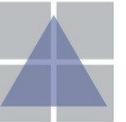

SECOND QUARTER 2016

Supplemental Information



Investor and Media Contact
American Assets Trust
Robert F. Barton
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AMERICAN
ASSETS
TRUST 

**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 |
| San Diego | 1,195,690 | 743,226 | 922 ⁽¹⁾ | — | — |
| San Francisco | 35,156 | 516,985 | — | — | — |
| Oahu | 549,308 | — | — | 96,707 | 369 |
| Monterey | 675,678 | — | — | — | — |
| San Antonio | 589,362 | — | — | — | — |
| Portland | 22,784 | 941,186 | 657 | — | — |
| Seattle | — | 494,753 | — | — | — |
| Total | 3,067,978 | 2,696,150 | 1,579 | 96,707 | 369 |

Note: Circled areas represent all markets in which American Assets Trust, Inc. (the "Company") currently owns and operates its real estate assets. 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 June 30, 2016.

(1) Includes 122 RV spaces.

| | Square Feet | % |
|---------------|--------------------|------------|
| Retail | 3.1 million | 53% |
| Office | 2.7 million | 47% |
| Totals | 5.8 million | |

| | |
|---|----|
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This Supplemental Information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: adverse economic or real estate developments in our markets; our failure to generate sufficient cash flows to service our outstanding indebtedness; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; difficulties in identifying properties to acquire and completing acquisitions; difficulties in completing dispositions; our failure to successfully operate acquired properties and operations; our inability to develop or redevelop our properties due to market conditions; fluctuations in interest rates and increased operating costs; risks related to joint venture arrangements; our failure to obtain necessary outside financing; on-going litigation; general economic conditions; financial market fluctuations; risks that affect the general retail, office, multifamily and mixed-use environment; the competitive environment in which we operate; decreased rental rates or increased vacancy rates; conflicts of interests with our officers or directors; lack of 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)

| | June 30, 2016 | December 31, 2015 |
|---|----------------------|--------------------------|
| | (unaudited) | (audited) |
| ASSETS | | |
| Real estate, at cost | | |
| Operating real estate | \$ 2,214,094 | \$ 2,163,444 |
| Construction in progress | 52,044 | 73,121 |
| Held for development | 9,462 | 9,463 |
| | <u>2,275,600</u> | <u>2,246,028</u> |
| Accumulated depreciation | (441,080) | (411,166) |
| Net real estate | 1,834,520 | 1,834,862 |
| Cash and cash equivalents | 43,886 | 39,925 |
| Restricted cash | 9,450 | 11,623 |
| Accounts receivable, net | 6,747 | 7,518 |
| Deferred rent receivable, net | 38,875 | 38,422 |
| Other assets, net | 38,435 | 41,939 |
| TOTAL ASSETS | <u>\$ 1,971,913</u> | <u>\$ 1,974,289</u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES: | | |
| Secured notes payable, net | \$ 467,531 | \$ 579,000 |
| Unsecured notes payable, net | 595,775 | 446,613 |
| Unsecured line of credit | — | 30,000 |
| Accounts payable and accrued expenses | 33,209 | 31,821 |
| Security deposits payable | 6,072 | 5,956 |
| Other liabilities and deferred credits, net | 63,428 | 51,972 |
| Total liabilities | <u>1,166,015</u> | <u>1,145,362</u> |
| Commitments and contingencies | | |
| EQUITY: | | |
| American Assets Trust, Inc. stockholders' equity | | |
| Common stock, \$0.01 par value, 490,000,000 shares authorized, 45,410,806 and 45,407,719 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively | 454 | 454 |
| Additional paid in capital | 864,675 | 863,432 |
| Accumulated dividends in excess of net income | (71,433) | (64,066) |
| Accumulated other comprehensive income | (10,281) | (258) |
| Total American Assets Trust, Inc. stockholders' equity | <u>783,415</u> | <u>799,562</u> |
| Noncontrolling interests | 22,483 | 29,365 |
| Total equity | <u>805,898</u> | <u>828,927</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 1,971,913</u> | <u>\$ 1,974,289</u> |

CONSOLIDATED STATEMENTS OF INCOME

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

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|-----------------|------------------|------------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| REVENUE: | | | | |
| Rental income | \$ 68,221 | \$ 63,552 | \$ 135,466 | \$ 126,305 |
| Other property income | 3,598 | 3,217 | 7,084 | 6,499 |
| Total revenue | 71,819 | 66,769 | 142,550 | 132,804 |
| EXPENSES: | | | | |
| Rental expenses | 19,590 | 17,205 | 38,043 | 33,825 |
| Real estate taxes | 6,417 | 5,986 | 13,050 | 12,034 |
| General and administrative | 4,394 | 4,788 | 8,943 | 9,804 |
| Depreciation and amortization | 17,714 | 15,286 | 35,167 | 30,393 |
| Total operating expenses | 48,115 | 43,265 | 95,203 | 86,056 |
| OPERATING INCOME | 23,704 | 23,504 | 47,347 | 46,748 |
| Interest expense | (13,153) | (11,197) | (26,099) | (22,992) |
| Other income (expense), net | 99 | (23) | 123 | (93) |
| NET INCOME | 10,650 | 12,284 | 21,371 | 23,663 |
| Net income attributable to restricted shares | (43) | (40) | (86) | (83) |
| Net income attributable to unitholders in the Operating Partnership | (3,008) | (3,536) | (6,035) | (6,845) |
| NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC. STOCKHOLDERS | <u>\$ 7,599</u> | <u>\$ 8,708</u> | <u>\$ 15,250</u> | <u>\$ 16,735</u> |
| EARNINGS PER COMMON SHARE | | | | |
| Basic income attributable to common stockholders per share | \$ 0.17 | \$ 0.20 | \$ 0.34 | \$ 0.38 |
| Weighted average shares of common stock outstanding - basic | 45,235,292 | 44,092,631 | 45,234,583 | 43,758,055 |
| Diluted income attributable to common stockholders per share | \$ 0.17 | \$ 0.20 | \$ 0.34 | \$ 0.38 |
| Weighted average shares of common stock outstanding - diluted | 63,134,808 | 61,992,147 | 63,134,099 | 61,658,650 |

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

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Funds from Operations (FFO) ⁽¹⁾ | | | | |
| Net income | \$ 10,650 | \$ 12,284 | \$ 21,371 | \$ 23,663 |
| Depreciation and amortization of real estate assets | 17,714 | 15,286 | 35,167 | 30,393 |
| FFO, as defined by NAREIT | 28,364 | 27,570 | 56,538 | 54,056 |
| Less: Nonforfeitable dividends on incentive stock awards | (41) | (38) | (83) | (78) |
| FFO attributable to common stock and common units | \$ 28,323 | \$ 27,532 | \$ 56,455 | \$ 53,978 |
| FFO per diluted share/unit | \$ 0.45 | \$ 0.44 | \$ 0.89 | \$ 0.88 |
| Weighted average number of common shares and common units, diluted ⁽²⁾ | 63,134,939 | 61,995,268 | 63,134,044 | 61,661,946 |
| Funds Available for Distribution (FAD) ⁽¹⁾ | \$ 20,177 | \$ 19,107 | \$ 41,558 | \$ 39,351 |
| Dividends | | | | |
| Dividends declared and paid | \$ 15,826 | \$ 14,524 | \$ 31,653 | \$ 28,874 |
| Dividends declared and paid per share/unit | \$ 0.2500 | \$ 0.2325 | \$ 0.5000 | \$ 0.4650 |

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

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------------|------------------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Funds Available for Distribution (FAD) ⁽¹⁾ | | | | |
| FFO | \$ 28,364 | \$ 27,570 | \$ 56,538 | \$ 54,056 |
| Adjustments: | | | | |
| Tenant improvements, leasing commissions and maintenance capital expenditures | (9,132) | (8,988) | (16,681) | (15,710) |
| Net effect of straight-line rents ⁽³⁾ | (34) | (633) | (284) | (1,340) |
| Amortization of net above (below) market rents ⁽⁴⁾ | (865) | (719) | (1,695) | (1,447) |
| Net effect of other lease intangibles ⁽⁵⁾ | 135 | 20 | 270 | 40 |
| Amortization of debt issuance costs and debt fair value adjustment | 1,113 | 1,061 | 2,238 | 2,106 |
| Non-cash compensation expense | 637 | 834 | 1,255 | 1,724 |
| Nonforfeitable dividends on incentive stock awards | (41) | (38) | (83) | (78) |
| FAD | \$ 20,177 | \$ 19,107 | \$ 41,558 | \$ 39,351 |
| Summary of Capital Expenditures | | | | |
| Tenant improvements and leasing commissions | \$ 4,190 | \$ 5,285 | \$ 6,906 | \$ 9,721 |
| Maintenance capital expenditures | 4,942 | 3,703 | 9,775 | 5,989 |
| | \$ 9,132 | \$ 8,988 | \$ 16,681 | \$ 15,710 |

Notes:

- (1) See Glossary of Terms.
- (2) For the three and six months ended June 30, 2016 and 2015, 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 and amortization of lease intangibles 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 PORTFOLIO NET OPERATING INCOME (NOI)

(Unaudited, amounts in thousands)

| | Three Months Ended June 30, 2016 | | | | |
|---|----------------------------------|-----------|-------------|-----------|-----------|
| | Retail | Office | Multifamily | Mixed-Use | Total |
| Real estate rental revenue | | | | | |
| Same-store portfolio | \$ 24,799 | \$ 17,948 | \$ 4,836 | \$ 14,600 | \$ 62,183 |
| Non-same store portfolio ⁽¹⁾ | 82 | 7,330 | 2,224 | — | 9,636 |
| Total | 24,881 | 25,278 | 7,060 | 14,600 | 71,819 |
| Real estate expenses | | | | | |
| Same-store portfolio | 6,906 | 4,893 | 1,596 | 8,644 | 22,039 |
| Non-same store portfolio ⁽¹⁾ | 58 | 2,654 | 1,256 | — | 3,968 |
| Total | 6,964 | 7,547 | 2,852 | 8,644 | 26,007 |
| Net Operating Income (NOI), GAAP basis | | | | | |
| Same-store portfolio | 17,893 | 13,055 | 3,240 | 5,956 | 40,144 |
| Non-same store portfolio ⁽¹⁾ | 24 | 4,676 | 968 | — | 5,668 |
| Total | \$ 17,917 | \$ 17,731 | \$ 4,208 | \$ 5,956 | \$ 45,812 |
| Same-store portfolio NOI, GAAP basis | \$ 17,893 | \$ 13,055 | \$ 3,240 | \$ 5,956 | \$ 40,144 |
| Net effect of straight-line rents ⁽²⁾ | 162 | 193 | — | (20) | 335 |
| Amortization of net above (below) market rents ⁽³⁾ | (332) | (583) | — | 27 | (888) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 75 | — | (37) | 38 |
| Same-store portfolio NOI, cash basis | \$ 17,723 | \$ 12,740 | \$ 3,240 | \$ 5,926 | \$ 39,629 |

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2016 and 2015. 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 and amortization of lease intangibles and straight-line rent expense for our lease of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

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

(Amounts in thousands)

| | Six Months Ended June 30, 2016 | | | | |
|---|--------------------------------|-----------|-------------|-----------|------------|
| | Retail | Office | Multifamily | Mixed-Use | Total |
| Real estate rental revenue | | | | | |
| Same-store portfolio | \$ 49,163 | \$ 36,081 | \$ 9,542 | \$ 29,346 | \$ 124,132 |
| Non-same store portfolio ⁽¹⁾ | 89 | 14,517 | 3,812 | — | 18,418 |
| Total | 49,252 | 50,598 | 13,354 | 29,346 | 142,550 |
| Real estate expenses | | | | | |
| Same-store portfolio | 12,926 | 10,006 | 3,183 | 17,128 | 43,243 |
| Non-same store portfolio ⁽¹⁾ | 118 | 5,243 | 2,489 | — | 7,850 |
| Total | 13,044 | 15,249 | 5,672 | 17,128 | 51,093 |
| Net Operating Income (NOI), GAAP basis | | | | | |
| Same-store portfolio | 36,237 | 26,075 | 6,359 | 12,218 | 80,889 |
| Non-same store portfolio ⁽¹⁾ | (29) | 9,274 | 1,323 | — | 10,568 |
| Total | \$ 36,208 | \$ 35,349 | \$ 7,682 | \$ 12,218 | \$ 91,457 |
| Same-store portfolio NOI, GAAP basis | \$ 36,237 | \$ 26,075 | \$ 6,359 | \$ 12,218 | \$ 80,889 |
| Net effect of straight-line rents ⁽²⁾ | 319 | 258 | — | (53) | 524 |
| Amortization of net above (below) market rents ⁽³⁾ | (650) | (1,171) | — | 77 | (1,744) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 151 | — | (74) | 77 |
| Same-store portfolio NOI, cash basis | \$ 35,906 | \$ 25,313 | \$ 6,359 | \$ 12,168 | \$ 79,746 |

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2016 and 2015. 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 and amortization of lease intangibles and straight-line rent expense for our lease of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

SAME-STORE PORTFOLIO NOI COMPARISON EXCLUDING REDEVELOPMENT

(Unaudited, amounts in thousands)

| | Three Months Ended | | | Six Months Ended | | |
|--------------------|--------------------|------------------|--------------|------------------|------------------|-------------|
| | June 30, | | Change | June 30, | | Change |
| | 2016 | 2015 | | 2016 | 2015 | |
| Cash Basis: | | | | | | |
| Retail | \$ 17,723 | \$ 17,667 | 0.3 % | \$ 35,906 | \$ 35,262 | 1.8% |
| Office | 12,740 | 11,417 | 11.6 | 25,313 | 22,664 | 11.7 |
| Multifamily | 3,240 | 2,803 | 15.6 | 6,359 | 5,629 | 13.0 |
| Mixed-Use | 5,926 | 5,700 | 4.0 | 12,168 | 11,497 | 5.8 |
| | <u>\$ 39,629</u> | <u>\$ 37,587</u> | <u>5.4 %</u> | <u>\$ 79,746</u> | <u>\$ 75,052</u> | <u>6.3%</u> |
| GAAP Basis: | | | | | | |
| Retail | \$ 17,893 | \$ 17,972 | (0.4)% | \$ 36,237 | \$ 35,848 | 1.1% |
| Office | 13,055 | 12,587 | 3.7 | 26,075 | 24,958 | 4.5 |
| Multifamily | 3,240 | 2,803 | 15.6 | 6,359 | 5,629 | 13.0 |
| Mixed-Use | 5,956 | 5,609 | 6.2 | 12,218 | 11,356 | 7.6 |
| | <u>\$ 40,144</u> | <u>\$ 38,971</u> | <u>3.0 %</u> | <u>\$ 80,889</u> | <u>\$ 77,791</u> | <u>4.0%</u> |

SAME-STORE PORTFOLIO NOI COMPARISON WITH REDEVELOPMENT

(Unaudited, amounts in thousands)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--------------------|--------------------------------|------------------|--------------|------------------------------|------------------|-------------|
| | 2016 | 2015 | Change | 2016 | 2015 | Change |
| Cash Basis: | | | | | | |
| Retail | \$ 17,723 | \$ 17,667 | 0.3 % | \$ 35,906 | \$ 35,262 | 1.8% |
| Office | 17,300 | 15,931 | 8.6 | 34,217 | 31,504 | 8.6 |
| Multifamily | 3,240 | 2,803 | 15.6 | 6,359 | 5,629 | 13.0 |
| Mixed-Use | 5,926 | 5,700 | 4.0 | 12,168 | 11,497 | 5.8 |
| | <u>\$ 44,189</u> | <u>\$ 42,101</u> | <u>5.0 %</u> | <u>\$ 88,650</u> | <u>\$ 83,892</u> | <u>5.7%</u> |
| GAAP Basis: | | | | | | |
| Retail | \$ 17,893 | \$ 17,972 | (0.4)% | \$ 36,237 | \$ 35,848 | 1.1% |
| Office | 17,738 | 17,047 | 4.1 | 35,354 | 33,805 | 4.6 |
| Multifamily | 3,240 | 2,803 | 15.6 | 6,359 | 5,629 | 13.0 |
| Mixed-Use | 5,956 | 5,609 | 6.2 | 12,218 | 11,356 | 7.6 |
| | <u>\$ 44,827</u> | <u>\$ 43,431</u> | <u>3.2 %</u> | <u>\$ 90,168</u> | <u>\$ 86,638</u> | <u>4.1%</u> |

NOI BY REGION

(Unaudited, amounts in thousands)

| | Three Months Ended June 30, 2016 | | | | |
|---|----------------------------------|-----------|-------------|-----------|-----------|
| | Retail | Office | Multifamily | Mixed-Use | Total |
| Southern California | | | | | |
| NOI, GAAP basis ⁽¹⁾ | \$ 7,392 | \$ 4,282 | \$ 3,241 | \$ — | \$ 14,915 |
| Net effect of straight-line rents ⁽²⁾ | 30 | (405) | — | — | (375) |
| Amortization of net above (below) market rents ⁽³⁾ | (198) | — | — | — | (198) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 92 | — | — | 92 |
| NOI, cash basis | 7,224 | 3,969 | 3,241 | — | 14,434 |
| Northern California | | | | | |
| NOI, GAAP basis ⁽¹⁾ | 2,761 | 4,901 | — | — | 7,662 |
| Net effect of straight-line rents ⁽²⁾ | 15 | 257 | — | — | 272 |
| Amortization of net above (below) market rents ⁽³⁾ | (97) | (194) | — | — | (291) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 74 | — | — | 74 |
| NOI, cash basis | 2,679 | 5,038 | — | — | 7,717 |
| Hawaii | | | | | |
| NOI, GAAP basis ⁽¹⁾ | 4,222 | — | — | 5,956 | 10,178 |
| Net effect of straight-line rents ⁽²⁾ | 135 | — | — | (20) | 115 |
| Amortization of net above (below) market rents ⁽³⁾ | 38 | — | — | 27 | 65 |
| Net effect of other lease intangibles ⁽⁴⁾ | — | — | — | (37) | (37) |
| NOI, cash basis | 4,395 | — | — | 5,926 | 10,321 |
| Oregon | | | | | |
| NOI, GAAP basis ⁽¹⁾ | 73 | 4,155 | 967 | — | 5,195 |
| Net effect of straight-line rents ⁽²⁾ | (59) | 47 | (65) | — | (77) |
| Amortization of net above (below) market rents ⁽³⁾ | — | (70) | — | — | (70) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 6 | — | — | 6 |
| NOI, cash basis | 14 | 4,138 | 902 | — | 5,054 |
| Texas | | | | | |
| NOI, GAAP basis ⁽¹⁾ | 3,469 | — | — | — | 3,469 |
| Net effect of straight-line rents ⁽²⁾ | (17) | — | — | — | (17) |
| Amortization of net above (below) market rents ⁽³⁾ | (76) | — | — | — | (76) |
| NOI, cash basis | 3,376 | — | — | — | 3,376 |
| Washington | | | | | |
| NOI, GAAP basis ⁽¹⁾ | — | 4,393 | — | — | 4,393 |
| Net effect of straight-line rents ⁽²⁾ | — | 48 | — | — | 48 |
| Amortization of net above (below) market rents ⁽³⁾ | — | (295) | — | — | (295) |
| NOI, cash basis | — | 4,146 | — | — | 4,146 |
| Total | | | | | |
| NOI, GAAP basis ⁽¹⁾ | 17,917 | 17,731 | 4,208 | 5,956 | 45,812 |
| Net effect of straight-line rents ⁽²⁾ | 104 | (53) | (65) | (20) | (34) |
| Amortization of net above (below) market rents ⁽³⁾ | (333) | (559) | — | 27 | (865) |
| Net effect of other lease intangibles ⁽⁴⁾ | — | 172 | — | (37) | 135 |
| NOI, cash basis | \$ 17,688 | \$ 17,291 | \$ 4,143 | \$ 5,926 | \$ 45,048 |

Notes:

(1) 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.

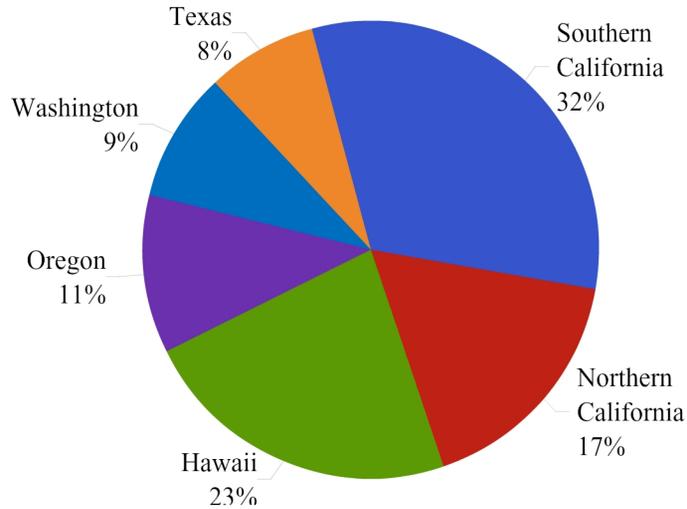
(3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.

(4) Represents adjustments related to amortization of lease incentives paid to tenants and amortization of lease intangibles 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.

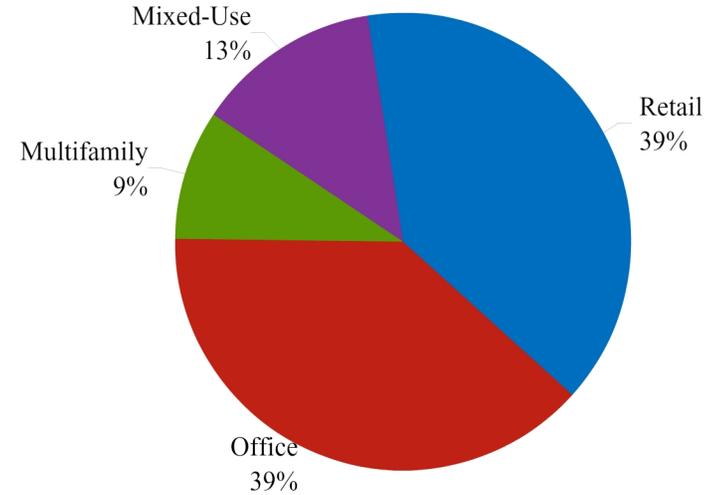
Three Months Ended June 30, 2016

Portfolio NOI, Cash Basis Breakdown

Portfolio Diversification by Geographic Region

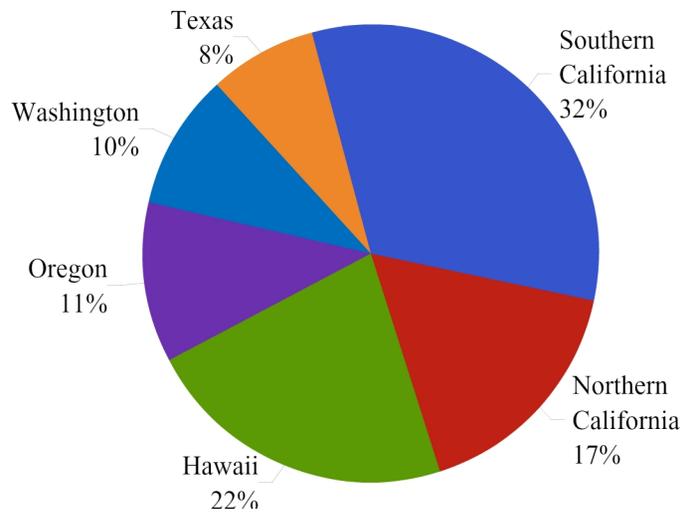


Portfolio Diversification by Segment

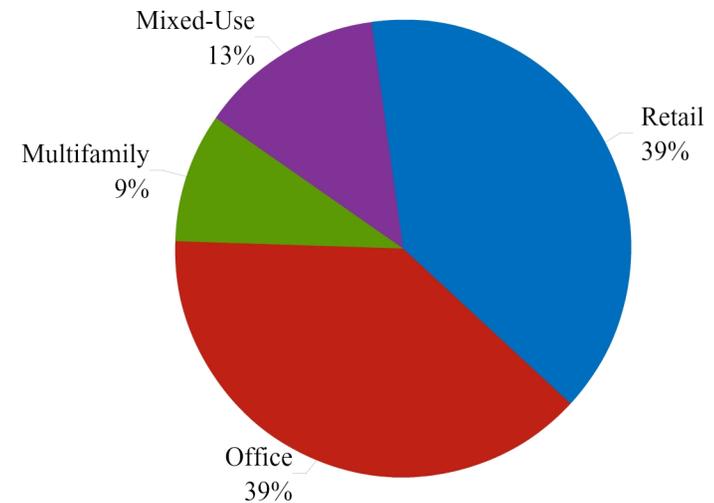


Portfolio NOI, GAAP Basis Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



PROPERTY REVENUE AND OPERATING EXPENSES

(Unaudited, amounts in thousands)

| Property | Three Months Ended June 30, 2016 | | | |
|---|----------------------------------|---|--|--|
| | Base Rent ⁽¹⁾ | Additional Property Income ⁽²⁾ | Billed Expense Reimbursements ⁽³⁾ | Property Operating Expenses ⁽⁴⁾ |
| Retail Portfolio | | | | |
| Carmel Country Plaza | \$ 911 | \$ 18 | \$ 216 | \$ (210) |
| Carmel Mountain Plaza | 3,097 | 43 | 771 | (1,011) |
| South Bay Marketplace | 572 | 32 | 189 | (181) |
| Lomas Santa Fe Plaza | 1,327 | 7 | 274 | (341) |
| Solana Beach Towne Centre | 1,511 | 21 | 464 | (438) |
| Del Monte Center | 2,414 | 204 | 898 | (1,147) |
| Geary Marketplace | 299 | — | 148 | (137) |
| The Shops at Kalakaua | 475 | 24 | 39 | (70) |
| Waikele Center | 4,305 | 308 | 1,152 | (1,838) |
| Alamo Quarry Market | 3,454 | 43 | 1,402 | (1,523) |
| Hassalo on Eighth ⁽⁵⁾ | 34 | — | 2 | (4) |
| Subtotal Retail Portfolio | \$ 18,399 | \$ 700 | \$ 5,555 | \$ (6,900) |
| Office Portfolio | | | | |
| Torrey Reserve Campus ⁽⁶⁾ | \$ 4,311 | \$ 43 | \$ 219 | \$ (1,297) |
| Solana Beach Corporate Centre | 1,768 | 3 | 42 | (508) |
| The Landmark at One Market | 5,957 | 27 | 225 | (2,013) |
| One Beach Street | 984 | 1 | 64 | (207) |
| First & Main | 2,816 | 177 | 329 | (807) |
| Lloyd District Portfolio ⁽⁶⁾ | 2,525 | 437 | 79 | (1,352) |
| City Center Bellevue | 4,307 | 733 | 395 | (1,284) |
| Subtotal Office Portfolio | \$ 22,668 | \$ 1,421 | \$ 1,353 | \$ (7,468) |
| Multifamily Portfolio | | | | |
| Loma Palisades | \$ 3,011 | \$ 200 | \$ — | \$ (1,022) |
| Imperial Beach Gardens | 807 | 62 | — | (295) |
| Mariner's Point | 369 | 34 | — | (131) |
| Santa Fe Park RV Resort | 329 | 24 | — | (147) |
| Hassalo on Eighth ⁽⁵⁾ | 2,204 | 225 | — | (1,257) |
| Subtotal Multifamily Portfolio | \$ 6,720 | \$ 545 | \$ — | \$ (2,852) |

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Unaudited, amounts in thousands)

| Property | Three Months Ended June 30, 2016 | | | |
|--------------------------------------|----------------------------------|---|--|--|
| | Base Rent ⁽¹⁾ | Additional Property Income ⁽²⁾ | Billed Expense Reimbursements ⁽³⁾ | Property Operating Expenses ⁽⁴⁾ |
| Mixed-Use Portfolio | | | | |
| Waikiki Beach Walk - Retail | \$ 2,651 | \$ 1,073 | \$ 937 | \$ (1,637) |
| Waikiki Beach Walk - Embassy Suites™ | 9,256 | 677 | — | (7,031) |
| Subtotal Mixed-Use Portfolio | \$ 11,907 | \$ 1,750 | \$ 937 | \$ (8,668) |
| Total | \$ 59,694 | \$ 4,416 | \$ 7,845 | \$ (25,888) |

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 June 30, 2016 (before abatements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our retail and office portfolio were approximately \$18 and \$678, respectively, for the three months ended June 30, 2016. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended June 30, 2016. 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 \$270 of abatements for our multifamily portfolio for the three months ended June 30, 2016. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended June 30, 2016.
- (2) Represents additional property-related income for the three months ended June 30, 2016, 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 June 30, 2016.
- (4) Represents property operating expenses for the three months ended June 30, 2016. Property operating expenses includes all rental expenses, except non cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) The Hassalo on Eighth property is comprised of the following three multifamily buildings (each with a ground floor retail component): Velomor, Aster Tower and Elwood. The Aster and Elwood multifamily buildings were placed into operations in October 2015 and the Velomor multifamily building was placed into operations in July 2015. The retail component of the Elwood building was placed into operations in April 2016.
- (6) Base rent shown includes amounts related to American Assets Trust, L.P.'s 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 \$251 for the three months ended June 30, 2016.

SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

| Segment | Three Months Ended June 30, 2016 | | | | | |
|-----------------------|---|----------------------------------|---|------------------------------|-----------------|----------------------------|
| | 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 | \$ 938 | \$ 192 | \$ 1,130 | \$ — | \$ 3,120 | \$ 4,250 |
| Office Portfolio | 3,216 | 4,260 | 7,476 | 32 | 3,202 | 10,710 |
| Multifamily Portfolio | — | 475 | 475 | — | — | 475 |
| Mixed-Use Portfolio | 36 | 15 | 51 | — | — | 51 |
| Total | \$ 4,190 | \$ 4,942 | \$ 9,132 | \$ 32 | \$ 6,322 | \$ 15,486 |

| Segment | Six Months Ended June 30, 2016 | | | | | |
|-----------------------|---|----------------------------------|---|------------------------------|------------------|----------------------------|
| | 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 | \$ 1,840 | \$ 762 | \$ 2,602 | \$ — | \$ 7,062 | \$ 9,664 |
| Office Portfolio | 4,972 | 7,884 | 12,856 | 243 | 8,540 | 21,639 |
| Multifamily Portfolio | — | 1,107 | 1,107 | — | 712 | 1,819 |
| Mixed-Use Portfolio | 94 | 22 | 116 | — | — | 116 |
| Total | \$ 6,906 | \$ 9,775 | \$ 16,681 | \$ 243 | \$ 16,314 | \$ 33,238 |

SUMMARY OF OUTSTANDING DEBT

(Unaudited, amounts in thousands)

| Debt | Amount Outstanding at June 30, 2016 | Interest Rate | Annual Debt Service | Maturity Date | Balance at Maturity |
|--|---|---------------|------------------------|-------------------|------------------------|
| South Bay Marketplace ⁽¹⁾ | 23,000 | 5.48% | 23,854 | February 10, 2017 | 23,000 |
| Waikiki Beach Walk - Retail ⁽¹⁾ | 130,310 | 5.39% | 7,117 | July 1, 2017 | 130,310 |
| Solana Beach Corporate Centre III-IV ⁽²⁾ | 35,684 | 6.39% | 2,798 | August 1, 2017 | 35,136 |
| Loma Palisades ⁽¹⁾ | 73,744 | 6.09% | 4,553 | July 1, 2018 | 73,744 |
| One Beach Street ⁽¹⁾ | 21,900 | 3.94% | 875 | April 1, 2019 | 21,900 |
| Torrey Reserve - North Court ⁽²⁾ | 20,577 | 7.22% | 1,836 | June 1, 2019 | 19,443 |
| Torrey Reserve - VCI, VCII, VCIII ⁽²⁾ | 6,941 | 6.36% | 560 | June 1, 2020 | 6,439 |
| Solana Beach Corporate Centre I-II ⁽²⁾ | 11,025 | 5.91% | 855 | June 1, 2020 | 10,169 |
| Solana Beach Towne Centre ⁽²⁾ | 36,749 | 5.91% | 2,849 | June 1, 2020 | 33,898 |
| City Center Bellevue ⁽¹⁾ | 111,000 | 3.98% | 4,479 | November 1, 2022 | 111,000 |
| Secured Notes Payable / Weighted Average ⁽³⁾ | \$ 470,930 | 5.33% | \$ 49,776 | | \$ 465,039 |
| Series A Notes ⁽⁴⁾ | \$ 150,000 | 3.88% | \$ 6,060 | October 31, 2021 | \$ 150,000 |
| 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 |
| Term Loan A ⁽⁵⁾ | 100,000 | 3.08% | 3,125 | January 9, 2019 | 100,000 |
| Term Loan B ⁽⁶⁾ | 100,000 | 3.15% | 3,149 | March 1, 2023 | 100,000 |
| Term Loan C ⁽⁷⁾ | 50,000 | 3.14% | 1,571 | March 1, 2023 | 50,000 |
| Unsecured Notes Payable / Weighted Average ⁽⁸⁾ | \$ 600,000 | 3.76% | \$ 22,855 | | \$ 600,000 |
| Unsecured Line of Credit ⁽⁹⁾ | \$ — | 1.77% | | | |

Notes:

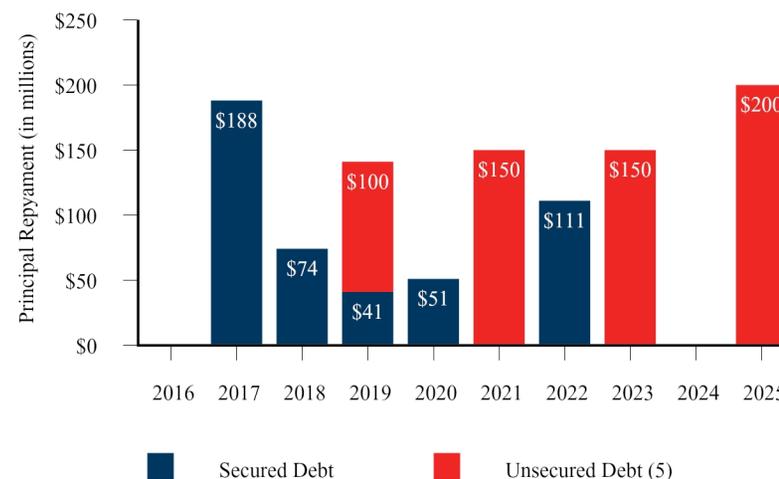
- (1) Interest only.
- (2) Principal payments based on a 30-year amortization schedule.
- (3) The Secured Notes Payable total does not include the unamortized fair value adjustment of \$2.8 million and debt issuance costs, net of \$0.6 million.
- (4) \$150 million of 4.04% Senior Guaranteed Notes, Series A, due October 31, 2021. Net of the settlement of the forward-starting interest rate swap, the fixed interest rate in accordance with GAAP for the Series A Notes is approximately 3.88% per annum, through maturity.
- (5) Term Loan A matures on January 9, 2017 and we have two 12-month options remaining to extend its maturity to 2019. Term Loan A accrues interest at a variable rate, which we fixed as part of an interest rate swap for an all-in interest rate of 3.08%, subject to adjustments based on our consolidated leverage ratio.
- (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 3.15%, 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 3.14%, subject to adjustments based on our consolidated leverage ratio.
- (8) The Unsecured Notes Payable total does not include debt issuance costs, net of \$4.2 million.
- (9) The unsecured revolving line of credit (the "Revolver Loan") has a capacity of \$250 million plus an accordion feature that may allow us to increase the availability thereunder up to an additional \$250 million, subject to meeting specified requirements and obtaining additional commitments from lenders. The Revolver Loan initially matures on January 9, 2018 and we have two six-month options to extend its maturity to January 9, 2019. The Revolver Loan currently accrues interest at LIBOR, plus a spread which ranges from 1.35%-1.95%, based on our consolidated leverage ratio.

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

| Market data | June 30, 2016 |
|---|---------------|
| Common shares outstanding | 45,411 |
| Common units outstanding | 17,900 |
| Common shares and common units outstanding | 63,311 |
| Market price per common share | \$ 42.44 |
| Equity market capitalization | \$ 2,686,919 |
| Total debt | \$ 1,070,930 |
| Total market capitalization | \$ 3,757,849 |
| Less: Cash on hand | \$ (43,886) |
| Total enterprise value | \$ 3,713,963 |
| Total assets, gross | \$ 2,412,993 |
| Total unencumbered assets, gross | \$ 1,668,770 |
| Total debt/Total capitalization | 28.5% |
| Total debt/Total enterprise value | 28.8% |
| Net debt/Total enterprise value ⁽¹⁾ | 27.7% |
| Total debt/Total assets, gross | 44.4% |
| Net debt/Total assets, gross ⁽¹⁾ | 42.6% |
| Total unencumbered assets, gross/Unsecured debt | 278.1% |
| Total debt/EBITDA ⁽²⁾⁽³⁾ | 6.5x |
| Net debt/EBITDA ⁽¹⁾⁽²⁾⁽³⁾ | 6.2x |
| Interest coverage ratio ⁽⁴⁾ | 3.4x |
| Fixed charge coverage ratio ⁽⁴⁾ | 3.4x |

- Notes:
- (1) Net debt is equal to total debt less cash on hand.
 - (2) See Glossary of Terms for discussion of EBITDA.
 - (3) As used here, EBITDA represents the actual for the three months ended June 30, 2016 annualized.
 - (4) Calculated as EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.
 - (5) Assumes the exercise of the two 12-month options remaining to extend the maturity of the unsecured term loan.

**Debt Maturity Schedule
as of June 30, 2016**



| Weighted Average Fixed Interest Rate | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------------|------|------|------|------|------|------|------|------|------|------|
| | —% | 5.6% | 6.1% | 3.8% | 6.0% | 3.9% | 4.0% | 3.1% | —% | 4.5% |

Total Weighted Average Fixed Interest Rate: 4.5%

Weighted Average Term to Maturity: 4.8 years

Credit Ratings

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

SUMMARY OF DEVELOPMENT OPPORTUNITIES

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.

| <u>In-Process Development Projects</u> | | | Project Costs (in thousands) ⁽²⁾ | | | | | | |
|---|-----------------|-------------------|--|--|---------------------------------------|---|------------------------------|-----------------------------------|--|
| Property | Location | Start Date | Estimated Completion Date | Estimated Stabilization Date ⁽¹⁾ | Estimated Rentable Square Feet | Three Months Ended June 30, 2016 | Cost Incurred to Date | Total Estimated Investment | Estimated Stabilized Yield ⁽³⁾ |
| <u>Office Property:</u> | | | | | | | | | |
| Torrey Point (previously Sorrento Pointe) | San Diego, CA | 2015 | 2017 | 2018 | 88,000 | \$5,007 | \$21,954 | \$52,500 | 7.5% - 8.6% |

| <u>Development/Redevelopment Pipeline</u> | | | | |
|---|----------------------|------------------|---------------------------------------|--------------------------|
| Property | Property Type | Location | Estimated Rentable Square Feet | Multifamily Units |
| Solana Beach Corporate Centre (Building 5) | Retail | Solana Beach, CA | 10,000 | N/A |
| Lomas Santa Fe Plaza | Retail | Solana Beach, CA | 45,000 | N/A |
| Solana Beach - Highway 101 ⁽⁴⁾ | Mixed Use | Solana Beach, CA | 48,000 | 36 |
| Lloyd District Portfolio - multiple phases ⁽⁵⁾ | Mixed Use | Portland, OR | TBD | TBD |

Notes:

- (1) Based on management's estimation of stabilized occupancy (90%).
- (2) For all properties, project costs exclude capitalized interest cost which is calculated in accordance with Accounting Standards Codification 835-20-50-1.
- (3) The estimated stabilized yield is calculated based on total estimated project costs, as defined above, when the project has reached stabilized occupancy.
- (4) 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 August 22, 2018 at a price ranging from \$9.0 million to \$9.45 million in consideration for a \$0.6 million option payment.
- (5) 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

PROPERTY REPORT

As of June 30, 2016

Retail and Office Portfolios

| Property | Location | Year Built/ Renovated | Number of Buildings | Net Rentable Square Feet ⁽¹⁾ | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Annualized Base Rent per Leased Square Foot ⁽⁴⁾ | Retail Anchor Tenant(s) ⁽⁵⁾ | Other Principal Retail Tenants ⁽⁶⁾ |
|---|-------------------|--------------------------|---------------------------|--|-------------------------------------|--|---|--|---|
| Retail Properties | | | | | | | | | |
| Carmel Country Plaza | San Diego, CA | 1991 | 9 | 78,098 | 94.6% | \$ 3,635,854 | \$49.21 | | Sharp Healthcare, San Diego County Credit Union |
| Carmel Mountain Plaza ⁽⁷⁾ | San Diego, CA | 1994/2014 | 15 | 528,416 | 98.6 | 12,386,352 | 23.77 | Sears | Sports Authority, Saks Fifth Avenue Off 5th |
| South Bay Marketplace ⁽⁷⁾ | San Diego, CA | 1997 | 9 | 132,877 | 100.0 | 2,296,542 | 17.28 | | Ross Dress for Less, Grocery Outlet |
| Lomas Santa Fe Plaza | Solana Beach, CA | 1972/1997 | 9 | 209,569 | 94.1 | 5,316,339 | 26.96 | | Vons, Home Goods |
| Solana Beach Towne Centre | Solana Beach, CA | 1973/2000/2004 | 12 | 246,730 | 97.9 | 6,042,280 | 25.01 | | Dixieline Probuild, Marshalls |
| Del Monte Center ⁽⁷⁾ | Monterey, CA | 1967/1984/2006 | 16 | 675,678 | 98.1 | 10,261,423 | 15.48 | Macy's, KLA Monterrey | Century Theatres, Macy's Furniture Gallery |
| Geary Marketplace | Walnut Creek, CA | 2012 | 3 | 35,156 | 100.0 | 1,196,322 | 34.03 | | Sprouts Farmer Market, Freebirds Wild Burrito |
| The Shops at Kalakaua | Honolulu, HI | 1971/2006 | 3 | 11,671 | 100.0 | 1,917,969 | 164.34 | | Hawaii Beachware & Fashion, Diesel U.S.A. Inc. |
| Waialele Center | Waipahu, HI | 1993/2008 | 9 | 537,637 | 100.0 | 17,242,653 | 32.07 | Lowe's, Kmart, Sports Authority | UFC Gym, Old Navy |
| Alamo Quarry Market ⁽⁷⁾ | San Antonio, TX | 1997/1999 | 16 | 589,362 | 99.9 | 14,047,532 | 23.86 | Regal Cinemas | Bed Bath & Beyond, Whole Foods Market |
| Hassalo on Eighth ⁽⁸⁾ | Portland, OR | 2015 | 1 | 22,784 | 48.3 | 155,478 | 14.13 | | Green Zebra Grocery, Orangetheory Fitness |
| Subtotal/Weighted Average Retail Portfolio | | | 102 | 3,067,978 | 98.2% | \$ 74,498,744 | \$24.73 | | |
| Office Properties | | | | | | | | | |
| Torrey Reserve Campus | San Diego, CA | 1996-2000/2014-2016 | 14 | 531,011 | 84.2% | \$ 17,830,101 | \$39.88 | | |
| Solana Beach Corporate Centre | Solana Beach, CA | 1982/2005 | 4 | 212,215 | 95.4 | 7,305,942 | 36.09 | | |
| The Landmark at One Market ⁽⁹⁾ | San Francisco, CA | 1917/2000 | 1 | 419,371 | 100.0 | 23,996,207 | 57.22 | | |
| One Beach Street | San Francisco, CA | 1924/1972/1987/1992 | 1 | 97,614 | 100.0 | 3,954,597 | 40.51 | | |
| First & Main | Portland, OR | 2010 | 1 | 360,641 | 98.7 | 10,301,709 | 28.94 | | |
| Lloyd District Portfolio | Portland, OR | 1940-2011/ present | 6 | 580,545 | 75.9 | 9,814,639 | 22.27 | | |
| City Center Bellevue | Bellevue, WA | 1987 | 1 | 494,753 | 96.0 | 17,245,146 | 36.31 | | |
| Subtotal/Weighted Average Office Portfolio | | | 28 | 2,696,150 | 90.4% | \$ 90,448,341 | \$37.11 | | |
| Total/Weighted Average Retail and Office Portfolio | | | 130 | 5,764,128 | 94.6% | \$ 164,947,085 | \$30.25 | | |

PROPERTY REPORT (CONTINUED)

As of June 30, 2016

| Property | Location | Year Built/ Renovated | Number of Buildings | Units | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Average Monthly Base Rent per Leased Unit ⁽⁴⁾ |
|---|--------------------|--------------------------|---------------------------|--------------|-------------------------------------|--|--|
| Loma Palisades | San Diego, CA | 1958/2001-2008 | 80 | 548 | 97.1% | \$ 12,102,696 | \$ 1,895 |
| Imperial Beach Gardens | Imperial Beach, CA | 1959/2008 | 26 | 160 | 96.9 | 3,302,964 | \$ 1,775 |
| Mariner's Point | Imperial Beach, CA | 1986 | 8 | 88 | 97.7 | 1,520,064 | \$ 1,473 |
| Santa Fe Park RV Resort ⁽¹⁰⁾ | San Diego, CA | 1971/2007-2008 | 1 | 126 | 97.6 | 1,475,328 | \$ 1,000 |
| Hassalo on Eighth - Velomor | Portland, OR | 2015 | 1 | 177 | 94.3 | 3,202,296 | \$ 1,599 |
| Hassalo on Eighth - Aster Tower | Portland, OR | 2015 | 1 | 337 | 84.8 | 4,928,244 | \$ 1,437 |
| Hassalo on Eighth - Elwood | Portland, OR | 2015 | 1 | 143 | 77.6 | 1,936,200 | \$ 1,454 |
| Total/Weighted Average Multifamily Portfolio | | | 118 | 1,579 | 92.5% | \$ 28,467,792 | \$ 1,624 |

Mixed-Use Portfolio

| Retail Portion | Location | Year Built/ Renovated | Number of Buildings | Net Rentable Square Feet ⁽¹⁾ | Percentage Leased ⁽²⁾ | Annualized Base Rent ⁽³⁾ | Annualized Base Rent per Leased Square Foot ⁽⁴⁾ | Retail Anchor Tenant(s) ⁽⁵⁾ | Other Principal Retail Tenants ⁽⁶⁾ |
|-----------------------------|--------------|--------------------------|---------------------------|---|-------------------------------------|--|--|---|---|
| Waikiki Beach Walk - Retail | Honolulu, HI | 2006 | 3 | 96,707 | 98.3% | \$ 10,785,430 | \$ 113.46 | | Yard House, Roy's |

| Hotel Portion | Location | Year Built/ Renovated | Number of Buildings | Units | Average Occupancy ⁽¹¹⁾ | Average Daily Rate ⁽¹¹⁾ | Annualized Revenue per Available Room ⁽¹¹⁾ |
|--------------------------------------|--------------|--------------------------|---------------------------|-------|--------------------------------------|---------------------------------------|---|
| Waikiki Beach Walk - Embassy Suites™ | Honolulu, HI | 2008/2014 | 2 | 369 | 89.9% | \$ 306.62 | \$ 275.65 |

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 June 30, 2016, including leases which may not have commenced as of June 30, 2016. Percentage leased for our multifamily properties includes total units rented as of June 30, 2016.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2016 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 June 30, 2016. Annualized base rent per leased unit is calculated by dividing annualized base rent by units under lease as of June 30, 2016.
- 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 | 6 | 125,477 | \$ 1,193,816 |
| South Bay Marketplace | 1 | 2,824 | \$ 91,320 |
| Del Monte Center | 2 | 295,100 | \$ 201,291 |
| Alamo Quarry Market | 4 | 31,994 | \$ 470,075 |

- The Hassalo on Eighth property is comprised of the following three multifamily buildings (each with a ground floor retail component): Velomor, Aster Tower and Elwood. The Aster and Elwood multifamily buildings were placed into operations in October 2015 and the Velomor multifamily building was placed into operations in July 2015. The retail component of the Elwood building was placed into operations in April 2016.
- 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 June 30, 2016, the highest average monthly occupancy rate for this property was 98%, occurring in July 2015. 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 June 30, 2016, 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 June 30, 2016 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 June 30, 2016 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 June 30, 2016

Total Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 15 | 100% | 50,733 | \$41.90 | \$40.05 | \$ 94,165 | 4.6% | 5.5 % | 4.2 | \$ 166,260 | \$3.28 |
| 1st Quarter 2016 | 16 | 100% | 81,056 | \$34.54 | \$33.82 | \$ 58,295 | 2.1% | 9.1 % | 4.9 | \$ 7,000 | \$0.09 |
| 4th Quarter 2015 | 13 | 100% | 78,994 | \$23.57 | \$22.69 | \$ 69,119 | 3.9% | 20.2 % | 7.9 | \$ 370,000 | \$4.68 |
| 3rd Quarter 2015 | 18 | 100% | 57,546 | \$32.46 | \$26.55 | \$ 340,390 | 22.3% | 29.2 % | 6.8 | \$ 143,000 | \$2.48 |
| Total 12 months | 62 | 100% | 268,329 | \$32.26 | \$30.16 | \$ 561,969 | 6.9% | 14.4 % | 6.1 | \$ 686,260 | \$2.56 |

New Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 3 | 20% | 5,974 | \$72.08 | \$70.79 | \$ 7,706 | 1.8% | (11.1)% | 7.3 | \$ 163,260 | \$27.33 |
| 1st Quarter 2016 | — | —% | — | \$0.00 | \$0.00 | \$ — | —% | — % | — | \$ — | \$0.00 |
| 4th Quarter 2015 | 1 | 8% | 12,256 | \$14.25 | \$11.75 | \$ 30,666 | 21.3% | 57.7 % | 10.4 | \$ 85,792 | \$7.00 |
| 3rd Quarter 2015 | 2 | 11% | 2,400 | \$48.00 | \$43.56 | \$ 10,660 | 10.2% | 29.1 % | 3.7 | \$ 122,000 | \$50.83 |
| Total 12 months | 6 | 10% | 20,630 | \$34.92 | \$32.55 | \$ 49,032 | 7.3% | 9.2 % | 8.7 | \$ 371,052 | \$17.99 |

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 12 | 80% | 44,759 | \$37.87 | \$35.94 | \$ 86,459 | 5.4% | 10.2 % | 3.8 | \$ 3,000 | \$0.07 |
| 1st Quarter 2016 | 16 | 100% | 81,056 | \$34.54 | \$33.82 | \$ 58,295 | 2.1% | 9.1 % | 4.9 | \$ 7,000 | \$0.09 |
| 4th Quarter 2015 | 12 | 92% | 66,738 | \$25.28 | \$24.70 | \$ 38,453 | 2.3% | 16.8 % | 7.4 | \$ 284,208 | \$4.26 |
| 3rd Quarter 2015 | 16 | 89% | 55,146 | \$31.78 | \$25.81 | \$ 329,730 | 23.2% | 29.2 % | 7.0 | \$ 21,000 | \$0.38 |
| Total 12 months | 56 | 90% | 247,699 | \$32.03 | \$29.96 | \$ 512,937 | 6.9% | 14.9 % | 5.8 | \$ 315,208 | \$1.27 |

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

| Quarter | Number of Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|---------------------------------|---|--|----------------------------------|--|
| 2nd Quarter 2016 | 17 | 55,405 | \$41.18 | 4.2 | \$ 361,513 | \$6.52 |
| 1st Quarter 2016 | 19 | 99,198 | \$33.95 | 5.8 | \$ 1,563,910 | \$15.77 |
| 4th Quarter 2015 | 21 | 90,943 | \$24.65 | 7.7 | \$ 2,078,755 | \$22.86 |
| 3rd Quarter 2015 | 22 | 69,835 | \$29.89 | 6.1 | \$ 2,518,200 | \$36.06 |
| Total 12 months | 79 | 315,381 | \$31.64 | 6.1 | \$ 6,522,378 | \$20.68 |

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 June 30, 2016

Total Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 8 | 100% | 22,535 | \$39.42 | \$35.76 | \$ 82,428 | 10.2% | 21.4% | 4.2 | \$ 221,004 | \$9.81 |
| 1st Quarter 2016 | 19 | 100% | 52,050 | \$41.38 | \$37.87 | \$ 182,885 | 9.3% | 17.6% | 4.3 | \$ 677,219 | \$13.01 |
| 4th Quarter 2015 | 15 | 100% | 92,002 | \$36.91 | \$35.37 | \$ 141,780 | 4.4% | 10.6% | 3.7 | \$ 974,621 | \$10.59 |
| 3rd Quarter 2015 | 15 | 100% | 55,312 | \$35.10 | \$32.97 | \$ 117,556 | 6.4% | 16.2% | 3.8 | \$ 917,808 | \$16.59 |
| Total 12 months | 57 | 100% | 221,899 | \$37.76 | \$35.40 | \$ 524,649 | 6.7% | 14.8% | 3.9 | \$ 2,790,652 | \$12.57 |

New Lease Summary - Comparable ⁽¹⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 2 | 25% | 5,131 | \$34.34 | \$33.08 | \$ 6,437 | 3.8% | 9.3% | 7.4 | \$ 144,018 | \$28.07 |
| 1st Quarter 2016 | 5 | 26% | 14,680 | \$40.22 | \$37.29 | \$ 43,038 | 7.9% | 19.8% | 5.5 | \$ 388,840 | \$26.49 |
| 4th Quarter 2015 | 5 | 33% | 15,647 | \$40.09 | \$32.27 | \$ 122,337 | 24.2% | 31.0% | 4.1 | \$ 345,044 | \$22.05 |
| 3rd Quarter 2015 | 4 | 27% | 16,491 | \$32.70 | \$29.47 | \$ 53,271 | 11.0% | 34.4% | 4.5 | \$ 735,133 | \$44.58 |
| Total 12 months | 16 | 28% | 51,949 | \$37.21 | \$32.88 | \$ 225,083 | 13.2% | 26.0% | 4.9 | \$ 1,613,035 | \$31.05 |

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

| Quarter | Number of Leases Signed | % of Comparable Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Prior Rent Per Sq. Ft. ⁽³⁾ | Annual Change in Rent | Cash Basis % Change Over Prior Rent | Straight-Line Basis % Change Over Prior Rent | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|-------------------------------|---------------------------------|---|---------------------------------------|-----------------------|-------------------------------------|--|--|----------------------------------|--|
| 2nd Quarter 2016 | 6 | 75% | 17,404 | \$40.91 | \$36.55 | \$ 75,991 | 11.9% | 24.9% | 3.2 | \$ 76,986 | \$4.42 |
| 1st Quarter 2016 | 14 | 74% | 37,370 | \$41.84 | \$38.10 | \$ 139,847 | 9.8% | 16.8% | 3.8 | \$ 288,379 | \$7.72 |
| 4th Quarter 2015 | 10 | 67% | 76,355 | \$36.26 | \$36.01 | \$ 19,443 | 0.7% | 6.6% | 3.6 | \$ 629,577 | \$8.25 |
| 3rd Quarter 2015 | 11 | 73% | 38,821 | \$36.11 | \$34.46 | \$ 64,285 | 4.8% | 10.1% | 3.5 | \$ 182,675 | \$4.71 |
| Total 12 months | 41 | 72% | 169,950 | \$37.93 | \$36.17 | \$ 299,566 | 4.9% | 11.7% | 3.6 | \$ 1,177,617 | \$6.93 |

Total Lease Summary - Comparable and Non-Comparable

| Quarter | Number of Leases Signed | Net Rentable Square Feet Signed | Contractual Rent Per Sq. Ft. ⁽²⁾ | Weighted Average Lease Term ⁽⁴⁾ | Tenant Improvements & Incentives | Tenant Improvements & Incentives Per Sq. Ft. |
|------------------|-------------------------|---------------------------------|---|--|----------------------------------|--|
| 2nd Quarter 2016 | 12 | 35,320 | \$41.15 | 4.6 | \$ 510,132 | \$14.44 |
| 1st Quarter 2016 | 25 | 72,802 | \$41.06 | 4.9 | \$ 1,484,597 | \$20.39 |
| 4th Quarter 2015 | 19 | 103,220 | \$36.83 | 3.8 | \$ 1,265,802 | \$12.26 |
| 3rd Quarter 2015 | 23 | 84,573 | \$34.65 | 5.5 | \$ 2,126,512 | \$25.14 |
| Total 12 months | 79 | 295,915 | \$37.76 | 4.7 | \$ 5,387,043 | \$18.20 |

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 June 30, 2016

Lease Summary - Loma Palisades

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 532 | 97.1% | \$12,102,696 | \$1,895 |
| 1st Quarter 2016 | 538 | 98.2% | \$12,025,824 | \$1,862 |
| 4th Quarter 2015 | 523 | 95.4% | \$11,778,588 | \$1,878 |
| 3rd Quarter 2015 | 526 | 96.0% | \$11,654,256 | \$1,846 |

Lease Summary - Imperial Beach Gardens

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 155 | 96.9% | \$3,302,964 | \$1,775 |
| 1st Quarter 2016 | 154 | 96.3% | \$3,247,692 | \$1,756 |
| 4th Quarter 2015 | 151 | 94.4% | \$2,994,060 | \$1,652 |
| 3rd Quarter 2015 | 157 | 98.1% | \$3,050,376 | \$1,620 |

Lease Summary - Mariner's Point

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 86 | 97.7% | \$1,520,064 | \$1,473 |
| 1st Quarter 2016 | 85 | 96.6% | \$1,505,940 | \$1,476 |
| 4th Quarter 2015 | 86 | 97.7% | \$1,426,332 | \$1,382 |
| 3rd Quarter 2015 | 87 | 98.9% | \$1,420,908 | \$1,361 |

Lease Summary - Santa Fe Park RV Resort

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 123 | 97.6% | \$1,475,328 | \$1,000 |
| 1st Quarter 2016 | 112 | 89.0% | \$1,300,452 | \$966 |
| 4th Quarter 2015 | 121 | 96.0% | \$1,111,080 | \$765 |
| 3rd Quarter 2015 | 93 | 74.0% | \$966,720 | \$864 |

MULTIFAMILY LEASING SUMMARY (CONTINUED)

As of June 30, 2016

Lease Summary - Hassalo on Eighth - Velomor ⁽⁴⁾

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 167 | 94.3% | \$3,202,296 | \$1,599 |
| 1st Quarter 2016 | 151 | 85.3% | \$2,717,028 | \$1,500 |
| 4th Quarter 2015 | 145 | 81.9% | \$2,755,404 | \$1,584 |
| 3rd Quarter 2015 | 141 | 79.7% | \$2,427,804 | \$1,434 |

Lease Summary - Hassalo on Eighth - Aster Tower ⁽⁵⁾

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 286 | 84.8% | \$4,928,244 | \$1,437 |
| 1st Quarter 2016 | 151 | 44.8% | \$2,450,700 | \$1,353 |
| 4th Quarter 2015 | 98 | 29.1% | \$1,702,260 | \$1,447 |

Lease Summary - Hassalo on Eighth - Elwood ⁽⁵⁾

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 111 | 77.6% | \$1,936,200 | \$1,454 |
| 1st Quarter 2016 | 62 | 43.4% | \$969,336 | \$1,302 |
| 4th Quarter 2015 | 35 | 24.5% | \$550,452 | \$1,309 |

Total Multifamily Lease Summary

| Quarter | Number of Leased Units | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Average Monthly Base Rent per Leased Unit ⁽³⁾ |
|------------------|------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 1,460 | 92.5% | \$28,467,792 | \$1,624 |
| 1st Quarter 2016 | 1,253 | 79.4% | \$24,216,972 | \$1,610 |
| 4th Quarter 2015 | 1,159 | 73.4% | \$22,318,176 | \$1,605 |
| 3rd Quarter 2015 | 1,004 | 91.4% | \$19,520,064 | \$1,619 |

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.
- (4) The Velomor multifamily building at Hassalo on Eighth was placed into operations and available for occupancy in July 2015.
- (5) The Aster Tower and Elwood multifamily buildings were placed into operations and available for occupancy in October 2015.

MIXED-USE LEASING SUMMARY

As of June 30, 2016

Lease Summary - Retail Portion

| Quarter | Number of Leased Square Feet | Percentage leased ⁽¹⁾ | Annualized Base Rent ⁽²⁾ | Annualized base Rent per Leased Square Foot ⁽³⁾ |
|------------------|------------------------------|----------------------------------|-------------------------------------|--|
| 2nd Quarter 2016 | 95,085 | 98.3% | \$10,785,430 | \$113 |
| 1st Quarter 2016 | 94,601 | 97.8% | \$10,709,209 | \$113 |
| 4th Quarter 2015 | 96,707 | 100.0% | \$10,902,402 | \$113 |
| 3rd Quarter 2015 | 96,707 | 100.0% | \$10,877,523 | \$112 |

Lease Summary - Hotel Portion

| Quarter | Number of Leased Units | Average Occupancy ⁽⁴⁾ | Average Daily Rate ⁽⁴⁾ | Annualized Revenue per Available Room ⁽⁴⁾ |
|------------------|------------------------|----------------------------------|-----------------------------------|--|
| 2nd Quarter 2016 | 332 | 89.9% | \$307 | \$276 |
| 1st Quarter 2016 | 321 | 87.0% | \$322 | \$280 |
| 4th Quarter 2015 | 330 | 89.5% | \$318 | \$285 |
| 3rd Quarter 2015 | 339 | 91.8% | \$346 | \$318 |

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of June 30, 2016, including leases which may not have commenced as of June 30, 2016.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2016 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 June 30, 2016.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2016, 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 June 30, 2016

Assumes no exercise of lease options

| Year | Office | | | | Retail | | | | Mixed-Use (Retail Portion Only) | | | | Total | | |
|-----------------------------|-----------------------|---------------------|--------------------|---|--------------------------|---------------------|--------------------|---|---------------------------------|-------------------|--------------------|--|------------------|---------------|---|
| | Expiring Sq. Ft. | % of Office Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Retail Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | Mixed-Use Sq. Ft. | % of Total Sq. Ft. | % of Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ |
| Month to Month | 14,144 | 0.5% | 0.2% | \$3.07 | 8,642 | 0.3% | 0.1% | \$26.83 | 1,417 | 1.5% | —% | — | 24,203 | 0.4% | \$11.37 |
| 2016 | 142,458 | 5.3 | 2.4 | \$33.28 | 37,708 | 1.2 | 0.6 | \$35.07 | 7,795 | 8.1 | 0.1 | \$138.38 | 187,961 | 3.2 | \$38.00 |
| 2017 | 380,248 | 14.1 | 6.5 | \$38.22 | 337,910 | 11.0 | 5.8 | \$26.46 | 11,483 | 11.9 | 0.2 | \$145.49 | 729,641 | 12.4 | \$34.46 |
| 2018 | 299,984 | 11.1 | 5.1 | \$48.56 | 1,027,368 ⁽⁴⁾ | 33.5 | 17.5 | \$20.32 | 12,236 | 12.7 | 0.2 | \$112.68 | 1,339,588 | 22.9 | \$27.49 |
| 2019 | 307,391 | 11.4 | 5.2 | \$41.75 | 348,461 | 11.4 | 5.9 | \$28.33 | 19,519 | 20.2 | 0.3 | \$92.54 | 675,371 | 11.5 | \$36.29 |
| 2020 | 347,326 | 12.9 | 5.9 | \$40.76 | 288,322 | 9.4 | 4.9 | \$21.50 | 19,798 | 20.5 | 0.3 | \$64.77 | 655,446 | 11.2 | \$33.01 |
| 2021 | 262,957 | 9.8 | 4.5 | \$42.46 | 143,589 | 4.7 | 2.4 | \$42.28 | 11,373 | 11.8 | 0.2 | \$236.44 | 417,919 | 7.1 | \$47.68 |
| 2022 | 46,286 | 1.7 | 0.8 | \$34.27 | 187,322 | 6.1 | 3.2 | \$32.70 | 11,464 | 11.9 | 0.2 | \$76.72 | 245,072 | 4.2 | \$35.06 |
| 2023 | 139,373 | 5.2 | 2.4 | \$32.13 | 68,501 | 2.2 | 1.2 | \$24.10 | — | — | — | — | 207,874 | 3.5 | \$29.48 |
| 2024 | 136,841 | 5.1 | 2.3 | \$33.13 | 241,687 | 7.9 | 4.1 | \$24.22 | — | — | — | — | 378,528 | 6.5 | \$27.44 |
| 2025 | 210,280 | 7.8 | 3.6 | \$29.30 | 162,586 | 5.3 | 2.8 | \$22.94 | — | — | — | — | 372,866 | 6.4 | \$26.53 |
| Thereafter | 65,777 ⁽²⁾ | 2.4 | 1.1 | \$25.10 | 160,062 | 5.2 | 2.7 | \$22.66 | — | — | — | — | 225,839 | 3.9 | \$23.37 |
| Signed Leases Not Commenced | 84,942 | 3.2 | 1.4 | — | 1,122 | — | — | — | — | — | — | — | 86,064 | 1.5 | — |
| Available | 258,143 | 9.6 | 4.4 | — | 54,698 | 1.8 | 0.9 | — | 1,622 | 1.7 | — | — | 314,463 | 5.4 | — |
| Total ⁽³⁾ | <u>2,696,150</u> | <u>100.0%</u> | 46.0% | \$33.55 | <u>3,067,978</u> | <u>100.0%</u> | 52.3% | \$24.28 | <u>96,707</u> | <u>100.0%</u> | 1.7% | \$111.53 | <u>5,860,835</u> | <u>100.0%</u> | \$29.98 |

Assumes all lease options are exercised

| Year | Office | | | | Retail | | | | Mixed-Use (Retail Portion Only) | | | | Total | | |
|-----------------------------|------------------------|---------------------|--------------------|---|------------------------|---------------------|--------------------|---|---------------------------------|-------------------|--------------------|--|------------------|---------------|---|
| | Expiring Sq. Ft. | % of Office Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | % of Retail Sq. Ft. | % of Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | Mixed-Use Sq. Ft. | % of Total Sq. Ft. | % of Annualized Base Rent Per Sq. Ft. ⁽¹⁾ | Expiring Sq. Ft. | Total Sq. Ft. | Annualized Base Rent Per Sq. Ft. ⁽¹⁾ |
| Month to Month | 14,144 | 0.5% | 0.2% | \$3.07 | 8,642 | 0.3% | 0.1% | \$26.83 | 1,417 | 1.5% | —% | — | 24,203 | 0.4% | \$11.37 |
| 2016 | 137,903 | 5.1 | 2.4 | \$33.42 | 27,129 | 0.9 | 0.5 | \$34.91 | 3,767 | 3.9 | 0.1 | \$142.44 | 168,799 | 2.9 | \$36.09 |
| 2017 | 73,230 | 2.7 | 1.2 | \$39.70 | 97,949 | 3.2 | 1.7 | \$34.51 | 10,443 | 10.8 | 0.2 | \$139.64 | 181,622 | 3.1 | \$42.65 |
| 2018 | 68,836 | 2.6 | 1.2 | \$38.03 | 66,548 | 2.2 | 1.1 | \$36.92 | 12,236 | 12.7 | 0.2 | \$112.68 | 147,620 | 2.5 | \$43.72 |
| 2019 | 120,547 | 4.5 | 2.1 | \$39.38 | 86,207 | 2.8 | 1.5 | \$36.58 | 7,829 | 8.1 | 0.1 | \$142.07 | 214,583 | 3.7 | \$42.00 |
| 2020 | 159,588 | 5.9 | 2.7 | \$37.08 | 81,135 | 2.6 | 1.4 | \$27.80 | 3,476 | 3.6 | 0.1 | \$193.70 | 244,199 | 4.2 | \$36.23 |
| 2021 | 121,159 | 4.5 | 2.1 | \$33.58 | 87,950 | 2.9 | 1.5 | \$45.17 | 15,401 | 15.9 | 0.3 | \$209.80 | 224,510 | 3.8 | \$50.21 |
| 2022 | 292,112 | 10.8 | 5.0 | \$36.81 | 95,080 | 3.1 | 1.6 | \$36.82 | 11,894 | 12.3 | 0.2 | \$80.65 | 399,086 | 6.8 | \$38.12 |
| 2023 | 165,388 | 6.1 | 2.8 | \$45.73 | 143,990 ⁽⁴⁾ | 4.7 | 2.5 | \$32.92 | — | — | — | — | 309,378 | 5.3 | \$39.77 |
| 2024 | 123,169 | 4.6 | 2.1 | \$34.14 | 212,539 | 6.9 | 3.6 | \$28.66 | — | — | — | — | 335,708 | 5.7 | \$30.67 |
| 2025 | 150,806 | 5.6 | 2.6 | \$34.62 | 99,529 | 3.2 | 1.7 | \$29.81 | — | — | — | — | 250,335 | 4.3 | \$32.71 |
| Thereafter | 926,183 ⁽²⁾ | 34.4 | 15.8 | \$40.81 | 2,005,460 | 65.4 | 34.2 | \$20.35 | 28,622 | 29.6 | 0.5 | \$50.16 | 2,960,265 | 50.5 | \$27.04 |
| Signed Leases Not Commenced | 84,942 | 3.2 | 1.4 | — | 1,122 | — | — | — | — | — | — | — | 86,064 | 1.5 | — |
| Available | 258,143 | 9.6 | 4.4 | — | 54,698 | 1.8 | 0.9 | — | 1,622 | 1.7 | — | — | 314,463 | 5.4 | — |
| Total ⁽³⁾ | <u>2,696,150</u> | <u>100.0%</u> | 46.0% | \$33.55 | <u>3,067,978</u> | <u>100.0%</u> | 52.3% | \$24.28 | <u>96,707</u> | <u>100.0%</u> | 1.7% | \$111.53 | <u>5,860,835</u> | <u>100.0%</u> | \$29.98 |

LEASE EXPIRATIONS (CONTINUED)

As of June 30, 2016

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 June 30, 2016 for the leases expiring during the applicable period by (ii) 12 months.
- (2) The expirations include 13,144 square feet currently leased by multiple tenants at Lloyd District Portfolio through various expiration dates, for which The State of Oregon, by and through its Department of Environmental Quality has signed an agreement to lease such space beginning November 1, 2016 through October 31, 2031 with options to extend the lease through October 31, 2041.
- (3) Individual items may not add up to total due to rounding.
- (4) The Sports Authority lease at Waikale Center is for 50,050 rentable square feet and is expected to be terminated through bankruptcy proceedings effective July 31, 2016.

PORTFOLIO LEASED STATISTICS

| Type | At June 30, 2016 | | | At June 30, 2015 | | |
|--|--------------------------|-----------------------|----------|--------------------------|-----------------------|----------|
| | Size | Leased ⁽¹⁾ | Leased % | Size | Leased ⁽¹⁾ | Leased % |
| Overall Portfolio ⁽²⁾ Statistics | | | | | | |
| Retail Properties (square feet) | 3,067,978 ⁽³⁾ | 3,013,280 | 98.2% | 3,075,754 | 3,029,845 | 98.5% |
| Office Properties (square feet) | 2,696,150 | 2,438,007 | 90.4% | 2,660,260 | 2,472,534 | 92.9% |
| Multifamily Properties (units) | 1,579 | 1,460 | 92.5% | 922 | 882 | 95.7% |
| Mixed-Use Properties (square feet) | 96,707 | 95,085 | 98.3% | 96,707 | 96,707 | 100.0% |
| Mixed-Use Properties (units) | 369 | 326 ⁽⁴⁾ | 88.4% | 369 | 326 ⁽⁴⁾ | 88.4% |
| Same-Store ⁽²⁾ Statistics | | | | | | |
| Retail Properties (square feet) | 3,045,194 ⁽⁵⁾ | 3,002,279 | 98.6% | 3,075,754 ⁽⁵⁾ | 3,029,845 | 98.5% |
| Office Properties (square feet) | 1,584,594 ⁽⁶⁾ | 1,550,209 | 97.8% | 1,584,622 ⁽⁶⁾ | 1,535,038 | 96.9% |
| Multifamily Properties (units) | 922 ⁽⁷⁾ | 896 | 97.2% | 922 ⁽⁷⁾ | 882 | 95.7% |
| Mixed-Use Properties (square feet) | 96,707 | 95,085 | 98.3% | 96,707 | 96,707 | 100.0% |
| Mixed-Use Properties (units) | 369 | 326 ⁽⁴⁾ | 88.4% | 369 | 326 ⁽⁴⁾ | 88.4% |

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) Excludes Rancho Carmel Plaza, which was sold on August 6, 2015.
- (4) Represents average occupancy for the six months ended June 30, 2016 and 2015.
- (5) The same-store portfolio excludes Hassalo on Eighth retail; the retail component of the Elwood building was placed into operation in April 2016.
- (6) The same-store portfolio excludes Torrey Reserve Campus and Lloyd District Portfolio due to significant redevelopment activity.
- (7) The same-store portfolio excludes Hassalo on Eighth multifamily; the Velomor building was placed into operations and available for occupancy in July 2015 and the Aster Tower and Elwood buildings were placed into operations and available for occupancy in October 2015.

TOP TENANTS - RETAIL

As of June 30, 2016

| 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 Kmart | Waikele Center | 6/30/2018 | 119,590 | 3.9% | 2.0% | \$ 4,544,420 | 6.1% | 2.6% |
| 2 Lowe's | Waikele Center | 5/31/2018 | 155,000 | 5.1 | 2.6 | 4,516,727 | 6.1 | 2.6 |
| 3 Sports Authority ⁽¹⁾ | Waikele Center, Carmel Mountain Plaza | 7/18/2018 11/30/2018 | 90,722 | 3.0 | 1.5 | 2,133,950 | 2.9 | 1.2 |
| 4 Nordstrom Rack | Carmel Mountain Plaza, Alamo Quarry Market | 9/30/2022 10/31/2022 | 69,047 | 2.3 | 1.2 | 1,990,316 | 2.7 | 1.1 |
| 5 Sprouts Farmers Market | Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace | 6/30/2019 3/31/2025 9/30/2032 | 71,431 | 2.3 | 1.2 | 1,919,436 | 2.6 | 1.1 |
| 6 Old Navy | Alamo Quarry Market, Waikele Center, South Bay Marketplace | 9/30/2017 7/31/2020 4/30/2021 | 59,780 | 1.9 | 1.0 | * | * | * |
| 7 Marshalls | Carmel Mountain Plaza, Solana Beach Towne Centre | 1/31/2019 1/31/2025 | 68,055 | 2.2 | 1.2 | 1,258,083 | 1.7 | 0.7 |
| 8 Vons | Lomas Santa Fe Plaza | 12/31/2017 | 49,895 | 1.6 | 0.9 | 1,216,700 | 1.6 | 0.7 |
| 9 Regal Cinemas | Alamo Quarry Market | 3/31/2018 | 72,447 | 2.4 | 1.2 | 1,122,929 | 1.5 | 0.6 |
| 10 Gap | Del Monte Center, Waikele Center, Alamo Quarry Market | 9/20/2020 2/28/2022 4/30/2024 | 36,614 | 1.2 | 0.6 | 982,039 | 1.3 | 0.6 |
| Top 10 Retail Tenants Total | | | 792,581 | 25.9% | 13.4% | \$ 19,684,600 | 26.5% | 11.2% |

* Data withheld at tenant's request.

(1) The Sports Authority lease at Waikele Center is for 50,050 rentable square feet, contributes approximately \$1.5 million in annualized base rent and is expected to be terminated through bankruptcy proceedings effective July 31, 2016.

TOP TENANTS - OFFICE

As of June 30, 2016

| | 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 | 6/30/2019 4/30/2020 5/31/2021 | 254,118 | 9.4% | 4.3% | \$ 13,782,412 | 15.2% | 7.8% |
| 2 | Autodesk, Inc. | The Landmark at One Market | 12/31/2017 12/31/2018 | 114,664 | 4.3 | 2.0 | 7,969,801 | 8.8 | 4.5 |
| 3 | Veterans Benefits Administration | First & Main | 8/31/2020 | 93,572 | 3.5 | 1.6 | 3,006,453 | 3.3 | 1.7 |
| 4 | Insurance Company of the West | Torrey Reserve Campus | 12/31/2016 12/31/2019 | 81,040 | 3.0 | 1.4 | 2,757,086 | 3.0 | 1.6 |
| 5 | Clearesult Operating, LLC (as successor to Portland Energy Conservation) | First & Main | 4/30/2025 | 101,848 | 3.8 | 1.7 | 2,578,353 | 2.9 | 1.5 |
| 6 | Alliant International University | One Beach Street | 10/31/2019 | 64,161 | 2.4 | 1.1 | 2,303,851 | 2.5 | 1.3 |
| 7 | Caradigm USA LLC | City Center Bellevue | 8/14/2017 | 68,956 | 2.6 | 1.2 | 2,298,303 | 2.5 | 1.3 |
| 8 | Treasury Call Center | First & Main | 8/31/2020 | 63,648 | 2.4 | 1.1 | 2,184,302 | 2.4 | 1.2 |
| 9 | HDR Engineering, Inc. | City Center Bellevue | 12/31/2017 | 56,024 | 2.1 | 1.0 | 2,100,900 | 2.3 | 1.2 |
| 10 | California Bank & Trust | Torrey Reserve Campus | 2/29/2024 | 34,731 | 1.3 | 0.6 | 1,703,845 | 1.9 | 1.0 |
| Top 10 Office Tenants Total | | | | 932,762 | 34.8% | 16.0% | \$ 40,685,306 | 44.8% | 23.1% |

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 and six months ended June 30, 2016 and 2015 is as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------|--------------------------------|-----------|------------------------------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| Net income | \$ 10,650 | \$ 12,284 | \$ 21,371 | \$ 23,663 |
| Depreciation and amortization | 17,714 | 15,286 | 35,167 | 30,393 |
| Interest expense | 13,153 | 11,197 | 26,099 | 22,992 |
| Interest income | (24) | (12) | (39) | (26) |
| Income tax expense | (45) | 35 | 42 | 119 |
| EBITDA | \$ 41,448 | \$ 38,790 | \$ 82,640 | \$ 77,141 |

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.

GLOSSARY OF TERMS (CONTINUED)

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 | | Six Months Ended | |
|--|--------------------|-----------------|------------------|------------------|
| | June 30, | | June 30, | |
| | 2016 | 2015 | 2016 | 2015 |
| Reconciliation of NOI to net income | | | | |
| Total NOI | \$ 45,812 | \$ 43,578 | \$ 91,457 | \$ 86,945 |
| General and administrative | (4,394) | (4,788) | (8,943) | (9,804) |
| Depreciation and amortization | (17,714) | (15,286) | (35,167) | (30,393) |
| Interest expense | (13,153) | (11,197) | (26,099) | (22,992) |
| Other income (expense), net | 99 | (23) | 123 | (93) |
| Net income | 10,650 | 12,284 | 21,371 | 23,663 |
| Net income attributable to restricted shares | (43) | (40) | (86) | (83) |
| Net loss attributable to unitholders in the Operating Partnership | (3,008) | (3,536) | (6,035) | (6,845) |
| Net income attributable to American Assets Trust, Inc. stockholders | \$ 7,599 | \$ 8,708 | \$ 15,250 | \$ 16,735 |

Overall Portfolio: Includes all operating properties owned by us as of June 30, 2016.

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 June 30, 2016 to 2015 | | | Comparison of Six Months Ended June 30, 2016 to 2015 | | |
|--|---|----------------|-----------------------------|---|----------------|-----------------------------|
| | Same-Store | Non Same-Store | Redevelopment Same-Store | Same-Store | Non Same-Store | Redevelopment Same-Store |
| <u>Retail Properties</u> | | | | | | |
| Carmel Country Plaza | X | | X | X | | X |
| Carmel Mountain Plaza | X | | X | X | | X |
| South Bay Marketplace | X | | X | X | | X |
| Lomas Santa Fe Plaza | X | | X | X | | X |
| Solana Beach Towne Centre | X | | X | X | | X |
| Del Monte Center | X | | X | X | | X |
| Geary Marketplace | X | | X | X | | X |
| The Shops at Kalakaua | X | | X | X | | X |
| Waialele Center | X | | X | X | | X |
| Alamo Quarry Market | X | | X | X | | X |
| Hassalo on Eighth | | X | | | X | |
| <u>Office Properties</u> | | | | | | |
| Torrey Reserve Campus | | X | X | | 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 |
| <u>Multifamily Properties</u> | | | | | | |
| 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 |
| Hassalo on Eighth | | X | | | X | |
| <u>Mixed-Use Properties</u> | | | | | | |
| Waikiki Beach Walk - Retail | X | | X | X | | X |
| Waikiki Beach Walk - Embassy Suites™ | X | | X | X | | X |
| <u>Development Properties</u> | | | | | | |
| Torrey Point (formerly Sorrento Pointe) - Land | | X | | | X | |
| Solana Beach Corporate Centre - Land | | X | | | X | |
| Solana Beach - Highway 101 - Land | | X | | | X | |
| Lloyd District Portfolio - Land | | X | | | X | |

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.