2020. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of March 31, 2020. The foregoing notwithstanding, the annualized base rent per leased square foot for La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. See footnote 3 for further explanation.
- (5) Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- (6) Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- (7) This property contains 422,426 net rentable square feet consisting of The Landmark at One Market (375,151 net rentable square feet) as well as a separate long-term leasehold interest in approximately 44,220 net rentable square feet of space located in an adjacent six-story leasehold known as the Annex. We currently lease the Annex from an affiliate of the Paramount Group pursuant to a long-term master lease effective through June 30, 2026, which we have the option to extend until 2031 pursuant to one five-year extension option.

(8) Lease data for signed but not commenced leases as of March 31, 2020 is in the following table:

| | Leased Square Feet Under Signed But Not Commenced Leases (a) | Annualized Base Rent (b) | Annualized Base Rent per Leased Square Foot (b) | Pro Forma Annualized Base Rent per Leased Square Foot (c) |
|--|---|-----------------------------|---|---|
| Office Portfolio | 95,616 | \$ 4,550,424 | \$ 47.59 | \$ 53.52 |
| Retail Portfolio | 31,748 | \$ 1,105,932 | \$ 34.83 | \$ 26.56 |
| Total Retail and Office Portfolio | 127,364 | \$ 5,656,356 | \$ 44.41 | \$ 41.90 |

(a) Office portfolio leases signed but not commenced of 54,047, 22,654, 2,627, and 16,288 square feet are expected to commence during the second, third and fourth quarters of 2020 and the first quarter of 2021, respectively. Retail portfolio leases signed but not commenced of 4,821, 1,700 and 25,227 square feet are expected to commence during the second, third and fourth quarters of 2020, respectively.

(b) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for signed but not commenced leases as of March 31, 2020 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. The foregoing notwithstanding, the annualized base rent for signed but not commenced leases as of March 31, 2020 at La Jolla Commons has been adjusted for this presentation to reflect that the contractual triple net leases were instead structured as modified gross leases. Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage for signed by not commenced leases.

(c) Pro forma annualized base rent is calculated by dividing annualized base rent for commenced leases and for signed but not commenced leases as of March 31, 2020, by square footage under lease as of March 31, 2020.

(9) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases in the following table:

| Property | Number of Ground Leases | Square Footage Leased Pursuant to Ground Leases | Aggregate Annualized Base Rent |
|-----------------------|----------------------------|--|-----------------------------------|
| Carmel Mountain Plaza | 5 | 17,607 | \$ 798,468 |
| South Bay Marketplace | 1 | 2,824 | \$ 102,276 |
| Del Monte Center | 1 | 212,500 | \$ 96,000 |
| Alamo Quarry Market | 3 | 20,694 | \$ 385,512 |

(10) The Santa Fe Park RV Resort is subject to seasonal variation, with higher rates of occupancy occurring during the summer months. During the 12 months ended March 31, 2020, the highest average monthly occupancy rate for this property was 95%, occurring in August 2019. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.

(11) Average occupancy represents the percentage of available units that were sold during the three months ended March 31, 2020, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for the three months ended March 31, 2020 by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for the three months ended March 31, 2020 and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

As of March 31, 2020

Total Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 11 | 100% | 181,104 | \$40.84 | \$37.68 | \$ 572,471 | 8.4 % | 6.6 % | 8.8 | \$ 3,694,865 | \$20.40 |
| 4th Quarter 2019 | 9 | 100% | 81,188 | \$56.13 | \$43.82 | \$ 999,611 | 28.1 % | 58.5 % | 6.8 | \$ 3,990,311 | \$49.15 |
| 3rd Quarter 2019 | 14 | 100% | 70,907 | \$51.95 | \$46.40 | \$ 393,387 | 12.0 % | 29.2 % | 6.1 | \$ 3,237,139 | \$45.65 |
| 2nd Quarter 2019 | 16 | 100% | 86,779 | \$51.70 | \$44.00 | \$ 668,474 | 17.5 % | 26.7 % | 5.8 | \$ 3,659,392 | \$42.17 |
| Total 12 months | 50 | 100% | 419,978 | \$47.92 | \$41.65 | \$ 2,633,943 | 15.1 % | 25.0 % | 7.3 | \$ 14,581,707 | \$34.72 |

New Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 3 | 27% | 7,995 | \$49.70 | \$46.50 | \$ 25,606 | 6.9 % | 10.4 % | 5.3 | \$ 255,914 | \$32.01 |
| 4th Quarter 2019 | 4 | 44% | 59,048 | \$60.94 | \$45.49 | \$ 912,011 | 34.0 % | 71.6 % | 7.3 | \$ 3,515,026 | \$59.53 |
| 3rd Quarter 2019 | 5 | 36% | 43,678 | \$56.18 | \$48.18 | \$ 349,643 | 16.6 % | 33.8 % | 7.0 | \$ 2,420,924 | \$55.43 |
| 2nd Quarter 2019 | 6 | 38% | 45,570 | \$54.27 | \$44.20 | \$ 458,844 | 22.8 % | 30.9 % | 6.5 | \$ 3,379,047 | \$74.15 |
| Total 12 months | 18 | 36% | 156,291 | \$57.09 | \$45.92 | \$ 1,746,104 | 24.3 % | 44.6 % | 6.9 | \$ 9,570,911 | \$61.24 |

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 8 | 73% | 173,109 | \$40.44 | \$37.28 | \$ 546,865 | 8.5 % | 6.4 % | 9.0 | \$ 3,438,951 | \$19.87 |
| 4th Quarter 2019 | 5 | 56% | 22,140 | \$43.30 | \$39.34 | \$ 87,600 | 10.1 % | 21.9 % | 5.4 | \$ 475,285 | \$21.47 |
| 3rd Quarter 2019 | 9 | 64% | 27,229 | \$45.16 | \$43.56 | \$ 43,744 | 3.7 % | 20.4 % | 4.7 | \$ 816,215 | \$29.98 |
| 2nd Quarter 2019 | 10 | 63% | 41,209 | \$48.87 | \$43.78 | \$ 209,630 | 11.6 % | 21.7 % | 5.0 | \$ 280,345 | \$6.80 |
| Total 12 months | 32 | 64% | 263,687 | \$42.48 | \$39.12 | \$ 887,839 | 8.6 % | 11.8 % | 7.6 | \$ 5,010,796 | \$19.01 |

Total Lease Summary - Comparable and Non-Comparable

| Quarter | Number of Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|---------------------------------|---|--|----------------------------------|--|
| 1st Quarter 2020 | 17 | 208,041 | \$40.90 | 8.8 | \$ 5,704,727 | \$27.42 |
| 4th Quarter 2019 | 15 | 138,036 | \$52.41 | 6.9 | \$ 8,109,268 | \$58.75 |
| 3rd Quarter 2019 | 21 | 98,410 | \$51.36 | 6.1 | \$ 5,263,390 | \$53.48 |
| 2nd Quarter 2019 | 23 | 197,661 | \$47.92 | 8.0 | \$ 14,827,884 | \$75.02 |
| Total 12 months | 76 | 642,148 | \$47.14 | 7.7 | \$ 33,905,269 | \$52.80 |

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Excludes renewals at fixed contractual rates specified in the lease.

As of March 31, 2020

Total Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 14 | 100% | 61,916 | \$32.41 | \$32.99 | \$ (36,351) | (1.8)% | 7.0 % | 3.8 | \$ 728,927 | \$11.77 |
| 4th Quarter 2019 | 10 | 100% | 32,869 | \$53.80 | \$55.97 | \$ (71,256) | (3.9)% | 8.0 % | 5.2 | \$ 879,307 | \$26.75 |
| 3rd Quarter 2019 | 19 | 100% | 30,019 | \$59.44 | \$57.81 | \$ 48,980 | 2.8 % | 9.3 % | 3.5 | \$ 108,000 | \$3.60 |
| 2nd Quarter 2019 | 10 | 100% | 37,843 | \$31.71 | \$30.75 | \$ 36,300 | 3.1 % | 12.5 % | 7.4 | \$ 267,740 | \$7.08 |
| Total 12 months | 53 | 100% | 162,647 | \$41.56 | \$41.69 | \$ (22,327) | (0.3)% | 8.8 % | 4.9 | \$ 1,983,974 | \$12.20 |

New Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 2 | 14% | 8,794 | \$32.12 | \$34.16 | \$ (17,925) | (6.0)% | 2.5 % | 7.3 | \$ 199,700 | \$22.71 |
| 4th Quarter 2019 | 2 | 20% | 8,874 | \$39.13 | \$41.06 | \$ (17,114) | (4.7)% | 28.7 % | 9.0 | \$ 874,307 | \$98.52 |
| 3rd Quarter 2019 | 2 | 11% | 4,094 | \$88.85 | \$80.99 | \$ 32,185 | 9.7 % | 5.3 % | 5.0 | \$ 96,500 | \$23.57 |
| 2nd Quarter 2019 | 2 | 20% | 16,900 | \$14.44 | \$15.40 | \$ (16,172) | (6.2)% | (2.9)% | 9.5 | \$ 222,740 | \$13.18 |
| Total 12 months | 8 | 15% | 38,662 | \$32.01 | \$32.50 | \$ (19,026) | (1.5)% | 8.6 % | 8.4 | \$ 1,393,247 | \$36.04 |

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 1st Quarter 2020 | 12 | 86% | 53,122 | \$32.45 | \$32.80 | \$ (18,426) | (1.1)% | 7.8 % | 3.3 | \$ 529,227 | \$9.96 |
| 4th Quarter 2019 | 8 | 80% | 23,995 | \$59.23 | \$61.48 | \$ (54,142) | (3.7)% | 3.7 % | 3.8 | \$ 5,000 | \$0.21 |
| 3rd Quarter 2019 | 17 | 89% | 25,925 | \$54.79 | \$54.14 | \$ 16,795 | 1.2 % | 10.2 % | 3.2 | \$ 11,500 | \$0.44 |
| 2nd Quarter 2019 | 8 | 80% | 20,943 | \$45.64 | \$43.13 | \$ 52,472 | 5.8 % | 17.3 % | 5.8 | \$ 45,000 | \$2.15 |
| Total 12 months | 45 | 85% | 123,985 | \$44.53 | \$44.56 | \$ (3,301) | (0.1)% | 8.8 % | 3.8 | \$ 590,727 | \$4.76 |

Total Lease Summary - Comparable and Non-Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------------|-------------------------|---------------------------------|---|--|----------------------------------|--|
| 1st Quarter 2020 | 17 | 66,426 | \$32.90 | 4.0 | \$ 1,259,098 | \$18.95 |
| 4th Quarter 2019 | 15 | 55,252 | \$46.85 | 5.7 | \$ 3,520,679 | \$63.72 |
| 3rd Quarter 2019 | 22 | 34,850 | \$56.63 | 3.7 | \$ 355,825 | \$10.21 |
| 2nd Quarter 2019 | 13 | 46,609 | \$32.27 | 7.8 | \$ 730,310 | \$15.67 |
| Total 12 months | 67 | 203,137 | \$40.62 | 5.3 | \$ 5,865,912 | \$28.88 |

Notes:

- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease, including leases signed for the retail portion of our mixed-use property.
- (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
- (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
- (4) Weighted average is calculated on the basis of square footage.
- (5) Excludes renewals at fixed contractual rates specified in the lease.

As of March 31, 2020

Lease Summary - Loma Palisades

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 536 | 97.8% | \$13,644,120 | \$2,122 |
| 4th Quarter 2019 | 526 | 96.0% | \$13,966,392 | \$2,212 |
| 3rd Quarter 2019 | 501 | 91.4% | \$12,754,848 | \$2,122 |
| 2nd Quarter 2019 | 528 | 96.4% | \$13,918,368 | \$2,196 |

Lease Summary - Imperial Beach Gardens

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 152 | 95.0% | \$3,638,724 | \$1,995 |
| 4th Quarter 2019 | 149 | 93.1% | \$3,578,328 | \$2,002 |
| 3rd Quarter 2019 | 145 | 90.6% | \$3,575,256 | \$2,055 |
| 2nd Quarter 2019 | 150 | 93.8% | \$3,653,532 | \$2,029 |

Lease Summary - Mariner's Point

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 83 | 94.3% | \$1,746,528 | \$1,754 |
| 4th Quarter 2019 | 82 | 93.2% | \$1,775,364 | \$1,804 |
| 3rd Quarter 2019 | 82 | 93.2% | \$1,768,140 | \$1,797 |
| 2nd Quarter 2019 | 84 | 95.5% | \$1,808,868 | \$1,794 |

Lease Summary - Santa Fe Park RV Resort

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 92 | 73.0% | \$1,305,348 | \$1,183 |
| 4th Quarter 2019 | 111 | 88.1% | \$1,367,484 | \$1,027 |
| 3rd Quarter 2019 | 91 | 72.2% | \$1,229,112 | \$1,126 |
| 2nd Quarter 2019 | 110 | 87.3% | \$1,867,584 | \$1,415 |

Lease Summary - Pacific Ridge Apartments

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 522 | 97.9% | \$17,782,764 | \$2,840 |
| 4th Quarter 2019 | 503 | 94.4% | \$17,277,480 | \$2,862 |
| 3rd Quarter 2019 | 496 | 93.1% | \$16,521,048 | \$2,774 |
| 2nd Quarter 2019 | 471 | 88.4% | \$15,804,348 | \$2,795 |

As of March 31, 2020

Lease Summary - Hassalo on Eighth - Velomor

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 155 | 87.5% | \$3,024,684 | \$1,627 |
| 4th Quarter 2019 | 158 | 89.3% | \$3,048,972 | \$1,607 |
| 3rd Quarter 2019 | 160 | 90.4% | \$3,110,592 | \$1,620 |
| 2nd Quarter 2019 | 170 | 96.1% | \$3,240,348 | \$1,588 |

Lease Summary - Hassalo on Eighth - Aster Tower

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 302 | 89.6% | \$6,301,200 | \$1,739 |
| 4th Quarter 2019 | 313 | 92.9% | \$6,112,248 | \$1,627 |
| 3rd Quarter 2019 | 306 | 90.8% | \$6,150,696 | \$1,675 |
| 2nd Quarter 2019 | 317 | 94.1% | \$6,289,680 | \$1,653 |

Lease Summary - Hassalo on Eighth - Elwood

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 122 | 85.3% | \$2,365,236 | \$1,616 |
| 4th Quarter 2019 | 118 | 82.5% | \$2,234,496 | \$1,578 |
| 3rd Quarter 2019 | 130 | 90.9% | \$2,454,264 | \$1,573 |
| 2nd Quarter 2019 | 125 | 87.4% | \$2,410,944 | \$1,608 |

Total Multifamily Lease Summary

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 1,964 | 93.0% | \$49,808,604 | \$2,113 |
| 4th Quarter 2019 | 1,960 | 92.8% | \$49,360,764 | \$2,099 |
| 3rd Quarter 2019 | 1,911 | 90.5% | \$47,563,956 | \$2,074 |
| 2nd Quarter 2019 | 1,955 | 92.6% | \$48,993,672 | \$2,088 |

Notes:

(1) Percentage leased for our multifamily properties includes total units rented as of each respective quarter end date.

(2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) as of each respective quarter end date.

(3) Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of each respective quarter end date.

As of March 31, 2020

Lease Summary - Retail Portion

| Quarter | Number of Leased Square Feet | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Annualized Base Rent per Leased Square Foot ⁽³⁾ |
|------------------|------------------------------|----------------------------------|-------------------------------------|--|
| 1st Quarter 2020 | 95,216 | 98.5% | \$11,411,642 | \$120 |
| 4th Quarter 2019 | 94,701 | 97.9% | \$11,130,250 | \$118 |
| 3rd Quarter 2019 | 94,766 | 98.0% | \$10,773,409 | \$114 |
| 2nd Quarter 2019 | 94,934 | 98.2% | \$11,184,771 | \$118 |

Lease Summary - Hotel Portion

| Quarter | Number of Leased Units | Average Occupancy ⁽⁴⁾ | Average Daily Rate ⁽⁴⁾ | Annualized Revenue per Available Room ⁽⁴⁾ |
|------------------|------------------------|----------------------------------|-----------------------------------|--|
| 1st Quarter 2020 | 278 | 75.4% | \$321 | \$242 |
| 4th Quarter 2019 | 335 | 90.7% | \$323 | \$293 |
| 3rd Quarter 2019 | 343 | 92.9% | \$357 | \$332 |
| 2nd Quarter 2019 | 338 | 91.6% | \$308 | \$282 |

Notes:

(1) Percentage leased for mixed-use property includes square footage under leases as of March 31, 2020, including leases which may not have commenced as of March 31, 2020.

(2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended March 31, 2020 by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.

(3) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of March 31, 2020.

(4) Average occupancy represents the percentage of available units that were sold during the three months ended March 31, 2020, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for each respective quarter period by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for each respective quarter period and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

As of March 31, 2020

Assumes no exercise of lease options

| Year | Office | | | | Retail | | | | Mixed-Use (Retail Portion Only) | | | | Total | | |
|-----------------------------|---------------------------|---------------------|--------------------|---|------------------|---------------------|--------------------|---|---------------------------------|------------------------|--------------------|---|------------------|--------------------|---|
| | Expiring Sq. Ft. | % of Office Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Retail Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Mixed-Use Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ |
| Month to Month | 24,190 | 0.7 % | 0.4 % | \$8.71 | 19,856 | 0.6 % | 0.3 % | \$33.73 | 5,068 | 5.2 % | 0.1 % | \$47.98 | 49,114 | 0.7 % | \$22.88 |
| 2020 | 87,491 | 2.5 | 1.3 | \$38.64 | 133,879 | 4.3 | 2.0 | \$33.58 | 7,943 | 8.2 | 0.1 | \$52.69 | 229,313 | 3.5 | \$36.17 |
| 2021 | 208,600 | 6.1 | 3.1 | \$42.18 | 187,375 | 6.1 | 2.8 | \$43.49 | 19,177 | 19.8 | 0.3 | \$199.30 | 415,152 | 6.3 | \$50.03 |
| 2022 | 304,496 | 8.8 | 4.6 | \$46.38 | 430,219 | 13.9 | 6.5 | \$31.78 | 6,271 | 6.5 | 0.1 | \$197.59 | 740,986 | 11.2 | \$39.18 |
| 2023 | 345,875 | 10.0 | 5.2 | \$53.30 | 311,669 | 10.1 | 4.7 | \$24.94 | 6,432 | 6.7 | 0.1 | \$78.92 | 663,976 | 10.0 | \$40.24 |
| 2024 | 188,592 | 5.5 | 2.8 | \$46.39 | 458,124 | 14.8 | 6.9 | \$29.23 | 12,886 | 13.3 | 0.2 | \$154.07 | 659,602 | 9.9 | \$36.58 |
| 2025 | 329,389 | 9.6 | 5.0 | \$37.76 | 252,415 | 8.2 | 3.8 | \$25.89 | 15,501 | 16.0 | 0.2 | \$54.57 | 597,305 | 9.0 | \$33.18 |
| 2026 | 266,149 | 7.7 | 4.0 | \$40.49 | 115,759 | 3.7 | 1.7 | \$28.70 | — | — | — | — | 381,908 | 5.8 | \$36.92 |
| 2027 | 183,343 ⁽²⁾ | 5.3 | 2.8 | \$45.19 | 112,600 | 3.6 | 1.7 | \$26.28 | 13,118 | 13.6 | 0.2 | 76.80 | 309,061 | 4.7 | \$39.64 |
| 2028 | 117,868 | 3.4 | 1.8 | \$44.54 | 481,296 | 15.6 | 7.3 | \$14.56 | 8,820 | 9.1 | 0.1 | \$152.24 | 607,984 | 9.2 | \$22.37 |
| 2029 | 732,798 ⁽³⁾⁽⁴⁾ | 21.3 | 11.0 | \$60.47 | 190,674 | 6.2 | 2.9 | \$20.67 | — | — | — | — | 923,472 | 13.9 | \$52.25 |
| Thereafter | 361,743 | 10.5 | 5.5 | \$35.43 | 219,002 | 7.1 | 3.3 | \$23.75 | — | — | — | — | 580,745 | 8.8 | \$31.03 |
| Signed Leases Not Commenced | 95,616 | 2.8 | 1.4 | — | 31,748 | 1.0 | 0.5 | — | — | — | — | — | 127,364 | 1.9 | — |
| Available | 197,729 | 5.7 | 3.0 | — | 149,034 | 4.8 | 2.2 | — | 1,491 | 1.5 | — | — | 348,254 | 5.2 | — |
| Total ⁽⁵⁾ | <u>3,443,879</u> | <u>100.0 %</u> | <u>51.9 %</u> | <u>\$42.85</u> | <u>3,093,650</u> | <u>100.0 %</u> | <u>46.6 %</u> | <u>\$24.93</u> | <u>96,707</u> | <u>100.0 %</u> | <u>1.5 %</u> | <u>\$118.00</u> | <u>6,634,236</u> | <u>100.0 %</u> | <u>\$35.59</u> |

Assumes all lease options are exercised

| Year | Office | | | | Retail | | | | Mixed-Use (Retail Portion Only) | | | | Total | | |
|-----------------------------|--------------------------------|---------------------|--------------------|---|------------------|---------------------|--------------------|---|---------------------------------|------------------------|--------------------|---|------------------|--------------------|---|
| | Expiring Sq. Ft. | % of Office Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Retail Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Mixed-Use Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ |
| Month to Month | 24,190 | 0.7 % | 0.4 % | \$8.71 | 19,856 | 0.6 % | 0.3 % | \$33.73 | 5,068 | 5.2 % | 0.1 % | \$47.98 | 49,114 | 0.7 % | \$22.88 |
| 2020 | 80,045 | 2.3 | 1.2 | \$38.39 | 111,539 | 3.6 | 1.7 | \$32.82 | 2,569 | 2.7 | — | \$22.83 | 194,153 | 2.9 | \$34.98 |
| 2021 | 117,890 | 3.4 | 1.8 | \$42.55 | 104,758 | 3.4 | 1.6 | \$45.23 | 19,177 | 19.8 | 0.3 | \$199.30 | 241,825 | 3.6 | \$56.14 |
| 2022 | 73,114 | 2.1 | 1.1 | \$46.44 | 99,678 | 3.2 | 1.5 | \$40.63 | 6,271 | 6.5 | 0.1 | \$197.59 | 179,063 | 2.7 | \$48.50 |
| 2023 | 101,289 | 2.9 | 1.5 | \$43.94 | 66,334 | 2.1 | 1.0 | \$36.02 | 6,432 | 6.7 | 0.1 | \$78.92 | 174,055 | 2.6 | \$42.21 |
| 2024 | 44,318 | 1.3 | 0.7 | \$41.30 | 203,698 | 6.6 | 3.1 | \$32.29 | 7,484 | 7.7 | 0.1 | \$206.47 | 255,500 | 3.9 | \$38.95 |
| 2025 | 76,416 | 2.2 | 1.2 | \$40.55 | 87,101 | 2.8 | 1.3 | \$28.30 | 9,317 | 9.6 | 0.1 | \$76.07 | 172,834 | 2.6 | \$36.29 |
| 2026 | 94,586 | 2.7 | 1.4 | \$39.61 | 42,305 | 1.4 | 0.6 | \$43.60 | — | — | — | — | 136,891 | 2.1 | \$40.84 |
| 2027 | 133,704 | 3.9 | 2.0 | \$36.65 | 152,203 | 4.9 | 2.3 | \$30.60 | 13,118 | 13.6 | 0.2 | 76.80 | 299,025 | 4.5 | \$35.33 |
| 2028 | 160,912 | 4.7 | 2.4 | \$44.37 | 195,886 | 6.3 | 3.0 | \$22.24 | 1,906 | 2.0 | — | \$203.52 | 358,704 | 5.4 | \$33.13 |
| 2029 | 147,441 | 4.3 | 2.2 | \$48.38 | 107,586 | 3.5 | 1.6 | \$29.73 | 5,402 | 5.6 | 0.1 | 81.47 | 260,429 | 3.9 | \$41.36 |
| Thereafter | 2,096,629 ⁽²⁾⁽³⁾⁽⁴⁾ | 60.9 | 31.6 | \$49.40 | 1,721,924 | 55.7 | 26.0 | \$22.36 | 18,472 | 19.1 | 0.3 | \$78.59 | 3,837,025 | 57.8 | \$37.41 |
| Signed Leases Not Commenced | 95,616 | 2.8 | 1.4 | — | 31,748 | 1.0 | 0.5 | — | — | — | — | — | 127,364 | 1.9 | — |
| Available | 197,729 | 5.7 | 3.0 | — | 149,034 | 4.8 | 2.2 | — | 1,491 | 1.5 | — | — | 348,254 | 5.2 | — |
| Total ⁽⁵⁾ | <u>3,443,879</u> | <u>100.0 %</u> | <u>51.9 %</u> | <u>\$42.85</u> | <u>3,093,650</u> | <u>100.0 %</u> | <u>46.6 %</u> | <u>\$24.93</u> | <u>96,707</u> | <u>100.0 %</u> | <u>1.5 %</u> | <u>\$118.00</u> | <u>6,634,236</u> | <u>100.0 %</u> | <u>\$35.59</u> |

As of March 31, 2020

Notes:

- (1) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent for leases expiring during the applicable period, by (ii) square footage under such expiring leases. Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended March 31, 2020 for the leases expiring during the applicable period by (ii) 12 months.
- (2) The expirations include 24,227 square feet leased by several tenants at La Jolla Commons through June 30, 2020, for which an S&P 500 member has signed an agreement to lease such space beginning July 1, 2020 through October 31, 2027 with options to extend the lease through October 31, 2032.
- (3) The expirations include 18,244 square feet leased by Alibaba Group (U.S.) Inc. at City Center Bellevue through October 31, 2020, for which Smartsheet, Inc. has an agreement to lease such space beginning March 1, 2021 through April 30, 2029 with options to extend the lease through April 30, 2034.
- (4) The expirations include 32,304 square feet leased by GE Healthcare at City Center Bellevue through December 31, 2021, for which Smartsheet, Inc. has signed an agreement to lease such space beginning May 1, 2022 through April 30, 2029 with options to extend the lease through April 30, 2034.
- (5) Individual items may not add up to total due to rounding.

| Type | At March 31, 2020 | | | At March 31, 2019 | | |
|---|-------------------|-----------------------|----------|-------------------|-----------------------|----------|
| | Size | Leased ⁽¹⁾ | Leased % | Size | Leased ⁽¹⁾ | Leased % |
| Overall Portfolio⁽²⁾ Statistics | | | | | | |
| Office Properties (square feet) | 3,443,879 | 3,246,150 | 94.3 % | 2,656,486 | 2,451,794 | 92.3 % |
| Retail Properties (square feet) | 3,093,650 | 2,944,616 | 95.2 % | 3,093,581 | 3,004,957 | 97.1 % |
| Multifamily Properties (units) | 2,112 | 1,964 | 93.0 % | 2,112 | 1,983 | 93.9 % |
| Mixed-Use Properties (square feet) | 96,707 | 95,216 | 98.5 % | 96,707 | 94,934 | 98.2 % |
| Mixed-Use Properties (units) | 369 | 278 ⁽³⁾ | 75.4 % | 369 | 339 ⁽³⁾ | 91.8 % |
| Same-Store⁽²⁾ Statistics | | | | | | |
| Office Properties (square feet) ⁽⁴⁾ | 2,622,320 | 2,510,816 | 95.7 % | 2,558,872 | 2,354,180 | 92.0 % |
| Retail Properties (square feet) ⁽⁵⁾ | 2,675,603 | 2,526,569 | 94.4 % | 2,675,534 | 2,586,910 | 96.7 % |
| Multifamily Properties (units) | 2,112 | 1,964 | 93.0 % | 2,112 | 1,983 | 93.9 % |

Notes:

- (1) Leased square feet includes square feet under lease as of each date, including leases which may not have commenced as of that date. Leased units for our multifamily properties include total units rented as of that date.
- (2) See Glossary of Terms.
- (3) Represents average occupancy for the three months ended March 31, 2020 and 2019.
- (4) The same-store portfolio includes the 830 building at Lloyd District Portfolio which was placed into operations on August 1, 2019. The same-store portfolio excludes La Jolla Commons, which was acquired on June 20, 2019 and One Beach Street due to significant redevelopment activity.
- (5) The same-store portfolio excludes Waikēle Center due to significant redevelopment activity.

As of March 31, 2020

| | Tenant | Property | Lease Expiration | Total Leased Square Feet | Rentable Square Feet as a Percentage of Total Office | Rentable Square Feet as a Percentage of Total | Annualized Base Rent | Annualized Base Rent as a Percentage of Total Office | Annualized Base Rent as a Percentage of Total |
|----|--|----------------------------|---|--------------------------|--|---|----------------------|--|---|
| 1 | Google LLC | The Landmark at One Market | 12/31/2029 | 253,198 | 7.4 % | 3.8 % | \$ 24,178,824 | 16.4 % | 10.2 % |
| 2 | LPL Holdings, Inc. | La Jolla Commons | 4/30/2020 4/30/2029 | 426,125 | 12.4 | 6.4 | 17,562,831 | 11.9 | 7.4 |
| 3 | Autodesk, Inc. | The Landmark at One Market | 12/31/2022 12/31/2023 | 138,615 | 4.0 | 2.1 | 12,273,512 | 8.3 | 5.2 |
| 4 | VMware, Inc. | City Center Bellevue | 11/30/2022 5/31/2025 7/31/2027 9/30/2027 | 109,807 | 3.2 | 1.7 | 4,434,807 | 3.0 | 1.9 |
| 5 | Smartsheet, Inc. | City Center Bellevue | 12/31/2026 4/30/2029 | 73,669 | 2.1 | 1.1 | 3,517,695 | 2.4 | 1.5 |
| 6 | Veterans Benefits Administration | First & Main | 8/31/2020 8/31/2030 | 93,572 | 2.7 | 1.4 | 3,006,453 | 2.0 | 1.3 |
| 7 | Clearesult Operating, LLC | First & Main | 4/30/2025 | 101,848 | 3.0 | 1.5 | 2,877,062 | 1.9 | 1.2 |
| 8 | Illumina, Inc. | La Jolla Commons | 10/31/2027 | 48,784 | 1.4 | 0.7 | 2,868,499 | 1.9 | 1.2 |
| 9 | State of Oregon: Department of Environmental Quality | Lloyd District Portfolio | 10/31/2031 | 87,787 | 2.5 | 1.3 | 2,685,963 | 1.8 | 1.1 |
| 10 | Treasury Call Center | First & Main | 8/31/2030 | 63,648 | 1.8 | 1.0 | 2,184,302 | 1.5 | 0.9 |
| | Top 10 Office Tenants Total | | | 1,397,053 | 40.5 % | 21.0 % | \$ 75,589,948 | 51.1 % | 31.9 % |

As of March 31, 2020

| Tenant | Property(ies) | Lease Expiration | Total Leased Square Feet | Rentable Square Feet as a Percentage of Total Retail | Rentable Square Feet as a Percentage of Total | Annualized Base Rent | Annualized Base Rent as a Percentage of Total Retail | Annualized Base Rent as a Percentage of Total | |
|------------------------------------|------------------------|--|-------------------------------------|--|---|----------------------|--|---|-------|
| 1 | Lowe's | Waikele Center | 5/31/2028 | 155,000 | 5.0 % | 2.3 % | \$ 3,720,000 | 4.8 % | 1.6 % |
| 2 | Nordstrom Rack | Carmel Mountain Plaza, Alamo Quarry Market | 9/30/2022 10/31/2022 | 69,047 | 2.2 | 1.0 | 2,189,648 | 2.8 | 0.9 |
| 3 | Sprouts Farmers Market | Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace | 6/30/2024 3/31/2025 9/30/2032 | 71,431 | 2.3 | 1.1 | 2,044,771 | 2.7 | 0.9 |
| 4 | Marshalls | Solana Beach Towne Centre, Carmel Mountain Plaza | 1/31/2025 1/31/2029 | 68,055 | 2.2 | 1.0 | 1,728,228 | 2.2 | 0.7 |
| 5 | Vons | Lomas Santa Fe Plaza | 12/31/2022 | 49,895 | 1.6 | 0.8 | 1,399,205 | 1.8 | 0.6 |
| 6 | Old Navy | South Bay Marketplace, Alamo Quarry Market, Waikele Center | 4/30/2021 9/30/2022 7/31/2030 | 59,780 | 1.9 | 0.9 | * | * | * |
| 7 | At Home Stores | Carmel Mountain Plaza | 7/31/2029 | 107,870 | 3.5 | 1.6 | 1,384,552 | 1.8 | 0.6 |
| 8 | Regal Cinemas | Alamo Quarry Market | 3/31/2023 | 72,447 | 2.3 | 1.1 | 1,231,599 | 1.6 | 0.5 |
| 9 | Safeway | Waikele Center | 1/31/2040 | 50,050 | 1.6 | 0.8 | 1,201,200 | 1.6 | 0.5 |
| 10 | Michaels | Carmel Mountain Plaza Alamo Quarry Market | 1/31/2024 2/29/2028 | 46,850 | 1.5 | 0.7 | 1,072,635 | 1.4 | 0.5 |
| Top 10 Retail Tenants Total | | | 750,425 | 24.1 % | 11.3 % | \$ 15,971,838 | 20.7 % | 6.8 % | |

* Data withheld at tenant's request.

APPENDIX

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA): EBITDA is a non-GAAP measure that means net income or loss plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate and impairments of real estate, if any. EBITDA is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA for the three months ended March 31, 2020 and 2019 is as follows:

| | Three Months Ended March 31, | |
|-------------------------------|---------------------------------|-----------|
| | 2020 | 2019 |
| Net income | \$ 15,484 | \$ 15,243 |
| Depreciation and amortization | 27,462 | 20,583 |
| Interest expense | 13,472 | 13,349 |
| Interest income | (312) | (7) |
| Income tax expense | 206 | 236 |
| EBITDA | \$ 56,312 | \$ 49,404 |

Adjusted EBITDA: Adjusted EBITDA is a non-GAAP measure that begins with EBITDA and includes adjustments for certain items that we believe are not representative of ongoing operating performance. Specifically, we include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire during the quarter, to assume all transactions occurred at the beginning of the quarter. We use Adjusted EBITDA as a supplemental performance measure because we believe these items create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential.

| | Three Months Ended March 31, | |
|-----------------------|---------------------------------|-----------|
| | 2020 | 2019 |
| EBITDA | \$ 56,312 | \$ 49,404 |
| Pro forma adjustments | — | — |
| Adjusted EBITDA | \$ 56,312 | \$ 49,404 |

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDA_{re}): EBITDA_{re} is a supplemental non-GAAP measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines EBITDA_{re} as follows: net income or loss, computed in accordance with GAAP plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate including gain or loss on change of control, impairments of real estate, and adjustments to reflect the entity's share of EBITDA_{re} of unconsolidated affiliates, if any. EBITDA_{re} is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA_{re} for the three months ended March 31, 2020 and 2019 is as follows:

| | Three Months Ended March 31, | |
|-------------------------------|---------------------------------|-----------|
| | 2020 | 2019 |
| Net income | \$ 15,484 | \$ 15,243 |
| Depreciation and amortization | 27,462 | 20,583 |
| Interest expense | 13,472 | 13,349 |
| Interest income | (312) | (7) |
| Income tax expense | 206 | 236 |
| EBITDA _{re} | \$ 56,312 | \$ 49,404 |

Funds From Operations (FFO): FFO is a supplemental measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as follows: net income, computed in accordance with GAAP plus depreciation and amortization of real estate assets and excluding extraordinary items, gains and losses on sale of real estate and impairment losses. NAREIT developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider FFO a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

Funds Available for Distribution (FAD): FAD is a supplemental measure of our liquidity. We compute FAD by subtracting from FFO As Adjusted tenant improvements, leasing commissions and maintenance capital expenditures, eliminating the net effect of straight-line rents, amortization of above (below) market rents for acquisition properties, the effects of other lease intangibles, adding noncash amortization of deferred financing costs and debt fair value adjustments, adding noncash compensation expense, and adding (subtracting) unrealized losses (gains) on marketable securities. FAD provides an additional perspective on our ability to fund cash needs and make distributions by adjusting FFO for the impact of certain cash and noncash items, as well as adjusting FFO for recurring capital expenditures and leasing costs. However, other REITs may use different methodologies for calculating FAD and, accordingly, our FAD may not be comparable to other REITs.

Net Operating Income (NOI): We define NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance). NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expense, other nonproperty income and losses, gains and losses from property dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other nonproperty income and losses, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate and the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing a perspective on operations not immediately apparent from net income. However, NOI should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of the properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations.

| | Three Months Ended | |
|--|--------------------|------------------|
| | March 31, | |
| | 2020 | 2019 |
| Reconciliation of NOI to net income | | |
| Total NOI | \$ 63,130 | \$ 55,477 |
| General and administrative | (6,820) | (6,073) |
| Depreciation and amortization | (27,462) | (20,583) |
| Operating Income | \$ 28,848 | \$ 28,821 |
| Interest expense | (13,472) | (13,349) |
| Other income (expense), net | 108 | (229) |
| Net income | \$ 15,484 | \$ 15,243 |
| Net income attributable to restricted shares | (104) | (93) |
| Net income attributable to unitholders in the Operating Partnership | (3,312) | (4,055) |
| Net income attributable to American Assets Trust, Inc. stockholders | \$ 12,068 | \$ 11,095 |

Overall Portfolio: Includes all operating properties owned by us as of March 31, 2020.

Cash NOI: We define cash NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance), adjusted for non-cash revenue and operating expense items such as straight-line rent, amortization of lease intangibles, amortization of lease incentives and other adjustments. Cash NOI also excludes general and administrative expenses, depreciation and amortization, interest expense, other non-property income and losses, acquisition-related expense, gains and losses from property dispositions, extraordinary items, tenant improvements, and leasing commissions. Other REITs may use different methodologies for calculating cash NOI, and accordingly, our cash NOI may not be comparable to the cash NOIs of other REITs. We believe cash NOI provides useful information to investors regarding the company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level, and when compared across periods, can be used to determine trends in earnings of the company's properties as this measure is not affected by (1) the non-cash revenue and expense recognition items, (2) the cost of funds of the property owner, (3) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP or (4) general and administrative expenses and other gains and losses that are specific to the property owner. We believe the exclusion of these items from net (loss) income is useful because the resulting measure captures the actual revenue generated and actual expenses incurred in operating the company's properties as well as trends in occupancy rates, rental rates and operating costs. Cash NOI is

a measure of the operating performance of the company's properties but does not measure the company's performance as a whole. Cash NOI is therefore not a substitute for net income as computed in accordance with GAAP. A Reconciliation of Total Cash NOI to Operating Income is presented below:

| | Three Months Ended | |
|--|--------------------|-----------|
| | March 31, | |
| | 2020 | 2019 |
| Reconciliation of Total Cash NOI to Net Income | | |
| Total Cash NOI | \$ 59,489 | \$ 50,028 |
| Non-cash revenue and other operating expenses ⁽¹⁾ | 3,641 | 5,449 |
| General and administrative | (6,820) | (6,073) |
| Depreciation and amortization | (27,462) | (20,583) |
| Operating income | \$ 28,848 | \$ 28,821 |
| Interest expense | (13,472) | (13,349) |
| Other income (expense), net | 108 | (229) |
| Net income | \$ 15,484 | \$ 15,243 |

(1) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, lease termination fees at Carmel Mountain Plaza, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Cash NOI Comparison with Redevelopment: As noted below in the definition of Same-Store, Non-Same Store and Redevelopment Same-Store, information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods being compared. Redevelopment same-store is considered by management to be an important measure because it assists in eliminating disparities due to the redevelopment of properties during the particular period presented, and thus provides a more consistent performance measure for the comparison of the company's stabilized and redevelopment properties, as applicable. Additionally, redevelopment same-store is considered by management to be an important measure because it assists in evaluating the timing of the start and stabilization of our redevelopment opportunities and the impact that these redevelopments have in enhancing our operating performance. We present Same-Store Cash NOI Comparison with Redevelopment using cash NOI to evaluate and compare the operating performance of the company's properties, as defined above. A reconciliation of Same-Store Cash NOI Comparison with Redevelopment on a cash basis to operating income is presented below:

| | Three Months Ended ⁽¹⁾ | |
|---|-----------------------------------|-----------|
| | March 31, | |
| | 2020 | 2019 |
| Reconciliation of Same-Store Cash NOI Comparison with Redevelopment to Operating Income | | |
| Same-Store Cash NOI | \$ 43,510 | \$ 40,078 |
| Redevelopment Cash NOI ⁽²⁾ | 2,587 | 3,057 |
| Same-Store Cash NOI with Redevelopment | 46,097 | 43,135 |
| Tenant improvement reimbursements | 2,796 | 991 |
| Total Same-Store Cash NOI with Redevelopment | \$ 48,893 | \$ 44,126 |
| Non-Same Store Cash NOI | 10,596 | 5,902 |
| Total Cash NOI | \$ 59,489 | \$ 50,028 |
| Non-cash revenue and other operating expenses ⁽³⁾ | 3,641 | 5,449 |
| General and administrative | (6,820) | (6,073) |
| Depreciation and amortization | (27,462) | (20,583) |
| Operating income | \$ 28,848 | \$ 28,821 |
| Interest expense | (13,472) | (13,349) |
| Other income (expense), net | 108 | (229) |
| Net income | \$ 15,484 | \$ 15,243 |

(1) Same-store excludes (i) Waikēle Center, due to significant redevelopment activity; (ii) La Jolla Commons, which was acquired on June 20, 2019; (iii) Waikiki Beach Walk - Embassy Suites™ and Waikiki Beach Walk - Retail, due to significant spalling repair activity; and (iv) land held for development.

(2) Redevelopment property refers to Waikēle Center and Lloyd District Portfolio - Land.

(3) Represents adjustments related to the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances; the amortization of above (below) market rents, the amortization of lease incentives paid to tenants, the amortization of other lease intangibles, lease termination fees at Carmel Mountain Plaza, and straight-line rent expense for our leases of the Annex at The Landmark at One Market.

Same-Store Portfolio, Non-Same Store Portfolio and Redevelopment Same-Store: Information provided on a same-store basis includes the results of properties that we owned and operated for the entirety of both periods being compared except for properties for which significant redevelopment or expansion occurred during either of the periods being compared, properties under development, properties classified as held for development and properties classified as discontinued operations. Information provided on a redevelopment same-store basis includes the results of properties undergoing significant redevelopment for the entirety or portion of both periods being compared. The following table shows the properties included in the same-store, non-same store and redevelopment same-store portfolio for the comparative periods presented.

| | Comparison of Three Months Ended March 31, 2020 to 2019 | | |
|--|--|-----------------------|-------------------------------------|
| | Same-Store | Non Same-Store | Redevelopment Same-Store |
| Office Properties | | | |
| La Jolla Commons | | X | |
| Torrey Reserve Campus | X | | X |
| Torrey Point | X | | X |
| Solana Crossing (formerly Solana Beach Corporate Centre) | X | | X |
| The Landmark at One Market | X | | X |
| One Beach Street | | X | X |
| First & Main | X | | X |
| Lloyd District Portfolio ⁽¹⁾ | X | | X |
| City Center Bellevue | X | | X |
| Retail Properties | | | |
| Carmel Country Plaza | X | | X |
| Carmel Mountain Plaza | X | | X |
| South Bay Marketplace | X | | X |
| Gateway Marketplace | X | | X |
| Lomas Santa Fe Plaza | X | | X |
| Solana Beach Towne Centre | X | | X |
| Del Monte Center | X | | X |
| Geary Marketplace | X | | X |
| The Shops at Kalakaua | X | | X |
| Waikole Center | | X | X |
| Alamo Quarry Market | X | | X |
| Hassalo on Eighth - Retail | X | | X |
| Multifamily Properties | | | |
| Loma Palisades | X | | X |
| Imperial Beach Gardens | X | | X |
| Mariner's Point | X | | X |
| Santa Fe Park RV Resort | X | | X |
| Pacific Ridge Apartments | X | | X |
| Hassalo on Eighth | X | | X |
| Mixed-Use Properties | | | |
| Waikiki Beach Walk - Retail | | X | |
| Waikiki Beach Walk - Embassy Suites™ | | X | |
| Development Properties | | | |
| La Jolla Commons - Land | | X | |
| Solana Crossing - Land | | X | |
| Lloyd District Portfolio - Land | | X | X |

(1) Lloyd District Portfolio includes the 830 building which we placed into operations on August 1, 2019 after renovating the building.

Tenant Improvements and Incentives: Represents not only the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators, new entrances, etc.) which are required to make the space leasable. Incentives include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.