

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):  
February 12, 2019

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**American Assets Trust, Inc.**

(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

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

**001-35030**  
(Commission  
File No.)

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

**92130**  
(Zip Code)

**(858) 350-2600**

Registrant's telephone number, including area code:

**Not Applicable**

(Former name or former address, if changed since last report.)

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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))

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 February 12, 2019, American Assets Trust, Inc. (the “Company”) issued a press release regarding its financial results for the quarter and fiscal year ending December 31, 2018. Also on February 12, 2019, the Company made available on its website at [www.americanassetstrust.com](http://www.americanassetstrust.com) certain supplemental information concerning the Company’s financial results and operations for the quarter and fiscal year ending December 31, 2018. 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 and fiscal year ending December 31, 2018 and made available on its website certain supplemental 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**	<a href="#">Press release issued by American Assets Trust, Inc. on February 12, 2019.</a>
99.2**	<a href="#">American Assets Trust, Inc. Supplemental Information for the quarter ended December 31, 2018.</a>

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\*\* 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

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Robert F. Barton  
Executive Vice President, CFO

February 12, 2019



## American Assets Trust, Inc. Reports Fourth Quarter and Year-End 2018 Financial Results

**Net income available to common stockholders of \$6.7 million and \$19.7 million for the three months and year ended December 31, 2018, respectively, or \$0.14 and \$0.42 per diluted share, respectively**

**Funds From Operations per diluted share increased 2% and 9% year-over-year for the three months and year ended December 31, 2018, respectively**

**Same-store cash NOI increased 5% and 4% year-over-year for the three months and year ended December 31, 2018, respectively**

**SAN DIEGO, California - 2/12/19** - American Assets Trust, Inc. (NYSE: AAT) (the "company") today reported financial results for its fourth quarter and year ended December 31, 2018.

### Fourth Quarter Highlights and Recent Developments

- **Net income available to common stockholders of \$6.7 million and \$19.7 million for the three months and year ended December 31, 2018, respectively, or \$0.14 and \$0.42 per diluted share, respectively**
- **Funds From Operations increased 2% and 9% year-over-year to \$0.47 and \$2.09 per diluted share for the three months and year ended December 31, 2018, respectively, compared to the same periods in 2017**
- **Recognized approximately \$4.5 million of lease termination fees in January 2019 in connection with the termination of ground lease for, and ground lessee's surrender of, the former Sears building at Carmel Mountain Plaza in San Diego**
- **Increased 2019 FFO annual guidance by \$0.06 at the midpoint to a range of \$2.18 to \$2.26 per diluted share**
- **Same-store cash NOI increased 5% and 4% year-over-year for the three months and year ended December 31, 2018, respectively, compared to the same periods in 2017**
- **Leased approximately 298,000 comparable office square feet at an average straight-line basis and cash-basis contractual rent increase of 96% and 64%, respectively, during the three months ended December 31, 2018**
- **Entered into a lease with Google LLC for approximately 253,000 square feet at The Landmark at One Market in San Francisco on November 2, 2018**
- **Leased approximately 65,000 comparable retail square feet at an average straight-line basis and cash-basis contractual rent increase of 7% and 3%, respectively, during the three months ended December 31, 2018**
- **Credit agreement amended to extend maturity date and decrease credit spreads on \$100 million term loan, effective January 9, 2019**

### Financial Results

Net income attributable to common stockholders was \$6.7 million, or \$0.14 per basic and diluted share for the three months ended December 31, 2018 compared to net income of \$7.1 million, or \$0.15 per basic and diluted share for the three months ended December 31, 2017. For the year ended December 31, 2018, net income attributable to common stockholders was \$19.7 million, or \$0.42 per basic and diluted share compared to \$29.1 million, or \$0.62 per basic and diluted share for the year ended December 31, 2017. The quarter-over-quarter and year-over-year decrease is primarily due to an increase in depreciation expense and demolition costs at Waikēle Center attributed to the redevelopment of the Kmart space.

During the fourth quarter of 2018, the company generated funds from operations ("FFO") for common stockholders of \$30.2 million, or \$0.47 per diluted share, compared to \$29.6 million, or \$0.46 per diluted share, for the fourth quarter of 2017. For the year ended December 31, 2018, the company generated FFO for common stockholders of

\$134.0 million, or \$2.09 per diluted share, compared to \$123.2 million, or \$1.92 per diluted share, for the year ended December 31, 2017. The increase in FFO from the corresponding periods in 2017 was primarily due to the acquisitions of the Pacific Ridge Apartments on April 28, 2017, the acquisition of Gateway Marketplace on July 6, 2017, and increase in lease termination fees at Lloyd District Portfolio and Torrey Point.

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:

	December 31, 2018	September 30, 2018	December 31, 2017
<b>Total Portfolio</b>			
Retail	93.9%	98.5%	96.8%
Office	90.9%	91.4%	88.4%
Multifamily	93.6%	92.3%	91.8%
<b>Mixed-Use:</b>			
Retail	96.1%	95.9%	96.9%
Hotel	93.0%	93.6%	92.5%
<b>Same-Store Portfolio</b>			
Retail <sup>(1)</sup>	92.9%	98.3%	98.1%
Office <sup>(2)</sup>	93.0%	93.5%	88.4%
Multifamily	93.6%	92.3%	91.8%
<b>Mixed-Use:</b>			
Retail	96.1%	95.9%	96.9%
Hotel	93.0%	93.6%	92.5%

(1) Same-store retail leased percentages includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store retail leased percentages exclude Waikale Center, due to significant redevelopment activity.

(2) Same-store office leased percentages exclude Torrey Point, which was placed into operations and became available for occupancy in August 2018 and will therefore be included in same-store office leased percentages commencing in the fourth quarter of 2019.

During the fourth quarter of 2018, the company signed 36 leases for approximately 384,700 square feet of retail and office space, as well as 469 multifamily apartment leases. Renewals accounted for 84% of the comparable retail leases, 27% of the comparable office leases and 55% of the residential leases.

## Retail and Office

On a comparable space basis (i.e. leases for which there was a former tenant) during the fourth quarter 2018 and trailing four quarters ended December 31, 2018, 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
Retail	Q4 2018	19	65,000	3.0%	\$46.90	\$45.52	7.3%
	Last 4 Quarters	63	239,000	3.6%	\$40.73	\$39.31	11.8%
Office	Q4 2018	11	298,000	63.5%	\$88.41	\$54.08	95.5%
	Last 4 Quarters	51	714,000	35.7%	\$67.55	\$49.78	56.9%

## Multifamily

The average monthly base rent per leased unit for same-store properties for the three months ended December 31, 2018 was \$2,048 compared to an average monthly base rent per leased unit of \$1,974 for the three months ended December 31, 2017, an increase of approximately 4.0%.

### Same-Store Cash Net Operating Income

For the three months and year ended December 31, 2018, same-store cash NOI increased 4.7% and 3.9%, respectively, compared to the three months and year ended December 31, 2017. The same-store cash NOI by segment was as follows (in thousands):

	Three Months Ended <sup>(1)</sup>			Year Ended <sup>(2)</sup>		
	December 31,			December 31,		
	2018	2017	Change	2018	2017	Change
<b>Cash Basis:</b>						
Retail	\$ 15,897	\$ 15,315	3.8 %	\$ 60,138	\$ 57,462	4.7 %
Office	17,636	16,810	4.9	73,707	70,474	4.6
Multifamily	7,388	6,773	9.1	19,828	19,405	2.2
Mixed-Use	6,149	6,039	1.8	24,787	24,366	1.7
Same-store Cash NOI <sup>(3)</sup>	\$ 47,070	\$ 44,937	4.7 %	\$ 178,460	\$ 171,707	3.9 %

- (1) Same-store portfolio includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store portfolio excludes (i) Waikale Center due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (iii) land held for development.
- (2) Same-store portfolio includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store portfolio excludes (i) the Pacific Ridge Apartments, which was acquired on April 28, 2017; (ii) Gateway Marketplace, which was acquired on July 6, 2017; (iii) Waikale Center due to significant redevelopment activity; (iv) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (v) land held for development.
- (3) Excluding lease termination fees for the three and twelve months ended December 31, 2018, same-store cash NOI would be 4.6% and 2.1%, respectively.

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 December 31, 2018, the company had gross real estate assets of \$2.6 billion and liquidity of \$334.0 million, comprised of cash and cash equivalents of \$48.0 million and \$286.0 million of availability on its line of credit.

### Dividends

The company declared dividends on its shares of common stock of \$0.28 per share for the fourth quarter of 2018. The dividends were paid on December 27, 2018.

In addition, the company has declared a dividend on its common stock of \$0.28 per share for the first quarter of 2019. The dividend will be paid on March 28, 2019 to stockholders of record on March 14, 2019.

### Guidance

The company increased its guidance range for full year 2019 FFO per diluted share of \$2.18 to \$2.26 per share from the prior guidance range of \$2.12 to \$2.20 per share. The company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments, except that our guidance assumes the payoff of the mortgage debt on Torrey Reserve - North Court, without penalty or premium.

The foregoing estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates, credit spreads and the amount and timing of acquisition and development activities. The company's actual results may differ materially from these estimates.

### Conference Call

The company will hold a conference call to discuss the results for the fourth quarter and year end of 2018 on Wednesday, February 13, 2019 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 6088626. A telephonic replay of the conference call will be available beginning at 2:00 p.m. PT on Wednesday, February 13, 2019 through Wednesday, February 20, 2019. To access the replay, dial 1-855-859-2056 and use the pass code 6088626. A live on-demand audio webcast of the conference call will be available on the company's website at [www.americanassetstrust.com](http://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 fourth quarter and year end 2018 results may be found in the "Investor Relations" section of the company's website at [www.americanassettrust.com](http://www.americanassettrust.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)**

	December 31, 2018	December 31, 2017
<b>Assets</b>		
Real estate, at cost		
Operating real estate	\$ 2,549,571	\$ 2,536,474
Construction in progress	71,228	68,272
Held for development	9,392	9,392
	<u>2,630,191</u>	<u>2,614,138</u>
Accumulated depreciation	(590,338)	(537,431)
Net real estate	2,039,853	2,076,707
Cash and cash equivalents	47,956	82,610
Restricted cash	9,316	9,344
Accounts receivable, net	9,289	9,869
Deferred rent receivables, net	39,815	38,973
Other assets, net	52,021	42,361
Total assets	<u>\$ 2,198,250</u>	<u>\$ 2,259,864</u>
<b>Liabilities and equity</b>		
Liabilities:		
Secured notes payable, net	\$ 182,572	\$ 279,550
Unsecured notes payable, net	1,045,863	1,045,470
Unsecured line of credit, net	62,337	—
Accounts payable and accrued expenses	46,616	38,069
Security deposits payable	8,844	6,570
Other liabilities and deferred credits, net	49,547	46,061
Total liabilities	<u>1,395,779</u>	<u>1,415,720</u>
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 shares authorized, 47,335,409 and 47,204,588 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	474	473
Additional paid-in capital	920,661	919,066
Accumulated dividends in excess of net income	(128,778)	(97,280)
Accumulated other comprehensive income	10,620	11,451
Total American Assets Trust, Inc. stockholders' equity	<u>802,977</u>	<u>833,710</u>
Noncontrolling interests	(506)	10,434
Total equity	<u>802,471</u>	<u>844,144</u>
Total liabilities and equity	<u>\$ 2,198,250</u>	<u>\$ 2,259,864</u>



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

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<b>Revenue:</b>				
Rental income	\$ 78,365	\$ 77,703	\$ 309,537	\$ 298,803
Other property income	4,240	4,043	21,330	16,180
Total revenue	82,605	81,746	330,867	314,983
<b>Expenses:</b>				
Rental expenses	23,797	23,129	86,482	84,006
Real estate taxes	9,012	8,696	34,973	32,671
General and administrative	6,645	6,211	22,784	21,382
Depreciation and amortization	21,060	19,918	107,093	83,278
Total operating expenses	60,514	57,954	251,332	221,337
<b>Operating income</b>	22,091	23,792	79,535	93,646
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other income (expense), net	(21)	(69)	(85)	334
<b>Net income</b>	9,209	9,731	27,202	40,132
Net income attributable to restricted shares	(96)	(60)	(311)	(241)
Net income attributable to unitholders in the Operating Partnership	(2,440)	(2,594)	(7,205)	(10,814)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	\$ 6,673	\$ 7,077	\$ 19,686	\$ 29,077
<b>Net income per share</b>				
Basic income attributable to common stockholders per share	\$ 0.14	\$ 0.15	\$ 0.42	\$ 0.62
Weighted average shares of common stock outstanding - basic	46,967,778	46,908,745	46,950,812	46,715,520
Diluted income attributable to common stockholders per share	\$ 0.14	\$ 0.15	\$ 0.42	\$ 0.62
Weighted average shares of common stock outstanding - diluted	64,145,386	64,103,725	64,136,559	64,087,250
<b>Dividends declared per common share</b>	\$ 0.28	\$ 0.27	\$ 1.09	\$ 1.05

### 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 December 31, 2018	Year Ended December 31, 2018
<b>Funds From Operations (FFO)</b>		
Net income	\$ 9,209	\$ 27,202
Depreciation and amortization of real estate assets	21,060	107,093
FFO, as defined by NAREIT	\$ 30,269	\$ 134,295
Less: Nonforfeitable dividends on restricted stock awards	(94)	(305)
FFO attributable to common stock and units	\$ 30,175	\$ 133,990
FFO per diluted share/unit	\$ 0.47	\$ 2.09
Weighted average number of common shares and units, diluted	64,148,261	64,139,437

### 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 <sup>(1)</sup> December 31,		Year Ended <sup>(2)</sup> December 31,	
	2018	2017	2018	2017
Same-store cash NOI	\$ 47,070	\$ 44,937	\$ 178,460	\$ 171,707
Non-same-store cash NOI	1,403	3,881	25,210	22,298
Tenant improvement reimbursements <sup>(3)</sup>	54	1,101	4,275	1,840
Cash NOI	\$ 48,527	\$ 49,919	\$ 207,945	\$ 195,845
Non-cash revenue and other operating expenses <sup>(4)</sup>	1,269	2	1,467	2,461
General and administrative	(6,645)	(6,211)	(22,784)	(21,382)
Depreciation and amortization	(21,060)	(19,918)	(107,093)	(83,278)
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other income (expense), net	(21)	(69)	(85)	334
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132

Number of properties included in same-store analysis	25	22	23	21
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- (1) Same-store portfolio includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store portfolio excludes (i) Waikale Center, due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (iii) land held for development.
- (2) Same-store portfolio includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store portfolio excludes (i) the Pacific Ridge Apartments, which was acquired on April 28, 2017; (ii) Gateway Marketplace, which was acquired on July 6 2017; (iii) Waikale Center, due to significant redevelopment activity; (iv) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (v) land held for development.
- (3) Tenant improvement reimbursements are excluded from same-store cash NOI to provide a more accurate measure of operating performance.
- (4) 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 City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

Reported results are preliminary and not final until the filing of the company's Form 10-K 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. (the "company") 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 retail portfolio comprises approximately 3.1 million rentable square feet, and its office portfolio comprises approximately 2.7 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](http://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. 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

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# FOURTH QUARTER 2018

## Supplemental Information

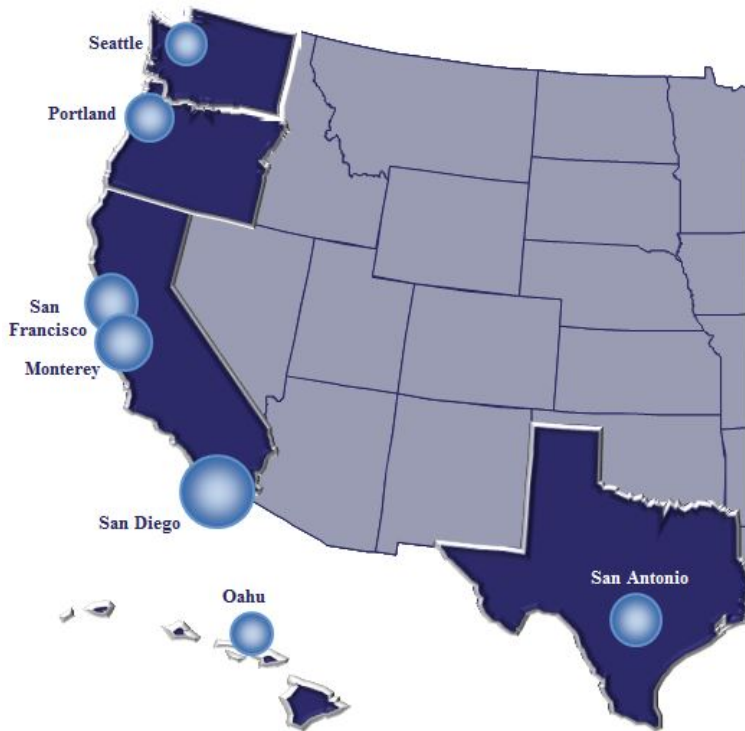
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Investor and Media Contact  
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**American Assets Trust, Inc.'s Portfolio is concentrated in high-barrier-to-entry markets  
with favorable supply/demand characteristics**



Market	Retail	Office	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
<b>San Diego</b>	1,322,012	821,785	1,455 <sup>(1)</sup>	—	—
<b>San Francisco</b>	35,156	516,985	—	—	—
<b>Oahu</b>	429,718	—	—	96,707	369
<b>Monterey</b>	673,572	—	—	—	—
<b>San Antonio</b>	588,970	—	—	—	—
<b>Portland</b>	44,153	820,244	657	—	—
<b>Seattle</b>	—	497,472	—	—	—
<b>Total</b>	<b>3,093,581</b>	<b>2,656,486</b>	<b>2,112</b>	<b>96,707</b>	<b>369</b>

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 December 31, 2018.

(1) Includes 122 RV spaces.

	Square Feet	%
<b>Retail</b>	<b>3.1 million</b>	<b>53%</b>
<b>Office</b>	<b>2.7 million</b>	<b>47%</b>
<b>Totals</b>	<b>5.8 million</b>	

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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.

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



# CONSOLIDATED BALANCE SHEETS



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

**December 31, 2018**

**December 31, 2017**

<b>ASSETS</b>			
Real estate, at cost			
Operating real estate	\$	2,549,571	\$ 2,536,474
Construction in progress		71,228	68,272
Held for development		9,392	9,392
		<u>2,630,191</u>	<u>2,614,138</u>
Accumulated depreciation		(590,338)	(537,431)
Net real estate		2,039,853	2,076,707
Cash and cash equivalents		47,956	82,610
Restricted cash		9,316	9,344
Accounts receivable, net		9,289	9,869
Deferred rent receivable, net		39,815	38,973
Other assets, net		52,021	42,361
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>2,198,250</u></b>	<b>\$ <u>2,259,864</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Secured notes payable, net	\$	182,572	\$ 279,550
Unsecured notes payable, net		1,045,863	1,045,470
Unsecured line of credit, net		62,337	—
Accounts payable and accrued expenses		46,616	38,069
Security deposits payable		8,844	6,570
Other liabilities and deferred credits, net		49,547	46,061
<b>Total liabilities</b>		<u>1,395,779</u>	<u>1,415,720</u>
Commitments and contingencies			
<b>EQUITY:</b>			
American Assets Trust, Inc. stockholders' equity			
Common stock, \$0.01 par value, 490,000,000 shares authorized, 47,335,409 and 47,204,588 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively		474	473
Additional paid in capital		920,661	919,066
Accumulated dividends in excess of net income		(128,778)	(97,280)
Accumulated other comprehensive income		10,620	11,451
<b>Total American Assets Trust, Inc. stockholders' equity</b>		<u>802,977</u>	<u>833,710</u>
Noncontrolling interests		(506)	10,434
<b>Total equity</b>		<u>802,471</u>	<u>844,144</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b><u>2,198,250</u></b>	<b>\$ <u>2,259,864</u></b>

# CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<b>REVENUE:</b>				
Rental income	\$ 78,365	\$ 77,703	\$ 309,537	\$ 298,803
Other property income	4,240	4,043	21,330	16,180
Total revenue	82,605	81,746	330,867	314,983
<b>EXPENSES:</b>				
Rental expenses	23,797	23,129	86,482	84,006
Real estate taxes	9,012	8,696	34,973	32,671
General and administrative	6,645	6,211	22,784	21,382
Depreciation and amortization	21,060	19,918	107,093	83,278
Total operating expenses	60,514	57,954	251,332	221,337
<b>OPERATING INCOME</b>	22,091	23,792	79,535	93,646
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other (expense) income, net	(21)	(69)	(85)	334
<b>NET INCOME</b>	9,209	9,731	27,202	40,132
Net income attributable to restricted shares	(96)	(60)	(311)	(241)
Net income attributable to unitholders in the Operating Partnership	(2,440)	(2,594)	(7,205)	(10,814)
<b>NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS</b>	<u>\$ 6,673</u>	<u>\$ 7,077</u>	<u>\$ 19,686</u>	<u>\$ 29,077</u>
<b>EARNINGS PER COMMON SHARE</b>				
Basic income from operations attributable to common stockholders per share	\$ 0.14	\$ 0.15	\$ 0.42	\$ 0.62
Weighted average shares of common stock outstanding - basic	46,967,778	46,908,745	46,950,812	46,715,520
Diluted income from continuing operations attributable to common stockholders per share	\$ 0.14	\$ 0.15	\$ 0.42	\$ 0.62
Weighted average shares of common stock outstanding - diluted	64,145,386	64,103,725	64,136,559	64,087,250

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
<b>Funds from Operations (FFO)</b> <sup>(1)</sup>				
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132
Depreciation and amortization of real estate assets	21,060	19,918	107,093	83,278
FFO, as defined by NAREIT	30,269	29,649	134,295	123,410
Less: Nonforfeitable dividends on restricted stock awards	(94)	(59)	(305)	(236)
FFO attributable to common stock and common units	<u>\$ 30,175</u>	<u>\$ 29,590</u>	<u>\$ 133,990</u>	<u>\$ 123,174</u>
FFO per diluted share/unit	<u>\$ 0.47</u>	<u>\$ 0.46</u>	<u>\$ 2.09</u>	<u>\$ 1.92</u>
Weighted average number of common shares and common units, diluted <sup>(2)</sup>	<u>64,148,261</u>	<u>64,106,314</u>	<u>64,139,437</u>	<u>64,089,921</u>
<b>Funds Available for Distribution (FAD)</b> <sup>(1)</sup>	<u>\$ 8,136</u>	<u>\$ 20,742</u>	<u>\$ 83,437</u>	<u>\$ 90,450</u>
<b>Dividends</b>				
Dividends declared and paid	\$ 18,064	\$ 17,365	\$ 70,228	\$ 67,537
Dividends declared and paid per share/unit	\$ 0.28	\$ 0.27	\$ 1.09	\$ 1.05

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

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<b>Funds Available for Distribution (FAD) <sup>(1)</sup></b>				
FFO	\$ 30,269	\$ 29,649	\$ 134,295	\$ 123,410
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures	(21,994)	(12,097)	(53,655)	(39,054)
Net effect of straight-line rents <sup>(3)</sup>	89	760	2,123	879
Amortization of net above (below) market rents <sup>(4)</sup>	(1,349)	(760)	(3,570)	(3,305)
Net effect of other lease assets <sup>(5)</sup>	(9)	(2)	(20)	963
Amortization of debt issuance costs and debt fair value adjustment	365	433	1,530	3,058
Non-cash compensation expense	859	2,818	3,039	4,735
Nonforfeitable dividends on restricted stock awards	(94)	(59)	(305)	(236)
<b>FAD</b>	<b>\$ 8,136</b>	<b>\$ 20,742</b>	<b>\$ 83,437</b>	<b>\$ 90,450</b>

## Summary of Capital Expenditures

Tenant improvements and leasing commissions	\$ 14,979	\$ 6,976	\$ 33,118	\$ 21,600
Maintenance capital expenditures	7,015	5,121	20,537	17,454
	<b>\$ 21,994</b>	<b>\$ 12,097</b>	<b>\$ 53,655</b>	<b>\$ 39,054</b>

Notes:

(1) See Glossary of Terms.

(2) For the three months and year ended December 31, 2018 and 2017, 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 City Center Bellevue and straight-line rent expense for our leases at the Annex at the Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

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

	Prior 2019 Guidance Range <sup>(1) (2)</sup>		Revised 2019 Guidance Range <sup>(2)</sup>	
<b>Funds from Operations (FFO):</b>				
Net income	\$ 52,474	\$ 57,620	\$ 52,151	\$ 57,287
Depreciation and amortization of real estate assets	84,191	84,191	88,191	88,191
FFO, as defined by NAREIT	136,665	141,811	140,342	145,478
Less: Nonforfeitable dividends on restricted stock awards	(286)	(286)	(377)	(377)
FFO attributable to common stock and units	\$ 136,379	\$ 141,525	\$ 139,965	\$ 145,101
Weighted average number of common shares and units, diluted	64,329,768	64,329,768	64,203,832	64,203,832
FFO per diluted share, updated	\$ 2.12	\$ 2.20	\$ 2.18	\$ 2.26

## Notes:

(1) Prior 2019 Guidance Range as reported in the company's Third Quarter 2018 Supplemental Information.

(2) The company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, future debt financings or repayments.

These estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates and the amount and timing of acquisition and development activities. Our actual results may differ materially from these estimates.

# SAME-STORE NET OPERATING INCOME (NOI)

(Amounts in thousands)

	Three Months Ended December 31, 2018				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store	\$ 23,173	\$ 26,857	\$ 12,733	\$ 15,528	\$ 78,291
Non-same store <sup>(1)</sup>	3,882	432	—	—	4,314
Total	27,055	27,289	12,733	15,528	82,605
<b>Real estate expenses</b>					
Same-store	6,866	8,864	5,267	9,213	30,210
Non-same store <sup>(1)</sup>	2,201	398	—	—	2,599
Total	9,067	9,262	5,267	9,213	32,809
<b>Net Operating Income (NOI)</b>					
Same-store	16,307	17,993	7,466	6,315	48,081
Non-same store <sup>(1)</sup>	1,681	34	—	—	1,715
Total	\$ 17,988	\$ 18,027	\$ 7,466	\$ 6,315	\$ 49,796
Same-store NOI	\$ 16,307	\$ 17,993	\$ 7,466	\$ 6,315	\$ 48,081
Net effect of straight-line rents <sup>(2)</sup>	(27)	633	(78)	(136)	392
Amortization of net above (below) market rents <sup>(3)</sup>	(383)	(920)	—	(30)	(1,333)
Net effect of other lease intangibles <sup>(4)</sup>	—	(16)	—	—	(16)
Tenant improvement reimbursements <sup>(5)</sup>	—	(54)	—	—	(54)
Same-store cash NOI <sup>(5)</sup>	\$ 15,897	\$ 17,636	\$ 7,388	\$ 6,149	\$ 47,070

Notes:

- (1) Same-store and non-same store classifications are determined based on properties held on December 31, 2018 and 2017. 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.

# SAME-STORE NET OPERATING INCOME (NOI) (CONTINUED)

(Amounts in thousands)

	Year Ended December 31, 2018				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store	\$ 84,734	\$ 110,371	\$ 33,786	\$ 62,326	\$ 291,217
Non-same store <sup>(1)</sup>	20,818	1,991	16,841	—	39,650
Total	105,552	112,362	50,627	62,326	330,867
<b>Real estate expenses</b>					
Same-store	23,025	32,958	13,955	37,076	107,014
Non-same store <sup>(1)</sup>	7,053	902	6,486	—	14,441
Total	30,078	33,860	20,441	37,076	121,455
<b>Net Operating Income (NOI)</b>					
Same-store	61,709	77,413	19,831	25,250	184,203
Non-same store <sup>(1)</sup>	13,765	1,089	10,355	—	25,209
Total	\$ 75,474	\$ 78,502	\$ 30,186	\$ 25,250	\$ 209,412
Same-store NOI	\$ 61,709	\$ 77,413	\$ 19,831	\$ 25,250	\$ 184,203
Net effect of straight-line rents <sup>(2)</sup>	(174)	2,656	(3)	(343)	2,136
Amortization of net above (below) market rents <sup>(3)</sup>	(1,367)	(2,070)	—	(120)	(3,557)
Net effect of other lease assets <sup>(4)</sup>	—	(47)	—	—	(47)
Tenant improvement reimbursements <sup>(5)</sup>	(30)	(4,245)	—	—	(4,275)
Same-store cash NOI <sup>(5)</sup>	\$ 60,138	\$ 73,707	\$ 19,828	\$ 24,787	\$ 178,460

Notes:

- (1) Same-store and non-same store are determined based on properties held on December 31, 2018 and 2017. 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.

# SAME-STORE CASH NOI COMPARISON EXCLUDING REDEVELOPMENT

(Amounts in thousands)

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	2018	2017	Change	2018	2017	Change
<b>Cash Basis:</b>						
Retail	\$ 15,897	\$ 15,315	3.8%	\$ 60,138	\$ 57,462	4.7%
Office	17,636	16,810	4.9	73,707	70,474	4.6
Multifamily	7,388	6,773	9.1	19,828	19,405	2.2
Mixed-Use	6,149	6,039	1.8	24,787	24,366	1.7
Same-store Cash NOI <sup>(1)(2)</sup>	\$ 47,070	\$ 44,937	4.7%	\$ 178,460	\$ 171,707	3.9%

Notes:

- (1) Excluding lease termination fees, for the three months and year ended December 31, 2018, same-store cash NOI would be 4.6% and 2.1%, respectively.  
 (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.



# SAME-STORE CASH NOI COMPARISON WITH REDEVELOPMENT<sup>(1)</sup>

(Amounts in thousands)

	Three Months Ended			Year Ended		
	December 31,			December 31,		
	2018	2017	Change	2018	2017	Change
<b>Cash Basis:</b>						
Retail	\$ 17,551	\$ 19,405	(9.6)%	\$ 71,782	\$ 73,345	(2.1)%
Office	17,498	16,627	5.2	73,190	69,794	4.9
Multifamily	7,388	6,773	9.1	19,828	19,405	2.2
Mixed-Use	6,149	6,039	1.8	24,787	24,366	1.7
Same-store Cash NOI with Redevelopment <sup>(1)(2)</sup>	\$ 48,586	\$ 48,844	(0.5)%	\$ 189,587	\$ 186,910	1.4 %

Notes:

(1) Excluding lease termination fees, for the three months and year ended December 31, 2018, same-store cash NOI with redevelopment would be (0.7)% and (0.2)%, respectively.

(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.

## CASH NOI BY REGION

(Amounts in thousands)

	Three Months Ended December 31, 2018				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Cash Basis:</b>					
Southern California	8,480	4,043	5,823	—	18,346
Northern California	3,112	5,683	—	—	8,795
Hawaii	2,141	—	—	6,149	8,290
Oregon	235	4,181	1,565	—	5,981
Texas	3,570	—	—	—	3,570
Washington	—	3,545	—	—	3,545
Total Cash NOI	<u>\$ 17,538</u>	<u>\$ 17,452</u>	<u>\$ 7,388</u>	<u>\$ 6,149</u>	<u>\$ 48,527</u>

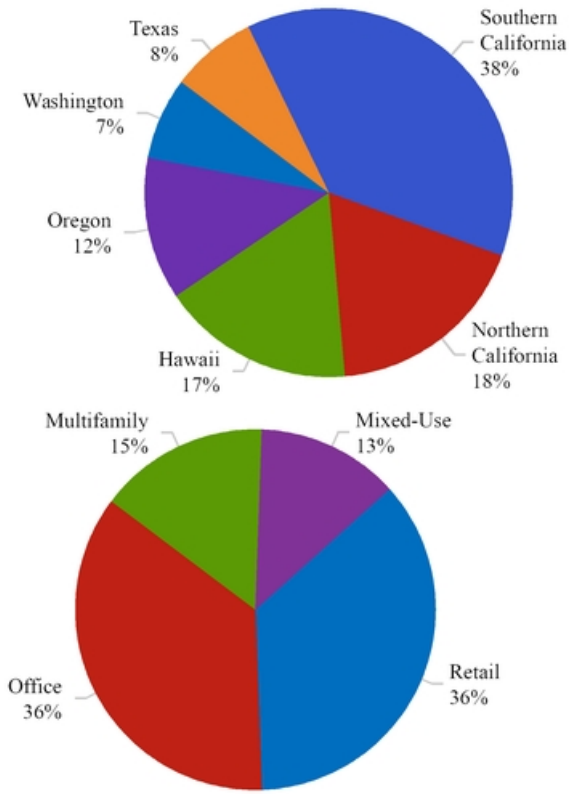
Cash NOI is a non-GAAP supplemental earnings measure which we consider meaningful in measuring our operating performance. A reconciliation of cash NOI to net income is included in the Glossary of Terms.

Three Months Ended December 31, 2018

## 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.

# PROPERTY REVENUE AND OPERATING EXPENSES

(Amounts in thousands)

Three Months Ended December 31, 2018

Property	Base Rent <sup>(1)</sup>	Additional Property Income <sup>(2)</sup>	Billed Expense Reimbursements <sup>(3)</sup>	Property Operating Expenses <sup>(4)</sup>	Rental Adjustments <sup>(5)</sup>	Cash NOI <sup>(6)</sup>
<b>Retail Portfolio</b>						
Carmel Country Plaza	\$ 960	\$ 26	\$ 233	\$ (212)	\$ —	\$ 1,007
Carmel Mountain Plaza	3,203	234	875	(1,027)	—	3,285
South Bay Marketplace	605	80	208	(215)	—	678
Gateway Marketplace	604	2	262	(229)	(18)	621
Lomas Santa Fe Plaza	1,498	27	341	(446)	—	1,420
Solana Beach Towne Centre	1,497	21	546	(564)	(18)	1,482
Del Monte Center	2,695	585	972	(1,554)	—	2,698
Geary Marketplace	302	106	176	(170)	—	414
The Shops at Kalakaua	495	26	50	(85)	—	486
Waialeke Center	2,696	364	773	(2,179)	—	1,654
Alamo Quarry Market	3,688	337	1,781	(2,235)	—	3,571
Hassalo on Eighth - Retail	276	51	54	(146)	—	235
<b>Subtotal Retail Portfolio</b>	<b>\$ 18,519</b>	<b>\$ 1,859</b>	<b>\$ 6,271</b>	<b>\$ (9,062)</b>	<b>\$ (36)</b>	<b>\$ 17,551</b>
<b>Office Portfolio</b>						
Torrey Reserve Campus <sup>(7)</sup>	\$ 4,495	\$ 53	\$ 330	\$ (1,630)	\$ (394)	\$ 2,854
Torrey Point	246	69	—	(215)	(245)	(145)
Solana Beach Corporate Centre	1,798	3	81	(518)	(77)	1,287
The Landmark at One Market	6,731	28	382	(2,352)	—	4,789
One Beach Street	1,082	1	188	(377)	—	894
First & Main	2,797	183	506	(969)	—	2,517
Lloyd District Portfolio <sup>(7)</sup>	2,476	515	160	(1,272)	(77)	1,802
City Center Bellevue	4,400	718	403	(1,677)	(299)	3,545
<b>Subtotal Office Portfolio</b>	<b>\$ 24,025</b>	<b>\$ 1,570</b>	<b>\$ 2,050</b>	<b>\$ (9,010)</b>	<b>\$ (1,092)</b>	<b>\$ 17,543</b>

# PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Amounts in thousands)

Property	Three Months Ended December 31, 2018					
	Base Rent <sup>(1)</sup>	Additional Property Income <sup>(2)</sup>	Billed Expense Reimbursements <sup>(3)</sup>	Property Operating Expenses <sup>(4)</sup>	Rental Adjustments <sup>(5)</sup>	Cash NOI <sup>(6)</sup>
<b>Multifamily Portfolio</b>						
Loma Palisades	\$ 3,277	\$ 217	\$ —	\$ (1,260)	\$ (103)	\$ 2,131
Imperial Beach Gardens	878	67	—	(340)	(2)	603
Mariner's Point	431	27	—	(171)	(1)	286
Santa Fe Park RV Resort	290	22	—	(149)	—	163
Pacific Ridge Apartments	4,184	211	—	(1,723)	(32)	2,640
Hassalo on Eighth - Multifamily	3,006	364	—	(1,623)	(182)	1,565
<b>Subtotal Multifamily Portfolio</b>	<b>\$ 12,066</b>	<b>\$ 908</b>	<b>\$ —</b>	<b>\$ (5,266)</b>	<b>\$ (320)</b>	<b>\$ 7,388</b>
<b>Mixed-Use Portfolio</b>						
Waikiki Beach Walk - Retail	\$ 2,588	\$ 1,269	\$ 1,022	\$ (1,849)	\$ —	\$ 3,030
Waikiki Beach Walk - Embassy Suites™	9,777	710	—	(7,368)	—	3,119
<b>Subtotal Mixed-Use Portfolio</b>	<b>\$ 12,365</b>	<b>\$ 1,979</b>	<b>\$ 1,022</b>	<b>\$ (9,217)</b>	<b>\$ —</b>	<b>\$ 6,149</b>
<b>Subtotal Development Properties</b>	<b>\$ 1</b>	<b>\$ 108</b>	<b>\$ —</b>	<b>\$ (213)</b>	<b>\$ —</b>	<b>\$ (104)</b>
<b>Total</b>	<b>\$ 66,976</b>	<b>\$ 6,424</b>	<b>\$ 9,343</b>	<b>\$ (32,768)</b>	<b>\$ (1,448)</b>	<b>\$ 48,527</b>

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 retail and office portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended December 31, 2018 (before abatements and tenant improvement reimbursements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our retail and office portfolio were approximately \$36 and \$1,146, respectively, for the three months ended December 31, 2018. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended December 31, 2018. 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 \$320 of abatements for our multifamily portfolio for the three months ended December 31, 2018. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended December 31, 2018. Total tenant improvement reimbursements for our retail and office portfolio were approximately \$0 and \$54, respectively, for the three months ended December 31, 2018. There were no tenant improvement reimbursements for the retail portion of our mixed-use portfolio for the three months ended December 31, 2018.
- (2) Represents additional property-related income for the three months ended December 31, 2018, 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 December 31, 2018.
- (4) Represents property operating expenses for the three months ended December 31, 2018. 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) Base rent shown includes amounts related to American Assets Trust, L.P.'s corporate leases at Torrey Reserve Campus and Lloyd District Portfolio. This intercompany rent is eliminated in the consolidated statement of operations. The base rent and abatements were both \$304 for the three months ended December 31, 2018.

# SEGMENT CAPITAL EXPENDITURES

(Amounts in thousands)

Three Months Ended December 31, 2018

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
Retail Portfolio	\$ 1,163	\$ 3,042	\$ 4,205	\$ 1,336	\$ —	\$ 5,541
Office Portfolio	13,701	2,974	16,675	4,224	—	20,899
Multifamily Portfolio	—	639	639	—	—	639
Mixed-Use Portfolio	115	360	475	—	—	475
<b>Total</b>	<b>\$ 14,979</b>	<b>\$ 7,015</b>	<b>\$ 21,994</b>	<b>\$ 5,560</b>	<b>\$ —</b>	<b>\$ 27,554</b>

Year Ended December 31, 2018

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
Retail Portfolio	\$ 4,137	\$ 7,498	\$ 11,635	\$ 2,584	\$ —	\$ 14,219
Office Portfolio	28,645	8,439	37,084	6,730	1,378	45,192
Multifamily Portfolio	—	3,659	3,659	—	—	3,659
Mixed-Use Portfolio	336	941	1,277	—	—	1,277
<b>Total</b>	<b>\$ 33,118</b>	<b>\$ 20,537</b>	<b>\$ 53,655</b>	<b>\$ 9,314</b>	<b>\$ 1,378</b>	<b>\$ 64,347</b>

# SUMMARY OF OUTSTANDING DEBT

(Amounts in thousands)

Debt	Amount Outstanding at December 31, 2018	Interest Rate	Annual Debt Service <sup>(1)</sup>	Maturity Date	Balance at Maturity
Torrey Reserve - North Court	19,620	7.22%	20,325	June 1, 2019	19,443
Torrey Reserve - VCI, VCII, VCIII	6,635	6.36%	560	June 1, 2020	6,439
Solana Beach Corporate Centre I-II	10,502	5.91%	855	June 1, 2020	10,169
Solana Beach Towne Centre	35,008	5.91%	2,849	June 1, 2020	33,898
City Center Bellevue <sup>(2)</sup>	111,000	3.98%	4,479	November 1, 2022	111,000
<b>Secured Notes Payable / Weighted Average <sup>(3)</sup></b>	<b>\$ 182,765</b>	<b>4.89%</b>	<b>\$ 29,068</b>		<b>\$ 180,949</b>
Term Loan A <sup>(4)</sup>	\$ 100,000	3.08%	\$ 100,334	January 9, 2019	\$ 100,000
Series A Notes <sup>(5)</sup>	150,000	3.88%	6,060	October 31, 2021	150,000
Term Loan B <sup>(6)</sup>	100,000	2.75%	2,749	March 1, 2023	100,000
Term Loan C <sup>(7)</sup>	50,000	2.74%	1,371	March 1, 2023	50,000
Series F Notes <sup>(8)</sup>	100,000	3.85%	3,780	July 19, 2024	100,000
Series B Notes	100,000	4.45%	4,450	February 2, 2025	100,000
Series C Notes	100,000	4.50%	4,500	April 1, 2025	100,000
Series D Notes <sup>(9)</sup>	250,000	3.87%	10,725	March 1, 2027	250,000
Series E Notes <sup>(10)</sup>	100,000	4.18%	4,240	May 23, 2029	100,000
<b>Unsecured Notes Payable / Weighted Average <sup>(11)</sup></b>	<b>\$ 1,050,000</b>	<b>3.78%</b>	<b>\$ 138,209</b>		<b>\$ 1,050,000</b>
<b>Unsecured Line of Credit <sup>(12)</sup></b>	<b>\$ 64,000</b>	<b>3.44%</b>			

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 \$0.2 million.

(4) On January 9, 2019, the Term Loan A maturity was extended to 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. Effective January 9, 2019, 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 2.75%, 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 2.74%, 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) The Unsecured Notes Payable total does not include debt issuance costs, net of \$4.1 million.

(12) 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 \$350 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 \$1.7 million.

## MARKET CAPITALIZATION

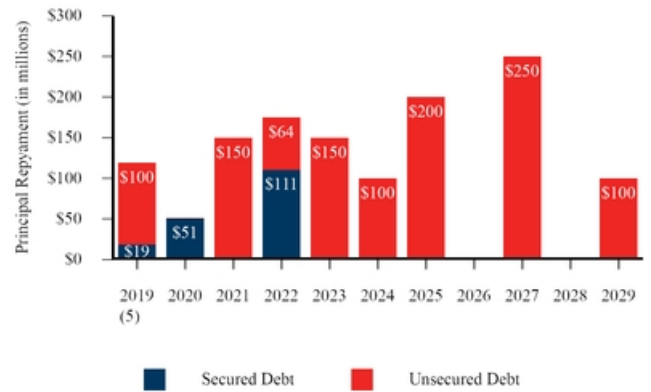
(Amounts in thousands, except per share data)

Market data	December 31, 2018
Common shares outstanding	47,335
Common units outstanding	17,178
Common shares and common units outstanding	64,513
Market price per common share	\$ 40.17
Equity market capitalization	\$ 2,591,487
Total debt	\$ 1,296,765
Total market capitalization	\$ 3,888,252
Less: Cash on hand	\$ (47,956)
Total enterprise value	\$ 3,840,296
Total unencumbered assets, gross	\$ 2,356,383
Total debt/Total capitalization	33.4%
Total debt/Total enterprise value	33.8%
Net debt/Total enterprise value <sup>(1)</sup>	32.5%
Total unencumbered assets, gross/Unsecured debt	211.8%
Total debt/Adjusted EBITDA <sup>(2)(3)</sup>	7.5x
Net debt/Adjusted EBITDA <sup>(1)(2)(3)</sup>	7.2x
Interest coverage ratio <sup>(4)</sup>	3.4x
Fixed charge coverage ratio <sup>(4)</sup>	3.4x

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 December 31, 2018 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) On January 9, 2019, the maturity date of Term Loan A was extended to January 9, 2021, with three one-year extension options.

### Debt Maturity Schedule as of December 31, 2018



Weighted  
Average  
Fixed  
Interest  
Rate

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Weighted Average Fixed Interest Rate	3.8%	6.0%	3.9%	4.0%	2.7%	3.8%	4.5%	—%	3.9%	—%	4.2%

Total Weighted Average Fixed Interest Rate: 3.9%

Weighted Average Term to Maturity: 5.2 years

#### Credit Ratings

Rating Agency	Rating	Outlook
Fitch	BBB	Negative
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.

<b>Development Projects</b>								<b>Project Costs (in thousands) <sup>(4)</sup></b>	
<b>Property</b>	<b>Location</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Estimated Stabilized Yield (1)</b>	<b>Rentable Square Feet</b>	<b>Percent Leased (2)</b>	<b>Estimated Stabilization Date <sup>(3)</sup></b>	<b>Cost Incurred to Date</b>	<b>Total Estimated Investment</b>
<b>Office Property:</b>									
Torrey Point	San Diego, CA	2015	July 31, 2017	6.75% - 7.75%	90,000	40.1%	2019	\$41,247	\$55,800

<b>Development/Redevelopment Pipeline</b>						
<b>Property</b>	<b>Property Type</b>	<b>Location</b>	<b>Estimated Rentable Square Feet</b>	<b>Multifamily Units</b>	<b>Opportunity</b>	
Solana Beach Corporate Centre (Building 5)	Retail	Solana Beach, CA	10,000	N/A	Development of 10,000 square foot retail building	
Lomas Santa Fe Plaza	Retail	Solana Beach, CA	45,000	N/A	Development of 45,000 square foot retail building	
Solana Beach - Highway 101 <sup>(5)</sup>	Mixed Use	Solana Beach, CA	48,000	36	Development of mixed-use project	
Lloyd District Portfolio - multiple phases <sup>(6)</sup>	Mixed Use	Portland, OR	TBD	TBD		
Phase 2A - Oregon Square			55,000	N/A	Remodel and repurpose of two 33,000 square feet office buildings into flexible creative office space that unlock 22,000 square feet of leasable space that was previously used for basement storage	
			33,000	N/A		
Phase 2B - Oregon Square			TBD	TBD	Development of mixed-use residential tower and 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) Percentage leased include square footage under leases as of January 31, 2019, including leases which may not have commenced as of January 31, 2019.
- (3) Based on management's estimation of stabilized occupancy (90%).
- (4) Project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (5) Represents commercial portion of development opportunity for Solana Beach - Highway 101. A third party has been granted an option to acquire this property exercisable on or prior to December 22, 2019 for \$9.43 million in consideration for a non-refundable \$1.4 million option payment.
- (6) 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 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 December 31, 2018

Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Percentage Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Annualized per Leased Square Foot <sup>(4)</sup>	Retail Anchor Tenant(s) <sup>(5)</sup>	Other Principal Retail Tenants <sup>(6)</sup>
				Square Feet <sup>(1)</sup>	Percentage Leased <sup>(2)</sup>					
<b>Retail Properties</b>										
Carmel Country Plaza	San Diego, CA	1991	9	78,098	94.6%	\$ 3,841,618	\$52.00			Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza <sup>(7)</sup>	San Diego, CA	1994/2014	15	528,416	77.4	12,234,245	29.91			Dick's Sporting Goods, Saks Fifth Avenue Off 5th
South Bay Marketplace <sup>(7)</sup>	San Diego, CA	1997	9	132,877	88.7	2,222,421	18.86			Ross Dress for Less, Grocery Outlet
Gateway Marketplace	San Diego, CA	1997/2016	3	127,861	98.7	2,403,614	19.05	Hobby Lobby		Smart & Final, Aldi
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	208,030	97.0	5,971,638	29.59			Vons, Home Goods
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	93.5	5,929,000	25.70			Dixieline Probuild, Marshalls
Del Monte Center <sup>(7)</sup>	Monterey, CA	1967/1984/2006	16	673,572	98.3	11,680,190	17.64	Macy's, KLA Monterrey		Century Theatres, Macy's Furniture Gallery
Geary Marketplace	Walnut Creek, CA	2012	3	35,156	95.6	1,156,036	34.40			Sprouts Farmer Market, Freebirds Wild Burrito
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,981,378	169.77			Hawaii Beachware & Fashion, Diesel U.S.A. Inc.
Waiale Center	Waipahu, HI	1993/2008	9	418,047	100.0	10,798,380	25.83	Lowe's		UFC Gym, Old Navy
Alamo Quarry Market <sup>(7)</sup>	San Antonio, TX	1997/1999	16	588,970	99.5	14,745,038	25.16	Regal Cinemas		Bed Bath & Beyond, Whole Foods Market
Hassalo on Eighth	Portland, OR	2015	3	44,153	76.6	1,079,577	31.92			Providence Health & Services, Green Zebra Grocery
<b>Subtotal/Weighted Average Retail Portfolio</b>			<b>107</b>	<b>3,093,581</b>	<b>93.9%</b>	<b>\$ 74,043,135</b>	<b>\$25.49</b>			
<b>Office Properties</b>										
Torrey Reserve Campus	San Diego, CA	1996-2000/2014-2016	14	516,676	84.1%	\$ 18,162,561	\$41.80			
Torrey Point	San Diego, CA	2017	2	92,614	32.2	983,599	32.98			
Solana Beach Corporate Centre	Solana Beach, CA	1982/2005	4	212,495	87.8	7,172,493	38.44			
The Landmark at One Market <sup>(8)</sup>	San Francisco, CA	1917/2000	1	419,371	100.0	26,940,554	64.24			
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	97,614	100.0	4,358,102	44.65			
First & Main	Portland, OR	2010	1	360,641	98.7	11,182,650	31.42			
Lloyd District Portfolio	Portland, OR	1940-2015	2	459,603	87.6	10,065,764	25.00			
City Center Bellevue	Bellevue, WA	1987	1	497,472	98.2	18,719,712	38.32			
<b>Subtotal/Weighted Average Office Portfolio</b>			<b>26</b>	<b>2,656,486</b>	<b>90.9%</b>	<b>\$ 97,585,435</b>	<b>\$40.41</b>			
<b>Total/Weighted Average Retail and Office Portfolio</b>			<b>133</b>	<b>5,750,067</b>	<b>92.5%</b>	<b>\$ 171,628,570</b>	<b>\$32.27</b>			

As of December 31, 2018

Property	Location	Year Built/ Renovated	Number		Percentage Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Average Monthly
			of Buildings	Units			Base Rent per Leased Unit <sup>(4)</sup>
Loma Palisades	San Diego, CA	1958/2001-2008	80	548	94.3%	\$ 13,393,860	\$ 2,160
Imperial Beach Gardens	Imperial Beach, CA	1959/2008	26	160	90.6	3,507,960	\$ 2,017
Mariner's Point	Imperial Beach, CA	1986	8	88	90.9	1,707,156	\$ 1,778
Santa Fe Park RV Resort <sup>(9)</sup>	San Diego, CA	1971/2007-2008	1	126	88.1	1,230,864	\$ 924
Pacific Ridge Apartments	San Diego, CA	2013	3	533	96.1	16,747,488	\$ 2,725
Hassalo on Eighth - Velomor	Portland, OR	2015	1	177	93.2	3,202,927	\$ 1,618
Hassalo on Eighth - Aster Tower	Portland, OR	2015	1	337	94.7	6,295,668	\$ 1,644
Hassalo on Eighth - Elwood	Portland, OR	2015	1	143	89.5	2,443,752	\$ 1,591
<b>Total/Weighted Average Multifamily Portfolio</b>			<b>121</b>	<b>2,112</b>	<b>93.6%</b>	<b>\$ 48,529,675</b>	<b>\$ 2,046</b>

Mixed-Use Portfolio

Retail Portion	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Percentage Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Annualized Base		Other Principal Retail Tenants <sup>(6)</sup>
				Square Feet <sup>(4)</sup>	Square Foot <sup>(4)</sup>			Rent per Leased Square Foot <sup>(4)</sup>	Retail Anchor Tenant(s) <sup>(5)</sup>	
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	96.1%	\$ 10,752,372	\$ 115.70		Yard House, Roy's	

Hotel Portion	Location	Year Built/ Renovated	Number of Buildings	Units	Average Occupancy <sup>(10)</sup>	Average Daily Rate <sup>(10)</sup>	Annualized
							Revenue per Available Room <sup>(10)</sup>
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008/2014	2	369	91.3%	\$ 315.39	\$ 287.99

Notes:

- 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, 1996 measurement guidelines. Net rentable square footage may be adjusted from the prior periods to reflect re-measurement of leased space at the properties.
- 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 December 31, 2018, including leases which may not have commenced as of December 31, 2018. Percentage leased for our multifamily properties includes total units rented as of December 31, 2018.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2018 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.
- Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of December 31, 2018. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of December 31, 2018.
- Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- 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	\$ 709,740
South Bay Marketplace	1	2,824	\$ 102,276
Del Monte Center	1	212,500	\$ 96,000
Alamo Quarry Market	4	31,994	\$ 509,880

- This property contains 419,371 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, 2021, which we have the option to extend until 2031 pursuant to two five-year extension options.
- 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 December 31, 2018, the highest average monthly occupancy rate for this property was 88%, occurring in December 2018. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.
- Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2018, 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 December 31, 2018 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 December 31, 2018 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.

# RETAIL LEASING SUMMARY

As of December 31, 2018

## Total Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	19	100%	65,046	\$46.90	\$45.52	\$ 89,535	3.0 %	7.3 %	4.0	\$ 471,790	\$7.25
3rd Quarter 2018	10	100%	64,585	\$30.44	\$25.63	\$ 310,549	18.8 %	21.7 %	4.8	\$ 166,077	\$2.57
2nd Quarter 2018	15	100%	66,415	\$39.54	\$39.05	\$ 32,852	1.3 %	14.1 %	8.1	\$ 660,600	\$9.95
1st Quarter 2018	19	100%	43,241	\$48.67	\$50.78	\$ (91,403)	(4.2)%	7.7 %	5.8	\$ 454,375	\$10.51
Total 12 months	63	100%	239,287	\$40.73	\$39.31	\$ 341,533	3.6 %	11.8 %	5.7	\$ 1,752,842	\$7.33

## New Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	3	16%	2,956	\$139.03	\$123.55	\$ 45,742	12.5 %	18.3 %	5.2	\$ 20,840	\$7.05
3rd Quarter 2018	1	10%	959	\$192.00	\$144.00	\$ 46,032	33.3 %	40.0 %	3.0	\$ —	\$0.00
2nd Quarter 2018	4	27%	7,986	\$67.30	\$74.97	\$ (61,197)	(10.2)%	(4.1)%	8.4	\$ 660,600	\$82.72
1st Quarter 2018	3	16%	8,077	\$53.15	\$67.94	\$ (119,469)	(21.8)%	(14.8)%	9.3	\$ 377,000	\$46.68
Total 12 months	11	17%	19,978	\$78.18	\$82.63	\$ (88,892)	(5.4)%	1.2 %	8.0	\$ 1,058,440	\$52.98

## Renewal Lease Summary - Comparable <sup>(1)(5)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	16	84%	62,090	\$42.51	\$41.81	\$ 43,793	1.7 %	5.8 %	4.0	\$ 450,950	\$7.26
3rd Quarter 2018	9	90%	63,626	\$28.00	\$23.84	\$ 264,517	17.4 %	20.0 %	4.8	\$ 166,077	\$2.61
2nd Quarter 2018	11	73%	58,429	\$35.75	\$34.14	\$ 94,049	4.7 %	19.9 %	8.1	\$ —	\$0.00
1st Quarter 2018	16	84%	35,164	\$47.64	\$46.84	\$ 28,066	1.7 %	15.5 %	5.0	\$ 77,375	\$2.20
Total 12 months	52	83%	219,309	\$37.32	\$35.36	\$ 430,425	5.6 %	14.1 %	5.5	\$ 694,402	\$3.17

## Total Lease Summary - Comparable and Non-Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	21	72,031	\$45.89	4.6	\$ 925,440	\$12.85
3rd Quarter 2018	16	122,381	\$28.81	11.2	\$ 11,775,947	\$96.22
2nd Quarter 2018	19	74,650	\$37.94	7.8	\$ 849,831	\$11.38
1st Quarter 2018	22	47,468	\$49.78	5.7	\$ 614,375	\$12.94
Total 12 months	78	316,530	\$37.99	8.1	\$ 14,165,593	\$44.75

### 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.

# OFFICE LEASING SUMMARY

As of December 31,  
2018

## Total Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	11	100%	298,303	\$88.41	\$54.08	\$ 10,241,129	63.5%	95.5%	9.8	\$ 29,601,802	\$99.23
3rd Quarter 2018	9	100%	95,279	\$38.40	\$34.59	\$ 363,065	11.0%	12.6%	6.3	\$ 6,191,785	\$64.99
2nd Quarter 2018	15	100%	113,182	\$43.18	\$37.06	\$ 692,640	16.5%	28.8%	6.9	\$ 4,839,775	\$42.76
1st Quarter 2018	16	100%	207,056	\$64.22	\$57.52	\$ 1,386,716	11.6%	29.8%	7.5	\$ 11,165,819	\$53.93
Total 12 months	51	100%	713,820	\$67.55	\$49.78	\$ 12,683,550	35.7%	56.9%	8.2	\$ 51,799,181	\$72.57

## New Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	8	73%	284,679	\$90.10	\$54.66	\$ 10,089,839	64.8%	97.8%	10.0	\$ 28,993,536	\$101.85
3rd Quarter 2018	4	44%	83,147	\$37.88	\$34.15	\$ 310,566	10.9%	11.7%	6.8	\$ 5,987,498	\$72.01
2nd Quarter 2018	2	13%	38,599	\$47.58	\$42.15	\$ 209,915	12.9%	30.5%	9.8	\$ 3,225,852	\$83.57
1st Quarter 2018	9	56%	120,813	\$54.81	\$44.95	\$ 1,190,208	21.9%	46.6%	9.5	\$ 9,514,872	\$78.76
Total 12 months	23	45%	527,238	\$70.67	\$48.28	\$ 11,800,528	46.4%	71.9%	9.4	\$ 47,721,758	\$90.51

## Renewal Lease Summary - Comparable <sup>(1)(5)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	3	27%	13,624	\$53.05	\$41.94	\$ 151,290	26.5%	39.6%	5.6	\$ 608,266	\$44.65
3rd Quarter 2018	5	56%	12,132	\$41.96	\$37.63	\$ 52,499	11.5%	18.3%	2.8	\$ 204,287	\$16.84
2nd Quarter 2018	13	87%	74,583	\$40.89	\$34.42	\$ 482,725	18.8%	27.9%	5.5	\$ 1,613,923	\$21.64
1st Quarter 2018	7	44%	86,243	\$77.40	\$75.13	\$ 196,508	3.0%	16.1%	4.7	\$ 1,650,947	\$19.14
Total 12 months	28	55%	186,582	\$58.72	\$54.00	\$ 883,022	8.8%	20.6%	5.0	\$ 4,077,423	\$21.85

## Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2018	15	312,673	\$86.55	9.5	\$ 30,333,733	\$97.01
3rd Quarter 2018	13	114,367	\$40.84	6.4	\$ 7,584,960	\$66.32
2nd Quarter 2018	24	156,521	\$41.70	6.7	\$ 6,900,810	\$44.09
1st Quarter 2018	23	245,081	\$61.39	7.4	\$ 14,009,667	\$57.16
Total 12 months	75	828,642	\$64.33	7.9	\$ 58,829,170	\$70.99

- 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.

# MULTIFAMILY LEASING SUMMARY

As of December 31, 2018

## Lease Summary - Loma Palisades

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	517	94.3%	\$13,393,860	\$2,160
3rd Quarter 2018	511	93.3%	\$13,313,736	\$2,170
2nd Quarter 2018	544	99.3%	\$13,423,164	\$2,056
1st Quarter 2018	512	93.4%	\$12,558,516	\$2,045

## Lease Summary - Imperial Beach Gardens

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	145	90.6%	\$3,507,960	\$2,017
3rd Quarter 2018	151	94.4%	\$3,625,728	\$2,000
2nd Quarter 2018	157	98.1%	\$3,663,048	\$1,945
1st Quarter 2018	149	93.1%	\$3,521,508	\$1,970

## Lease Summary - Mariner's Point

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	80	90.9%	\$1,707,156	\$1,778
3rd Quarter 2018	82	93.2%	\$1,711,752	\$1,739
2nd Quarter 2018	86	97.7%	\$1,773,576	\$1,719
1st Quarter 2018	81	92.1%	\$1,610,880	\$1,656

## Lease Summary - Santa Fe Park RV Resort

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	111	88.1%	\$1,230,864	\$924
3rd Quarter 2018	98	77.8%	\$1,399,620	\$1,190
2nd Quarter 2018	104	82.8%	\$1,825,680	\$1,458
1st Quarter 2018	106	84.4%	\$1,275,120	\$999

## Lease Summary - Pacific Ridge Apartments

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	512	96.1%	\$16,747,488	\$2,725
3rd Quarter 2018	513	96.2%	\$16,928,340	\$2,751
2nd Quarter 2018	470	88.2%	\$15,842,244	\$2,808
1st Quarter 2018	493	92.5%	\$16,052,556	\$2,713

# MULTIFAMILY LEASING SUMMARY (CONTINUED)

As of December 31, 2018

## Lease Summary - Hassalo on Eighth - Velomor

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	165	93.2%	\$3,202,927	\$1,618
3rd Quarter 2018	157	88.7%	\$3,090,732	\$1,641
2nd Quarter 2018	168	94.9%	\$3,268,236	\$1,621
1st Quarter 2018	157	88.7%	\$3,159,180	\$1,677

## Lease Summary - Hassalo on Eighth - Aster Tower

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	319	94.7%	\$6,295,668	\$1,644
3rd Quarter 2018	312	92.6%	\$6,185,088	\$1,652
2nd Quarter 2018	322	95.6%	\$6,449,628	\$1,668
1st Quarter 2018	324	96.1%	\$6,400,212	\$1,647

## Lease Summary - Hassalo on Eighth - Elwood

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	128	89.5%	\$2,443,752	\$1,591
3rd Quarter 2018	126	88.1%	\$2,435,748	\$1,611
2nd Quarter 2018	133	93.0%	\$2,500,788	\$1,567
1st Quarter 2018	135	94.4%	\$2,496,744	\$1,541

## Total Multifamily Lease Summary

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2018	1,977	93.6%	\$48,529,675	\$2,046
3rd Quarter 2018	1,950	92.3%	\$48,690,744	\$2,081
2nd Quarter 2018	1,984	93.9%	\$48,746,364	\$2,048
1st Quarter 2018	1,957	92.7%	\$47,074,716	\$2,004

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 December 31, 2018

## Lease Summary - Retail Portion

Quarter	Number of Leased Square Feet	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Annualized base Rent per Leased Square Foot <sup>(3)</sup>
4th Quarter 2018	92,890	96.1%	\$10,752,372	\$116
3rd Quarter 2018	92,767	95.9%	\$10,573,741	\$114
2nd Quarter 2018	92,777	95.9%	\$10,610,601	\$114
1st Quarter 2018	93,709	96.9%	\$11,099,045	\$118

## Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy <sup>(4)</sup>	Average Daily Rate <sup>(4)</sup>	Annualized Revenue per Available Room <sup>(4)</sup>
4th Quarter 2018	337	91.3%	\$315	\$288
3rd Quarter 2018	342	92.8%	\$348	\$323
2nd Quarter 2018	346	93.7%	\$303	\$284
1st Quarter 2018	348	94.3%	\$312	\$295

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of December 31, 2018, including leases which may not have commenced as of December 31, 2018.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2018 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 December 31, 2018.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2018, 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.

# LEASE EXPIRATIONS

As of December 31,  
2018

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Office	Total	Base Rent		Retail	Total	Base Rent		Mixed-Use	Total	Base Rent		Total	Base Rent
Month to Month	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>
2019	14,512	0.5%	0.2%	\$1.88	26,323	0.9%	0.5%	\$28.72	1,214	1.3%	—%	\$—	42,049	0.7%	\$18.63
2020	167,814	6.3	2.9	\$42.50	142,204	4.6	2.4	\$37.75	15,984	16.5	0.3	\$115.73	326,002	5.6	\$44.02
2021	278,898	10.5	4.8	\$37.14	293,117	9.5	5.0	\$27.41	19,930	20.6	0.3	\$58.94	591,945	10.1	\$33.06
2022	239,099	9.0	4.1	\$40.33	187,210	6.1	3.2	\$44.03	19,712	20.4	0.3	\$178.59	446,021	7.6	\$47.99
2023	244,232	9.2	4.2	\$48.08	447,386	14.5	7.7	\$30.28	5,481	5.7	0.1	\$210.95	697,099	11.9	\$37.94
2024	361,694 <sup>(2)</sup>	13.6	6.2	\$47.31	302,362	9.8	5.2	\$24.57	7,436	7.7	0.1	\$92.20	671,492	11.5	\$37.57
2025	108,804	4.1	1.9	\$46.60	378,864	12.2	6.5	\$25.18	2,091	2.2	—	\$112.75	489,759	8.4	\$30.31
2026	234,906	8.8	4.0	\$33.14	185,620	6.0	3.2	\$23.00	1,010	1.0	—	\$251.61	421,536	7.2	\$29.20
2027	127,359 <sup>(3)(4)</sup>	4.8	2.2	\$37.51	105,739	3.4	1.8	\$26.15	—	—	—	\$—	233,098	4.0	\$32.36
2028	15,459	0.6	0.3	\$51.18	120,100	3.9	2.1	\$27.36	13,118	13.6	0.2	74.38	148,677	2.5	\$33.99
2028	67,363	2.5	1.2	\$38.69	481,296	15.6	8.2	\$14.56	6,914	7.1	0.1	\$130.17	555,573	9.5	\$18.92
Thereafter	396,682 <sup>(5)(6)</sup>	14.9	6.8	\$51.78	174,575	5.6	3.0	\$21.77	—	—	—	\$—	571,257	9.8	\$42.61
Signed Leases Not Commenced	158,071	6.0	2.7	—	59,535	1.9	1.0	—	—	—	—	—	217,606	3.7	—
Available	241,593	9.1	4.1	—	189,250	6.1	3.2	—	3,817	3.9	0.1	—	434,660	7.4	—
Total <sup>(7)</sup>	<u>2,656,486</u>	<u>100.0%</u>	45.4%	\$36.73	<u>3,093,581</u>	<u>100.0%</u>	52.9%	\$23.93	<u>96,707</u>	<u>100.0%</u>	1.7%	\$111.19	<u>5,846,774</u>	<u>100.0%</u>	\$31.19

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Office	Total	Base Rent		Retail	Total	Base Rent		Mixed-Use	Total	Base Rent		Total	Base Rent
Month to Month	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>	Sq. Ft.	Sq. Ft.	Per Sq. Ft. <sup>(1)</sup>
2019	14,512	0.5%	0.2%	\$1.88	26,323	0.9%	0.5%	\$28.72	1,214	1.3%	—%	\$—	42,049	0.7%	\$18.63
2020	146,860	5.5	2.5	\$41.30	74,495	2.4	1.3	\$37.80	15,984	16.5	0.3	\$115.73	237,339	4.1	\$45.21
2021	132,095	5.0	2.3	\$38.42	166,579	5.4	2.8	\$23.30	2,998	3.1	0.1	\$120.63	301,672	5.2	\$30.89
2022	74,275	2.8	1.3	\$41.52	106,127	3.4	1.8	\$46.23	19,712	20.4	0.3	\$178.59	200,114	3.4	\$57.52
2023	53,128	2.0	0.9	\$43.70	110,830	3.6	1.9	\$36.60	5,481	5.7	0.1	\$210.95	169,439	2.9	\$44.47
2024	127,602	4.8	2.2	\$38.80	56,896	1.8	1.0	\$36.76	7,436	7.7	0.1	\$92.20	191,934	3.3	\$40.26
2025	52,254	2.0	0.9	\$43.96	191,731	6.2	3.3	\$31.57	2,091	2.2	—	\$112.75	246,076	4.2	\$34.89
2026	173,052	6.5	3.0	\$36.16	110,591	3.6	1.9	\$28.53	1,010	1.0	—	\$251.61	284,653	4.9	\$33.96
2027	158,392	6.0	2.7	\$37.08	94,960	3.1	1.6	\$29.07	—	—	—	\$—	253,352	4.3	\$34.08
2028	79,850	3.0	1.4	\$38.86	174,035	5.6	3.0	\$29.70	13,118	13.6	0.2	74.38	267,003	4.6	\$34.63
2028	151,777	5.7	2.6	\$39.86	219,874	7.1	3.8	\$22.61	—	—	—	\$—	371,651	6.4	\$29.65
Thereafter	1,093,025 <sup>(2)(3)(4)(5)(6)</sup>	41.1	18.7	\$48.01	1,512,355	48.9	25.9	\$22.10	23,846	24.7	0.4	\$71.84	2,629,226	45.0	\$33.32
Signed Leases Not Commenced	158,071	6.0	2.7	—	59,535	1.9	1.0	—	—	—	—	—	217,606	3.7	—
Available	241,593	9.1	4.1	—	189,250	6.1	3.2	—	3,817	3.9	0.1	—	434,660	7.4	—
Total <sup>(7)</sup>	<u>2,656,486</u>	<u>100.0%</u>	45.4%	\$36.73	<u>3,093,581</u>	<u>100.0%</u>	52.9%	\$23.93	<u>96,707</u>	<u>100.0%</u>	1.7%	\$111.19	<u>5,846,774</u>	<u>100.0%</u>	\$31.19

### As of December 31, 2018

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 December 31, 2018 for the leases expiring during the applicable period by (ii) 12 months.
- (2) The expirations include 23,101 square feet leased by Salesforce.com at The Landmark at One Market through June 30, 2019, for which Autodesk, Inc. has signed an agreement to lease such space beginning July 1, 2019 through December 31, 2023 with options to extend the lease through December 31, 2033.
- (3) The expirations include 19,697 square feet leased by Wargaming (USA), Inc. at City Center Bellevue through May 31, 2019, for which Smartsheet, Inc. has signed an agreement to lease such space beginning June 1, 2019 through December 31, 2026 with options to extend the lease through December 31, 2031.
- (4) The expirations include 10,796 square feet leased by Information Tools, Inc. and Homestreet Bank at City Center Bellevue through February 28, 2019 and April 30, 2019, respectively, for which Wargaming (USA), Inc. has signed an agreement to lease such space beginning June 1, 2019 through May 31, 2026 with options to extend the lease through May 31, 2029.
- (5) The expirations include 47,988 square feet leased by Salesforce.com at The Landmark at One Market through December 31, 2018, for which Google LLC has signed an agreement to lease such space beginning January 1, 2019 through December 31, 2029 with options to extend the lease through December 31, 2039.
- (6) The expirations include 183,029 square feet leased by Salesforce.com at The Landmark at One Market through June 30, 2019, for which Google LLC has signed an agreement to lease such space beginning January 1, 2019 through December 31, 2029 with options to extend the lease through December 31, 2039.
- (7) Individual items may not add up to total due to rounding.

Type	At December 31, 2018			At December 31, 2017		
	Size	Leased <sup>(1)</sup>	Leased %	Size	Leased <sup>(1)</sup>	Leased %
<b>Overall Portfolio<sup>(2)</sup> Statistics</b>						
Retail Properties (square feet)	3,093,581	2,904,331	93.9%	3,214,710	3,113,102	96.8%
Office Properties (square feet)	2,656,486	2,414,893	90.9%	2,684,477	2,374,349	88.4%
Multifamily Properties (units)	2,112	1,977	93.6%	2,112	1,938	91.8%
Mixed-Use Properties (square feet)	96,707	92,890	96.1%	96,707	93,684	96.9%
Mixed-Use Properties (units)	369	343 <sup>(3)</sup>	93.0%	369	341 <sup>(3)</sup>	92.5%
<b>Same-Store<sup>(2)</sup> Statistics</b>						
Retail Properties (square feet) <sup>(4)</sup>	2,675,534	2,486,284	92.9%	2,677,073	2,625,515	98.1%
Office Properties (square feet)	2,563,872	2,385,040	93.0%	2,684,477	2,374,349	88.4%
Multifamily Properties (units)	2,112	1,977	93.6%	2,112	1,938	91.8%
Mixed-Use Properties (square feet)	96,707	92,890	96.1%	96,707	93,684	96.9%
Mixed-Use Properties (units)	369	343 <sup>(3)</sup>	93.0%	369	341 <sup>(3)</sup>	92.5%

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 year ended December 31, 2018 and 2017.
- (4) The same-store portfolio excludes Waikale Center due to significant redevelopment activity.

As of December 31, 2018

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%	2.7%	\$ 3,720,000	5.0%	2.0%
2 Nordstrom Rack	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2022 10/31/2022	69,047	2.2	1.2	2,189,648	3.0	1.2
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	1.2	1,919,436	2.6	1.1
4 Vons	Lomas Santa Fe Plaza	12/31/2022	49,895	1.6	0.9	1,399,205	1.9	0.8
5 Old Navy	Waikele Center, South Bay Marketplace, Alamo Quarry Market	7/31/2020 4/30/2021 9/30/2022	59,780	1.9	1.0	*	*	*
6 Marshalls	Solana Beach Towne Centre, Carmel Mountain Plaza,	1/31/2025 1/31/2029	68,055	2.2	1.2	1,335,447	1.8	0.7
7 Regal Cinemas	Alamo Quarry Market	3/31/2023	72,447	2.3	1.2	1,231,599	1.7	0.7
8 Michaels	Carmel Mountain Plaza, Alamo Quarry Plaza	1/31/2024 2/29/2028	46,850	1.5	0.8	1,022,103	1.4	0.6
9 Angelika Film Center	Carmel Mountain Plaza	1/31/2024	34,561	1.1	0.6	1,006,589	1.3	0.6
10 Whole Foods Market	Alamo Quarry Market, Del Monte Center	10/31/2022 7/31/2023	63,471	2.1	1.1	956,412	1.3	0.5
<b>Top 10 Retail Tenants Total</b>			<b>690,537</b>	<b>22.2%</b>	<b>11.9%</b>	<b>\$14,780,439</b>	<b>20.0%</b>	<b>8.2%</b>

\* Data withheld at tenant's request.

## TOP TENANTS - OFFICE

As of December 31, 2018

	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	salesforce.com	The Landmark at One Market	12/31/2018 6/30/2019	254,118	9.6%	4.3%	\$15,002,748	15.4%	8.2%
2	Autodesk, Inc.	The Landmark at One Market	12/31/2022 12/31/2023	114,664	4.3	2.0	9,547,099	9.8	5.2
3	Veterans Benefits Administration	First & Main	8/31/2020	93,572	3.5	1.6	3,006,453	3.1	1.6
4	Clearesult Operating, LLC	First & Main	4/30/2025	101,848	3.8	1.7	2,735,895	2.8	1.5
5	State of Oregon: Department of Environmental Quality	Lloyd District Portfolio	10/31/2031	87,787	3.3	1.5	2,607,730	2.7	1.4
6	Alliant International University	One Beach Street	10/31/2019	64,161	2.4	1.1	2,510,982	2.6	1.4
7	VMWare, Inc.	City Center Bellevue	11/30/2022 3/31/2025	72,883	2.7	1.2	2,404,668	2.5	1.3
8	Treasury Call Center	First & Main	8/31/2020	63,648	2.4	1.1	2,184,302	2.2	1.2
9	California Bank & Trust	Torrey Reserve Campus	2/29/2024	34,731	1.3	0.6	1,807,609	1.9	1.0
10	Industrious	City Center Bellevue	11/30/2033	37,166	1.4	0.6	1,728,219	1.8	0.9
<b>Top 10 Office Tenants Total</b>				<b>924,578</b>	<b>34.7%</b>	<b>15.7%</b>	<b>\$43,535,705</b>	<b>44.8%</b>	<b>23.7%</b>

# 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 and year ended December 31, 2018 and 2017 is as follows:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132
Depreciation and amortization	21,060	19,918	107,093	83,278
Interest expense	12,861	13,992	52,248	53,848
Interest income	(29)	(177)	(238)	(548)
Income tax expense/(benefit)	50	246	327	214
EBITDA	\$ 43,151	\$ 43,710	\$ 186,632	\$ 176,924

**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		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
EBITDA	\$ 43,151	\$ 43,710	\$ 186,632	\$ 176,924
Pro forma adjustments	—	—	—	3,026
Adjusted EBITDA	\$ 43,151	\$ 43,710	\$ 186,632	\$ 179,950

**Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDAre):** EBITDAre is a supplemental non-GAAP measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines EBITDAre 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 EBITDAre of unconsolidated affiliates, if any. EBITDAre 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 EBITDAre for the three months and year ended December 31, 2018 and 2017 is as follows:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132
Depreciation and amortization	21,060	19,918	107,093	83,278
Interest expense	12,861	13,992	52,248	53,848
Interest income	(29)	(177)	(238)	(548)
Income tax expense/(benefit)	50	246	327	214
EBITDAre	\$ 43,151	\$ 43,710	\$ 186,632	\$ 176,924



**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		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Reconciliation of NOI to net income				
Total NOI	\$ 49,796	\$ 49,921	\$ 209,412	\$ 198,306
General and administrative	(6,645)	(6,211)	(22,784)	(21,382)
Depreciation and amortization	(21,060)	(19,918)	(107,093)	(83,278)
Operating Income	\$ 22,091	\$ 23,792	\$ 79,535	\$ 93,646
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other income, net	(21)	(69)	(85)	334
<b>Net income</b>	<b>\$ 9,209</b>	<b>\$ 9,731</b>	<b>\$ 27,202</b>	<b>\$ 40,132</b>
Net income attributable to restricted shares	(96)	(60)	(311)	(241)
Net income attributable to unitholders in the Operating Partnership	(2,440)	(2,594)	(7,205)	(10,814)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	<b>\$ 6,673</b>	<b>\$ 7,077</b>	<b>\$ 19,686</b>	<b>\$ 29,077</b>

**Overall Portfolio:** Includes all operating properties owned by us as of December 31, 2018.

**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 NOI 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

## GLOSSARY OF TERMS (CONTINUED)

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		Year Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
Reconciliation of Total Cash NOI to Net Income				
Total Cash NOI	\$ 48,527	\$ 49,919	\$ 207,945	\$ 195,845
Non-cash revenue and other operating expenses <sup>(1)</sup>	1,269	2	1,467	2,461
General and administrative	(6,645)	(6,211)	(22,784)	(21,382)
Depreciation and amortization	(21,060)	(19,918)	(107,093)	(83,278)
Operating income	\$ 22,091	\$ 23,792	\$ 79,535	\$ 93,646
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other income, net	(21)	(69)	(85)	334
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132

(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 City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

**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 <sup>(1)</sup>		Year Ended <sup>(2)</sup>	
	December 31,		December 31,	
	2018	2017	2018	2017
Reconciliation of Same-Store Cash NOI Comparison with Redevelopment to Operating Income				
Same-Store Cash NOI	\$ 47,070	\$ 44,937	\$ 178,460	\$ 171,707
Redevelopment Cash NOI <sup>(3)</sup>	1,516	3,907	11,127	15,203
Same-Store Cash NOI with Redevelopment	48,586	48,844	189,587	186,910
Tenant improvement reimbursements	54	1,101	4,275	1,840
Total Same-Store Cash NOI with Redevelopment	\$ 48,640	\$ 49,945	\$ 193,862	\$ 188,750
Non-Same Store Cash NOI	(113)	(26)	14,083	7,095
Total Cash NOI	\$ 48,527	\$ 49,919	\$ 207,945	\$ 195,845
Non-cash revenue and other operating expenses <sup>(4)</sup>	1,269	2	1,467	2,461
General and administrative	(6,645)	(6,211)	(22,784)	(21,382)
Depreciation and amortization	(21,060)	(19,918)	(107,093)	(83,278)
Operating income	\$ 22,091	\$ 23,792	\$ 79,535	\$ 93,646
Interest expense	(12,861)	(13,992)	(52,248)	(53,848)
Other income, net	(21)	(69)	(85)	334
Net income	\$ 9,209	\$ 9,731	\$ 27,202	\$ 40,132

(1) Same-store includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store excludes (i) Waikale Center, due to significant redevelopment activity; (ii) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (iii) land held for development.

- (2) Same-store includes the Forever 21 building at Del Monte Center which we acquired on September 1, 2017 after previously owning the underlying land. Same-store excludes (i) the Pacific Ridge Apartments, which was acquired on April 28, 2017; (ii) Gateway Marketplace, which was acquired on July 6, 2017; (iii) Waikele Center, due to significant redevelopment activity; (iv) Torrey Point, which was placed into operations and became available for occupancy in August 2018; and (v) land held for development.
- (3) Redevelopment property refers to Waikele Center and Lloyd District Portfolio - Land.
- (4) 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 City Center Bellevue, and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

## GLOSSARY OF TERMS (CONTINUED)

**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			Comparison of Year Ended		
	December 31, 2018 to 2017			December 31, 2018 to 2017		
	Same-Store	Non Same-Store	Redevelopment Same-Store	Same-Store	Non Same-Store	Redevelopment Same-Store
<b>Retail Properties</b>						
Carmel Country Plaza	X		X	X		X
Carmel Mountain Plaza	X		X	X		X
South Bay Marketplace	X		X	X		X
Gateway Marketplace	X		X		X	
Lomas Santa Fe Plaza	X		X	X		X
Solana Beach Towne Centre	X		X	X		X
Del Monte Center <sup>(1)</sup>	X		X	X		X
Geary Marketplace	X		X	X		X
The Shops at Kalakaua	X		X	X		X
Waikēle Center		X	X		X	X
Alamo Quarry Market	X		X	X		X
Hassalo on Eighth - Retail	X		X	X		X
<b>Office Properties</b>						
Torrey Reserve Campus	X		X	X		X
Torrey Point		X			X	
Solana Beach Corporate Centre	X		X	X		X
The Landmark at One Market	X		X	X		X
One Beach Street	X		X	X		X
First & Main	X		X	X		X
Lloyd District Portfolio	X		X	X		X
City Center Bellevue	X		X	X		X
<b>Multifamily Properties</b>						
Loma Palisades	X		X	X		X
Imperial Beach Gardens	X		X	X		X
Mariner's Point	X		X	X		X
Santa Fe Park RV Resort	X		X	X		X
Pacific Ridge Apartments	X		X		X	
Hassalo on Eighth	X		X	X		X
<b>Mixed-Use Properties</b>						
Waikiki Beach Walk - Retail	X		X	X		X
Waikiki Beach Walk - Embassy Suites™	X		X	X		X
<b>Development Properties</b>						
Solana Beach Corporate Centre - Land		X			X	
Solana Beach - Highway 101 - Land		X			X	
Lloyd District Portfolio - Land		X	X		X	X

(1) Del Monte Center includes the Forever 21 building which we acquired on September 1, 2017 after previously owning the underlying land.

**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.

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