

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

FORM 10-K

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

For the fiscal year ended December 31, 2023

or

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

For the transition period from _____ to _____
Commission file number: 1-33106

**Douglas
Emmett**

Douglas Emmett, Inc.

(Exact name of registrant as specified in its charter)

Maryland

20-3073047

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1299 Ocean Avenue, Suite 1000, Santa Monica, California 90401

(Address of principal executive offices, including zip code)

(310) 255-7700

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
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Common Stock, \$0.01 par value per share

DEI

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Yes No

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer

Smaller reporting company Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the common stock held by non-affiliates of the registrant, as of June 30, 2023, was \$ 2.00 billion. (This computation excludes the market value of all shares of Common Stock reported as beneficially owned by executive officers and directors of the registrant. Such exclusion shall not be deemed to constitute an admission that any such person is an affiliate of the Registrant.)

The registrant had 167,351,920 shares of its common stock outstanding as of February 9, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed in conjunction with the registrant's annual meeting of shareholders to be held in 2024 are incorporated by reference in Part III of this Report on Form 10-K. Such proxy statement will be filed by the registrant with the Securities and Exchange Commission not later than 120 days after the end of the registrant's fiscal year ended December 31, 2023.

DOUGLAS EMMETT, INC.

FORM 10-K

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Glossary

Abbreviations used in this Report:

ADA	Americans with Disabilities Act of 1990
AOCI	Accumulated Other Comprehensive Income (Loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BOMA	Building Owners and Managers Association
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Code	Internal Revenue Code of 1986, as amended
COVID-19	Coronavirus Disease 2019
COO	Chief Operating Officer
DEI	Douglas Emmett, Inc.
EPA	United States Environmental Protection Agency
EPS	Earnings Per Share
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FCA	Financial Conduct Authority
FDIC	Federal Deposit Insurance Corporation
FFO	Funds From Operations
FIRPTA	Foreign Investment in Real Property Tax Act of 1980, as amended
Fund	Unconsolidated Institutional Real Estate Fund
GAAP	Generally Accepted Accounting Principles (United States)
IRS	Internal Revenue Service
IT	Information Technology
JV	Joint Venture
LIBOR	London Interbank Offered Rate
LTIP Units	Long-Term Incentive Plan Units
MGCL	Maryland General Corporation Law
NAREIT	National Association of Real Estate Investment Trusts
NYSE	New York Stock Exchange
OCI	Other Comprehensive Income (Loss)
OP Units	Operating Partnership Units
Operating Partnership	Douglas Emmett Properties, LP
OFAC	Office of Foreign Assets Control
Partnership X	Douglas Emmett Partnership X, LP
PCAOB	Public Company Accounting Oversight Board (United States)
QRS	Qualified REIT subsidiary(ies)
REIT	Real Estate Investment Trust
Report	Annual Report on Form 10-K
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
S&P 500	Standard & Poor's 500 Index
SOFR	Secured Overnight Financing Rate
TRS	Taxable REIT Subsidiary(ies)
US	United States
USD	United States Dollar
VIE	Variable Interest Entity(ies)

Defined terms used in this Report:

Annualized Rent	Annualized cash base rent (excludes tenant reimbursements, parking and other revenue) before abatements under leases commenced as of the reporting date and expiring after the reporting date. Annualized Rent for our triple net office properties (in Honolulu and one single tenant building in Los Angeles) is calculated by adding expense reimbursements and estimates of normal building expenses paid by tenants to base rent. Annualized Rent does not include lost rent recovered from insurance and rent for building management use. Annualized Rent includes rent for our corporate headquarters in Santa Monica. We report Annualized Rent because it is a widely reported measure of the performance of equity REITs, and is used by some investors as a means to determine tenant demand and to compare our performance and value with other REITs. We use Annualized Rent to manage and monitor the performance of our office and multifamily portfolios.
Consolidated Portfolio	Includes all of the properties included in our consolidated results, including our consolidated JVs.
Funds From Operations (FFO)	We calculate FFO in accordance with the standards established by NAREIT by excluding gains (or losses) on sales of investments in real estate, gains (or losses) from changes in control of investments in real estate, real estate depreciation and amortization (other than amortization of right-of-use assets for which we are the lessee and amortization of deferred loan costs), impairment write-downs of real estate and impairment write-downs of our investment in our unconsolidated Fund from our net income (loss) (including adjusting for the effect of such items attributable to our consolidated JVs and our unconsolidated Fund, but not for noncontrolling interests included in our Operating Partnership). FFO is a non-GAAP supplemental financial measure that we report because we believe it is useful to our investors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Report for a discussion of FFO.
Leased Rate	The percentage leased as of the reporting date. Management space is considered leased. Space taken out of service during a repositioning or which is vacant as a result of a fire or other damage is excluded from both the numerator and denominator for calculating the Leased Rate. For newly developed buildings going through initial lease up, units are included in both the numerator and denominator as they are leased. We report Leased Rate because it is a widely reported measure of the performance of equity REITs, and is also used by some investors as a means to determine tenant demand and to compare our performance with other REITs. We use Leased Rate to manage and monitor the performance of our office and multifamily portfolios.
Net Operating Income (NOI)	We calculate NOI as revenue less operating expenses attributable to the properties that we own and operate. NOI is calculated by excluding the following from our net income (loss): general and administrative expenses, depreciation and amortization expense, other income, other expenses, income (loss) from unconsolidated Fund, interest expense, gains (or losses) on sales of investments in real estate and net income (loss) attributable to noncontrolling interests. NOI is a non-GAAP supplemental financial measure that we report because we believe it is useful to our investors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Report for a discussion of our Same Property NOI.
Occupancy Rate	We calculate Occupancy Rate by excluding signed leases not yet commenced from the Leased Rate. Management space is considered occupied. Space taken out of service during a repositioning or which is vacant as a result of a fire or other damage is excluded from both the numerator and denominator for calculating the Occupancy Rate. For newly developed buildings going through initial lease up, units are included in both the numerator and denominator as they are occupied. We report Occupancy Rate because it is a widely reported measure of the performance of equity REITs, and is also used by some investors as a means to determine tenant demand and to compare our performance with other REITs. We use Occupancy Rate to manage and monitor the performance of our office and multifamily portfolios.
Recurring Capital Expenditures	Building improvements required to maintain revenues once a property has been stabilized, and excludes capital expenditures for (i) acquired buildings being stabilized, (ii) newly developed space, (iii) upgrades to improve revenues or

operating expenses or significantly change the use of the space, (iv) casualty damage and (v) bringing the property into compliance with governmental or lender requirements. We report Recurring Capital Expenditures because it is a widely reported measure of the performance of equity REITs, and is used by some investors as a means to determine our cash flow requirements and to compare our performance with other REITs. We use Recurring Capital Expenditures to manage and monitor the performance of our office and multifamily portfolios.

Defined terms used in this Report (continued):

Rentable Square Feet	Based on the BOMA remeasurement and consists of leased square feet (including square feet with respect to signed leases not commenced as of the reporting date), available square feet, building management use square feet and square feet of the BOMA adjustment on leased space. We report Rentable Square Feet because it is a widely reported measure of the performance and value of equity REITs, and is also used by some investors to compare our performance and value with other REITs. We use Rentable Square Feet to manage and monitor the performance of our office portfolio.
Rental Rate	We present two forms of Rental Rates - Cash Rental Rates and Straight-Line Rental Rates. Cash Rental Rate is calculated by dividing the rent paid by the Rentable Square Feet. Straight-Line Rental Rate is calculated by dividing the average rent over the lease term by the Rentable Square Feet.
Same Properties	Our consolidated properties that have been owned and operated by us in a consistent manner, and reported in our consolidated results during the entire span of both periods being compared. We exclude from our same property subset any properties that during the comparable periods were (i) acquired, (ii) sold, held for sale, contributed or otherwise removed from our consolidated financial statements, (iii) that underwent a major repositioning project or were impacted by development activity, or suffered significant casualty loss that we believed significantly affected the properties' operating results. We also exclude rent received from ground leases.
Short-Term Leases	Represents leases that expired on or before the reporting date or had a term of less than one year, including hold over tenancies, month to month leases and other short-term occupancies.
Total Portfolio	Includes our Consolidated Portfolio plus the properties owned by our Fund.

Forward Looking Statements

This Report contains forward-looking statements within the meaning of the Section 27A of the Securities Act and Section 21E of the Exchange Act. You can find many (but not all) of these statements by looking for words such as "believe", "expect", "anticipate", "estimate", "approximate", "intend", "plan", "would", "could", "may", "future" or other similar expressions in this Report. We claim the protection of the safe harbor contained in the Private Securities Litigation Reform Act of 1995. We caution investors that any forward-looking statements used in this Report, or those that we make orally or in writing from time to time, are based on our beliefs and assumptions, as well as information currently available to us. Actual outcomes will be affected by known and unknown risks, trends, uncertainties and factors beyond our control or ability to predict. Although we believe that our assumptions are reasonable, they are not guarantees of future performance and some will inevitably prove to be incorrect. As a result, our future results can be expected to differ from our expectations, and those differences may be material. Accordingly, investors should use caution when relying on previously reported forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends. Some of the risks and uncertainties that could cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include the following:

- adverse economic, political or real estate developments affecting Southern California or Honolulu, Hawaii;
- competition from other real estate investors in our markets;
- decreasing rental rates or increasing tenant incentive and vacancy rates;
- reduced demand for office space, including as a result of remote work and flexible working arrangements that allow work from remote locations other than the employer's office premises;
- defaults on, early terminations of, or non-renewal of leases by tenants;
- increases in interest rates;
- increases in operating costs, including due to inflation;
- insufficient cash flows to service our outstanding debt or pay rent on ground leases;
- difficulties in raising capital;
- inability to liquidate real estate or other investments quickly;
- adverse changes to rent control laws and regulations;
- environmental uncertainties;
- natural disasters;
- fire and other property damage;
- insufficient insurance, or increases in insurance costs;
- inability to successfully expand into new markets and submarkets;
- difficulties in identifying properties to acquire and failure to complete acquisitions successfully;
- failure to successfully operate acquired properties;
- risks associated with property development;
- risks associated with JVs;
- conflicts of interest with our officers and reliance on key personnel;
- changes in zoning and other land use laws;
- adverse results of litigation or governmental proceedings;
- failure to comply with laws, regulations and covenants that are applicable to our business;
- possible terrorist attacks or wars;
- possible cyber attacks or intrusions;
- adverse changes to accounting rules;
- weaknesses in our internal controls over financial reporting;
- failure to maintain our REIT status under federal tax laws; and
- adverse changes to tax laws, including those related to property taxes.

For further discussion of these and other risk factors see Item 1A "Risk Factors" in this Report. This Report and all subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date of this Report.

PART I

Item 1. Business

Overview

Douglas Emmett, Inc. is a fully integrated, self-administered and self-managed REIT. We are one of the largest owners and operators of high-quality office and multifamily properties located in premier coastal submarkets in Los Angeles and Honolulu. Through our interest in our Operating Partnership and its subsidiaries, our consolidated JVs, and our unconsolidated Fund, we focus on owning, acquiring, developing and managing a substantial market share of top-tier office properties and premier multifamily communities in neighborhoods with significant supply constraints, high-end executive housing and key lifestyle amenities. Our properties are located in the Beverly Hills, Brentwood, Burbank, Century City, Olympic Corridor, Santa Monica, Sherman Oaks/Encino, Warner Center/Woodland Hills and Westwood submarkets of Los Angeles County, California, and in Honolulu, Hawaii. We intend to increase our market share in our existing submarkets and may enter into other submarkets with similar characteristics where we believe we can gain significant market share. The terms "us," "we" and "our" as used in this Report refer to Douglas Emmett, Inc. and its subsidiaries on a consolidated basis.

At December 31, 2023, we owned a Consolidated Portfolio consisting of (i) a 17.6 million square foot office portfolio, (ii) 4,576 multifamily apartment units and (iii) fee interests in two parcels of land from which we receive rent under ground leases. We also manage and own equity interests in our unconsolidated Fund which, at December 31, 2023, owned an additional 0.4 million square feet of office space. We manage our unconsolidated Fund alongside our Consolidated Portfolio, and we therefore present the statistics for our office portfolio on a Total Portfolio basis. For more information, see Item 2 "Properties" of this Report. As of December 31, 2023, our portfolio consisted of the following (including ancillary retail space and excluding two parcels of land from which we receive rent under ground leases):

	Consolidated Portfolio	Total Portfolio
Office		
Wholly-owned properties	52	52
Consolidated JV properties	16	16
Unconsolidated Fund properties	—	2
Total	68	70
Multifamily		
Wholly-owned properties	12	12
Consolidated JV properties	2	2
Total	14	14
Total	82	84

Business Strategy

We employ a focused business strategy that we have developed and implemented over the past four decades:

- **Concentration of High Quality Office and Multifamily Properties in Premier Submarkets.**

First we select submarkets that are supply constrained, with high barriers to entry, key lifestyle amenities, proximity to high-end executive housing and a strong, diverse economic base. Virtually no entitled Class A office space is currently under construction in our targeted submarkets. Our submarkets are dominated by small, affluent tenants, whose rents are very small relative to their revenues and often not the paramount factor in their leasing decisions. At December 31, 2023, our office portfolio median size tenant was approximately 2,500 square feet. Our office tenants operate in diverse industries, including among others legal, financial services, entertainment, real estate, accounting and consulting, health services, retail, technology and insurance, reducing our dependence on any one industry. In 2021, 2022 and 2023, no tenant accounted for more than 10% of our total revenues.

- **Disciplined Strategy of Acquiring Substantial Market Share In Each Submarket.**

Once we select a submarket, we follow a disciplined strategy of gaining substantial market share to provide us with extensive local transactional market information, pricing power in lease and vendor negotiations and an enhanced ability to identify and negotiate investment opportunities. As a result, we average approximately a 37% share of the Class A office space in our submarkets based on the square feet of exposure in our total portfolio to each submarket. See "Office Portfolio Summary" in Item 2 "Properties" of this Report.

- **Proactive Asset and Property Management.**

Our fully integrated and focused operating platform provides the unsurpassed tenant service demanded in our submarkets, with in-house leasing, proactive asset and property management and internal design and construction services, which we believe provides us with a competitive advantage in managing our property portfolio. Our in-house leasing agents and legal specialists allow us to lease a large property portfolio with a diverse group of smaller tenants, closing an average of approximately three office leases each business day, and our in-house construction company allows us to compress the time required for building out many smaller spaces, resulting in reduced vacancy periods. Our property management group oversees day-to-day property management of both our office and multifamily portfolios, allowing us to benefit from the operational efficiencies permitted by our submarket concentration.

Corporate Structure

Douglas Emmett, Inc. was formed as a Maryland corporation on June 28, 2005 to continue and expand the operations of Douglas Emmett Realty Advisors and its 9 institutional funds. All of our assets are directly or indirectly held by our Operating Partnership, which was formed as a Delaware limited partnership on July 25, 2005. As the sole stockholder of the general partner of our Operating Partnership, we generally have the exclusive power under the partnership agreement to manage and conduct the business of our Operating Partnership, subject to certain limited approval and voting rights of the other limited partners. Our interest in our Operating Partnership entitles us to share in the profits and losses and cash distributions in proportion to our percentage ownership.

JVs and Fund

At December 31, 2023, in addition to fifty-two office properties and twelve residential properties wholly-owned by our Operating Partnership, we manage and own equity interests in:

- four consolidated JVs, through which we and institutional investors own sixteen office properties in our core markets totaling 4.2 million square feet and two residential properties with 470 apartments, and in which we own a weighted average of 46% at December 31, 2023 based on square footage. We are entitled to (i) distributions based on invested capital as well as additional distributions based on cash net operating income, (ii) fees for property management and other services and (iii) reimbursement of certain acquisition-related expenses and certain other costs.
- one unconsolidated Fund, through which we and institutional investors own two office properties in our core markets totaling 0.4 million square feet, and in which we own 53.8% at December 31, 2023. We are entitled to (i) priority distributions, (ii) distributions based on invested capital, (iii) a carried interest if the investors' distributions exceed a hurdle rate, (iv) fees for property management and other services and (v) reimbursement of certain costs.

The financial data in this Report presents our JVs on a consolidated basis and our Fund on an unconsolidated basis in accordance with GAAP. See "Basis of Presentation" in Note 1 to our consolidated financial statements in Item 15 of this Report for more information regarding the consolidation of our JVs. Most of the property data in this Report is presented for our Total Portfolio, which includes the properties owned by our JVs and our Fund, as we believe this presentation assists in understanding our business.

Segments

We operate two business segments, our office segment and our multifamily segment. Our segments include the acquisition, development, ownership and management of office and multifamily real estate. The services for our office segment include primarily the rental of office space and other tenant services, including parking and storage space rental. The services for our multifamily segment include primarily the rental of apartments and other tenant services, including parking and storage space rental. See Note 15 to our consolidated financial statements in Item 15 of this Report for more information regarding our segments.

Taxation

We believe that we qualify, and we intend to continue to qualify, for taxation as a REIT under the Code, although we cannot provide assurance that this has happened or will happen. See Item 1A "Risk Factors" of this Report for the risks we face regarding taxation as a REIT. The following summary is qualified in its entirety by the applicable Code provisions and related rules, and administrative and judicial interpretations. If we qualify for taxation as a REIT, we will generally not be required to pay federal corporate income taxes on the portion of our net income that is currently distributed to stockholders. This treatment substantially eliminates the "double taxation" (i.e., at the corporate and stockholder levels) that generally results from investment in a corporation. However, we will be required to pay federal income tax under certain circumstances.

The Code defines a REIT as a corporation, trust or association (i) which is managed by one or more trustees or directors; (ii) the beneficial ownership of which is evidenced by transferable shares or certificates of beneficial interest; (iii) which would be taxable but for Sections 856 through 860 of the Code as a domestic corporation; (iv) which is neither a financial institution nor an insurance company subject to certain provisions of the Code; (v) the beneficial ownership of which is held by 100 or more persons; (vi) of which, during the last half of each taxable year, not more than 50% in value of the outstanding stock is owned, actually or constructively, by five or fewer individuals; and (vii) which meets certain other tests, described below, regarding the amount of its distributions and the nature of its income and assets. The Code requires that conditions (i) to (iv) be met during the entire taxable year and that condition (v) be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months.

There are two gross income requirements we must satisfy:

- i. at least 75% of our gross income (excluding gross income from "prohibited transactions" as defined below and qualifying hedges) for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property or from certain types of temporary investment income, and
- ii. at least 95% of our gross income (excluding gross income from "prohibited transactions" and qualifying hedges) for each taxable year must be derived from income that qualifies under the 75% test or from other dividends, interest or gain from the sale or other disposition of stock or securities. In general, a "prohibited transaction" is a sale or other disposition of property (other than foreclosure property) held primarily for sale to customers in the ordinary course of business.

We must satisfy five asset tests at the close of each quarter of our taxable year:

- i. at least 75% of the value of our total assets must be represented by real estate assets including shares of stock of other REITs, debt instruments of publicly offered REITs, certain other stock or debt instruments purchased with the proceeds of a stock offering or long-term public debt offering by us (but only for the one-year period after such offering), cash, cash items and government securities,
- ii. not more than 25% of our total assets may be represented by securities other than those in the 75% asset class,
- iii. of the assets included in the 25% asset class, the value of any one issuer's securities owned by us may not exceed 5% of the value of our total assets and we may not own more than 10% of the vote or value of the securities of any one issuer, in each case other than securities included under the 75% asset test above and interests in TRS or QRS, each as defined below, and in the case of the 10% value test, subject to certain other exceptions,
- iv. not more than 20% of the value of our total assets may be represented by securities of one or more TRS, and
- v. not more than 25% of the value of our total assets may be represented by nonqualified publicly offered REIT debt instruments.

In order to qualify as a REIT, we are required to distribute dividends (other than capital gains dividends) to our stockholders equal to at least (A) the sum of (i) 90% of our "REIT taxable income" (computed without regard to the dividends paid deduction and our net capital gain) and (ii) 90% of the net income, if any (after tax), from foreclosure property, less (B) the sum of certain items of non-cash income. The distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for such year, if paid on or before the first regular dividend payment date after such declaration and if we so elect and specify the dollar amount in our tax return. To the extent that we do not distribute all of our net long-term capital gains or distribute at least 90%, but less than 100%, of our REIT taxable income, we will be required to pay tax thereon at the regular corporate tax rate. Furthermore, if we fail to distribute during each calendar year the sum of at least (i) 85% of our ordinary income for such year, (ii) 95% of our capital gains income for such year, and (iii) any undistributed taxable income from prior periods, we would be required to pay a 4% excise tax on the excess of such required distributions over the amounts actually distributed.

We own interests in various partnerships and limited liability companies. In the case of a REIT that is a partner in a partnership or a member of a limited liability company that is treated as a partnership under the Code, Treasury Regulations provide that for purposes of the REIT income and asset tests, the REIT will be deemed to own its proportionate share of the assets of the partnership or limited liability company (determined in accordance with its capital interest in the entity), subject to special rules related to the 10% asset test, and will be deemed to be entitled to the income of the partnership or limited liability company attributable to such share.

We own an interest in a subsidiary that is intended to be treated as a QRS. The Code provides that a QRS will not be treated as a separate corporation for federal income tax purposes, and all assets, liabilities and items of income, deduction and credit of the QRS will be treated as our assets, liabilities and items of income. We hold certain of our properties through subsidiaries that have elected to be taxed as REITs. Each such subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. We also wholly own a corporation which has elected to be treated as a TRS. A REIT may own more than 10% of the voting stock and value of the securities of a corporation that jointly elects with the REIT to be a TRS, provided certain requirements are met. A TRS generally may engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT and of others, except a TRS may not manage or operate a hotel or healthcare facility. A TRS is treated as a regular corporation and is subject to federal income tax and applicable state income and franchise taxes at regular corporate rates. In addition, a 100% tax may be imposed on a REIT if its rental, service or other agreements with its TRS, or the TRS agreements with the REIT's tenants, are not on arm's-length terms.

We may be required to pay state or local tax in various state or local jurisdictions, including those in which we own properties or otherwise transact business or reside. The state and local tax treatment of us and our stockholders may not conform to the federal income tax consequences discussed above. We may also be subject to certain taxes applicable to REITs, including taxes in lieu of disqualification as a REIT, on undistributed income, and on income from prohibited transactions.

In addition, if we acquire any asset from a corporation that is or has been a C corporation in certain transactions in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we generally will be required to pay tax at the highest regular corporate tax rate on this gain to the extent of the excess of (i) the fair market value of the asset over (ii) our adjusted tax basis in the asset, in each case determined as of the date on which we acquired the asset.

Insurance

We carry comprehensive liability, fire, extended coverage, business interruption and rental loss insurance covering all of the properties in our portfolio under blanket insurance policies. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss and the cost of the coverage and industry practice. See Item 1A "Risk Factors" of this Report for the risks we face regarding insurance.

Competition

We compete with a number of developers, owners and operators of office and multifamily real estate, many of which own properties similar to ours in the same markets in which our properties are located. See Item 2 "Properties" of this Report for more information about our properties. See Item 1A "Risk Factors" of this Report for the risks we face regarding competition.

Regulation

Our properties are subject to various covenants, laws, ordinances and regulations, including regulations relating to common areas, fire and safety requirements, various environmental laws, the ADA, eviction moratoriums related to COVID-19, and rent control laws. See Item 1A "Risk Factors" of this Report for the risks we face regarding laws and regulations.

Environmental Sustainability

Our approach

We actively manage our operations in an environmentally sustainable manner. On an annual basis, our board of directors assesses material climate-related risks by assigning numeric values based on both the likelihood of occurrence and the potential impact, with mitigation approaches considered and evaluated. Throughout the year, our Corporate Sustainability Committee, led by the Chairman of our board of directors and our COO, oversees our policies and operational controls for environmental, health, safety and social risks, and monitors our progress and results. Every month, our Director of Engineering Services and our six Regional Engineers meet to monitor and implement the policies set by our Corporate Sustainability Committee. Our Regional Engineers hold monthly meetings with each Building Engineer in their respective regions to review specific building operating issues and opportunities for improvement. We also use external resources to provide critical expertise, tools and resources for our sustainability program.

We engage with our stakeholders to align sustainability efforts and improve the efficiency and health of our business and communities. We share our sustainability goals and standards with our tenants, vendors and suppliers and work closely with them to gather information, develop solutions, and implement technologies and programs to achieve our goals. In our communities, we seek input from other stakeholders and participate in local Business Improvement Districts. We have integrated sustainability into our property management practices, tenant improvement build-outs and meetings with existing and prospective tenants.

Our sustainability program covers four key areas:

- Energy Usage

Our actual energy consumption from year to year is impacted by many factors, such as weather, occupancy in our buildings and activities of our tenants. Many of these factors are beyond our control. However, we can and do seek to make our buildings more energy efficient.

Some of our initiatives to reduce our consumption include items such as real time energy monitoring software, LED lighting retrofitting, and new energy management systems. As a result of our efforts, 92% of our stabilized eligible office space as of December 31, 2022 qualified for "ENERGY STAR Certification" by the EPA as having energy efficiency in the top 25% of buildings nationwide (our 2023 ENERGY STAR scores were not yet available as of the date of this Report).

Our energy and electricity are provided by utility providers through the grid (LA Department of Water and Power, Southern California Edison, and Hawaii Electric Company). We estimate the percentage of renewable energy provided by our utility providers was approximately one-third in 2021 (the most recent available data).

- Water Usage

We have undertaken a number of initiatives to conserve water across our portfolio. Our buildings use low flow faucets and toilets, and we have also saved water by using waterless urinals. Where permitted, we try to recycle used water (by law, we cannot recycle most of the water used in our buildings since it must be fit for human consumption). In a few of our buildings where groundwater naturally seeps into our subterranean parking garages, we treat the water before pumping it back into the ground.

- Controlling Waste, including hazardous waste and recycling

Recycling: In partnership with our vendors and tenants, we have implemented business waste and e-waste recycling programs (we do not generate any production waste or packaging waste) at our properties.

Non-Hazardous Waste: Our routine operations only generate modest amounts of ancillary waste, primarily from typical operations in an office setting. A major source of our waste is the debris generated by refurbishment of our buildings, particularly in recurring tenant improvements that can be generated when a new tenant moves into a building. To minimize that waste, we attempt to construct tenant improvements that will be usable by future tenants, and to fit tenants into existing spaces without substantial refurbishment.

Hazardous Waste: Our operations only generate modest ancillary amounts of hazardous waste (mostly office supplies), which we dispose of in accordance with all applicable waste regulations. Similarly, our tenants are almost entirely limited by their leases to general office uses that prohibit the use of additional hazardous wastes and are required by their leases to comply with all applicable waste regulations.

- Air Emissions, including transportation

Although our operations do not create significant air emissions such as nitrogen oxides (NOx), sulfur oxides (Sox), volatile organic compounds (VOCs) or particulate matter (PM), our Los Angeles properties produce a small amount of emissions from stationary sources such as natural gas boilers. We have been working to reduce those emissions by upgrading to lower emission models. We expect to reduce the indirect air emissions from our utility suppliers by reducing our per square foot electricity usage.

We also encourage sustainable transportation choices by our tenants: We have installed almost 400 electric vehicle charging stations at our properties and have plans to add additional stations. All of our buildings provide ample bicycle parking.

- Development

Ground up development is a small but growing part of our business. So far, all our development projects have been adding additional density in existing office or apartment community sites we already owned. We are committed to selecting development sites that are not in environmentally protected areas or areas of high biodiversity, and strive to use brownfield sites instead of greenfield sites.

Community Impact

We have a long history of providing meaningful, and often transformational, support to the communities in which we operate. We also provide charitable support to key industry and professional organizations, often in the form of event sponsorships.

Part of our business strategy is owning very large concentrations of office buildings and residential communities in our target submarkets. Our large ownership share in many of these neighborhoods puts us in a unique position to sometimes invest in outdoor enhancement projects that not only improve our properties but also provide a valuable amenity to the surrounding community. For example, at our recently completed residential development project in Brentwood we invested significant additional capital to build a one acre park on Wilshire Boulevard that is available to the public, providing urban green space as well as a valuable amenity to the surrounding properties and community.

Human Capital

Central to our long-term strategy is attracting, developing and retaining the best talent with the right skills to drive our success. Our ability to maintain our competitive position is largely dependent upon the skill and effort of our executive officers and key personnel, who have significant real estate industry experience, strong industry reputations and networks, and assist us in identifying acquisition, disposition, development and borrowing opportunities, negotiating with tenants and sellers of properties, and managing our development projects and the operations of our properties. As of December 31, 2023, we employed approximately 750 people.

We promote a culture of openness, respect and trust and bring a sense of teamwork and inclusion to all we do. We recognize that having a range of experiences, backgrounds and perspectives allows us to find new ways of doing things. We make sure to walk the talk in fostering a workplace culture that encourages and empowers all our employees to have a voice and fulfill their potential. We have programs that actively promote our culture, such as our Daily Exchange program, which provides employees with daily training regarding our vision statement and core values, and our quarterly employee recognition program, the Jane Joyce Award.

We value and advance the diversity and inclusion of the people with whom we work. We are committed to equal opportunity in workplaces that are free from discrimination or harassment on the basis of race, sex, color, ancestry, citizenship, marital status, family status, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, medical condition, genetic information, military or veteran status, political opinion or any other status protected by applicable law. Recruitment, hiring, placement, development, training, compensation and advancement may not be based on any of these factors, but should instead be based on factors such as qualifications, performance, skills and experience.

We know that the first step in hiring and retaining the best talent is to create safe and inspiring workplaces where people feel valued. We offer competitive compensation and benefits to all regular full-time employees, including but not limited to paid holiday, vacation, and sick time, retirement savings plans and medical, dental, and vision coverage. We also offer a very generous equity compensation program that empowers our employees to act and feel like owners, not just employees. In 2023, we provided equity compensation to more than a quarter of our approximately 750 employees.

The health and safety of our employees, tenants, and vendors is of the utmost importance to us. We adhere to leading health and safety standards across our portfolio, and each year, we require all our employees to complete safety training. We have a wellness program that is designed to raise health awareness among our employees. Some of the program's activities include biometric screenings, flu shots, healthy snacks and employee walking challenges. The program provides many benefits including higher employee satisfaction, reduced healthcare costs, and improved employee performance.

Principal Executive Offices

Our principal executive offices are located in the building we own at 1299 Ocean Avenue, Suite 1000, Santa Monica, California 90401 (telephone 310-255-7700).

Available Information

We make available on our website at www.douglasemmett.com our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments thereto, free of charge, as soon as reasonably practicable after we file such reports with, or furnish them to, the SEC. See "Our Company - Investors - SEC Filings" on our website. Also available on our website, free of charge, are our governance documents, which includes our Code of Business Conduct and Ethics, and the charters of our board of directors and its committees. See "Our Company - Investors - Management" on our website. None of the information on or hyperlinked from our website is incorporated into this Report. For more information, please contact:

Stuart McElhinney
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Item 1A. Risk Factors

The following risk factors are what we believe to be the most significant risk factors that could adversely affect our business and operations, including, without limitation, our financial condition, REIT status, results of operations and cash flows, our ability to service our debt and pay dividends to our stockholders, our ability to capitalize on business opportunities as they arise, our ability to raise capital, and the market price of our common stock. This is not an exhaustive list, and additional risk factors could adversely affect our business and financial performance. We operate in a very competitive and rapidly changing environment and new risk factors emerge from time to time. It is therefore not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. This discussion of risk factors includes many forward-looking statements. For cautions about relying on forward-looking statements see "Forward Looking Statements" at the beginning of this Report. Below is a summary of our risk factors:

Risks Related to Our Properties and Our Business

- Sustained or further increases in inflation could adversely impact our operating results, cash flows, financial position, our ability to pay dividends and distributions, and the market price of our common stock.
- Economic and political changes could adversely affect our business, operating results, cash flows, financial position, our ability to pay dividends and distributions, and the market price of our common stock.
- All of our properties are located in Los Angeles County, California, and Honolulu, Hawaii, and we are therefore exposed to greater risk than if we owned a more geographically diverse portfolio. Our properties in Los Angeles County are concentrated in certain submarkets, exposing us to risks associated with those specific areas.
- Our operating performance and the market value of our securities are subject to risks associated with our investments in real estate assets and with trends in the real estate industry.
- We have a substantial amount of debt, which exposes us to interest rate fluctuation risk and the risk of not being able to refinance our debt, which in turn could expose us to the risk of default under our debt obligations.
- The rents we receive from new leases may be less than our asking rents, and we may experience rent roll-down from time to time.
- Although we have a diverse tenant base, a large portion of our tenants operate in a concentrated group of industries and downturns in these industries could adversely affect our financial condition, results of operations and cash flows.
- In order to successfully compete against other properties, we need to maintain, repair, and renovate our properties, which reduces our cash flows.
- We face intense competition, which could adversely impact the occupancy and rental rates of our properties.
- Epidemics, pandemics or other outbreaks, and restrictions intended to prevent their spread, may adversely affect our business, financial position, results of operations, cash flows, our ability to service our debt, our ability to pay dividends to our stockholders, our REIT status, our ability to capitalize on business opportunities as they arise, our ability to raise capital, and/or the market price of our common stock.
- Potential losses, including from adverse weather conditions, natural disasters and title claims, may not be covered by insurance.
- We may be unable to renew leases or lease vacant space.
- Our business strategy for our office portfolio focuses on leasing to smaller-sized tenants which may present greater credit risks.
- Real estate investments are generally illiquid.
- We may incur significant costs to comply with laws, regulations and covenants.
- Because we own real property, we are subject to extensive environmental regulations, which create uncertainty regarding future environmental expenditures and liabilities.
- Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.
- Rent control or rent stabilization legislation and other regulatory restrictions may limit our ability to increase rents and pass through new or increased operating costs to our tenants.
- We may be unable to complete acquisitions that would grow our business, or successfully integrate and operate acquired properties.
- We may be unable to successfully expand our operations into new markets and submarkets.
- We are exposed to risks associated with property development.

- We are exposed to certain risks when we enter into JVs or issue securities of our subsidiaries, including our Operating Partnership.
- If we default on the ground lease to which one of our properties is subject, our business could be adversely affected.
- We may not have sufficient cash available for distribution to stockholders at expected levels in the future.
- We face risks associated with contractual counterparties being designated "Prohibited Persons" by the Office of Foreign Assets Control.
- Terrorism and war could harm our business and operating results.

Risks Related to Our Organization and Structure

- Tax consequences to holders of OP Units upon a sale or refinancing of our properties may cause the interests of our executive officers to differ from the interests of our stockholders.
- Our executive officers have significant influence over our affairs.
- Under their employment agreements, certain of our executive officers will receive severance if they are terminated without cause or resign for good reason.
- The loss of any of our executive officers or key senior personnel could significantly harm our business.
- Compensation awards to our management may not be tied to or correspond with improved financial results or the market price of our common stock.
- Our board of directors may change significant corporate policies without stockholder approval.
- Our growth depends on external sources of capital which are outside of our control.
- We face risks associated with short-term liquid investments.
- Our charter, the partnership agreement of our Operating Partnership, and Maryland law contain provisions that may delay or prevent a change of control transaction.
- Our fiduciary duties as the sole stockholder of the general partner of our Operating Partnership could create conflicts of interest.

Risks Related to Taxes and Our Status as a REIT

- Our property taxes could increase due to property tax rate changes, reassessments or changes in property tax laws, which would adversely impact our cash flows.
- Failure to qualify as a REIT would subject us to corporate taxation and potentially reduce cash available for distributions.
- If the Operating Partnership, or any of its subsidiaries (other than any TRS), were treated as a regular corporation for federal income tax purposes, we could cease to qualify as a REIT.
- Even if we qualify as a REIT, we will be required to pay some taxes which would reduce cash available for distributions.
- REIT distribution requirements could adversely affect our liquidity and cause us to forego otherwise attractive opportunities.
- REIT stockholders can receive taxable income without cash distributions.
- If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable or if we are unable to identify and complete the acquisition of a suitable replacement property to effect a Section 1031 Exchange, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties on a tax deferred basis.
- Legislative or other actions affecting REITs could have a negative effect on our investors or us, including our ability to maintain our qualification as a REIT or the federal income tax consequences of such qualification.
- Non-U.S. investors may be subject to FIRPTA, which would impose tax on certain distributions and on the sale of common stock if we are unable to qualify as a "domestically controlled" REIT or if our stock is not considered to be regularly traded on an established securities market.

General Risks

- Security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our IT networks and related systems could harm our business.
- Litigation could have an adverse effect on our business.
- If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results.
- New accounting pronouncements could adversely affect our operating results or the reported financial performance of our tenants.

Risks Related to Our Properties and Our Business

Sustained or further increases in inflation could adversely impact our operating results, cash flows, financial position, our ability to pay dividends and distributions, and the market price of our common stock.

Since the COVID-19 pandemic, the consumer price index has increased substantially. Federal policies and recent global events may exacerbate increases in the consumer price index. A sustained or further increase in inflation could have adverse impacts on our business, including:

- an increase in our rental operating costs and our general and administrative costs;
- our inability to increase rental rates at the same rate as inflation;
- reduction in tenant demand for our properties if we are able to increase rental rates at the same rate as inflation;
- our inability to recover higher rental operating costs from our office tenants;
- higher operating costs billed to our office tenants, which could reduce tenant demand for our office properties;
- higher interest rates, which could: (i) increase our borrowing costs, (ii) adversely impact our property valuations, and (iii) cause an economic recession which would adversely affect our business;
- an increase in recurring capital expenditures to maintain our properties;
- an increase in construction costs, which would increase the cost of development and repositioning projects and adversely impact our investments in real estate assets and expected yields on our development and repositioning projects, which could make investment opportunities less profitable to us;
- reduced cash flows, which would adversely impact our ability to pay dividends and distributions.

In addition, historically, during periods of increasing interest rates, real estate valuations have generally decreased as a result of rising capitalization rates, which tend to be positively correlated with interest rates. Consequently, prolonged periods of higher interest rates may negatively impact the valuation of our real estate portfolio and result in a decline of the market price of our common stock and market capitalization, as well as lower sales proceeds from future property dispositions.

Economic and political changes could adversely affect our business, operating results, cash flows, financial position, our ability to pay dividends and distributions, and the market price of our common stock.

Our business may be adversely affected by global market, economic and geopolitical conditions, including general global economic and political uncertainty and dislocations in the credit markets. If these conditions become more volatile or worsen, our business, results of operations, liquidity and financial condition and those of our tenants may be adversely affected as a result of the following consequences, among others:

- tenant defaults under leases or tenants not renewing their leases, or renewing under less favorable terms, if the financial condition of our tenants is adversely impacted;
- reduced leasing to new tenants or at less favorable terms;
- decreased demand for our office space if businesses, including our tenants, lay off employees;
- decreased commercial real estate occupancy and rental rates resulting in decreased property values;
- limitations in our ability to obtain financing on terms and conditions that we find acceptable, or at all, which could reduce our ability to refinance existing debt and obtain new debt to pursue acquisition and development opportunities; and
- reduced values of our properties, which may limit our ability to obtain new debt financing secured by our properties or limit our ability to refinance our existing debt secured by our properties.

All of our properties are located in Los Angeles County, California, and Honolulu, Hawaii, and we are therefore exposed to greater risk than if we owned a more geographically diverse portfolio. Our properties in Los Angeles County are concentrated in certain submarkets, exposing us to risks associated with those specific areas.

Because of the geographic concentration of our properties, we are susceptible to adverse economic and regulatory developments, as well as natural disasters, in the markets and submarkets where we operate, including, for example, economic slowdowns, industry slowdowns, business downsizing, business relocations, increases in real estate and other taxes, changes in regulation, earthquakes, floods, droughts and wildfires. California is also regarded as being more litigious, regulated and taxed than many other states.

Any adverse developments in the economy or real estate market in Los Angeles County or Honolulu or the surrounding regions, or any decrease in demand for office space resulting from the Los Angeles County or Honolulu regulatory or business environment could impact our ability to generate revenues sufficient to meet our operating expenses or other obligations, which would adversely impact our operating results, cash flows, financial position, our ability to pay dividends and distributions, and the market price of our common stock.

Our operating performance and the market value of our common stock are subject to risks associated with our investments in real estate and with trends in the real estate industry.

Our economic performance and the value of our real estate and, consequently the market price of our common stock, are subject to the risk that our properties may not generate revenues sufficient to meet our operating expenses or other obligations. Real estate investments are subject to various risks, fluctuations and cycles in value and demand, many of which are beyond our control and could adversely affect our operating results, cash flows, and financial position. These events include, but are not limited to:

- adverse changes in international, national or local economic conditions;
- inability to rent space on favorable terms, including possible market pressures to offer tenants rent abatements, tenant improvements, early termination rights or below-market renewal options;
- adverse changes in financial conditions of actual or potential investors, buyers, sellers or tenants;
- inability to collect rent from tenants;
- competition from other real estate investors, including other real estate operating companies, publicly-traded REITs and institutional investment funds;
- reduced tenant demand for office space and residential units from matters such as: (i) trends in space utilization, including remote working arrangements, (ii) changes in the relative popularity of our properties, (iii) the type of space we lease, (iv) purchasing versus leasing, (v) increasing crime or homelessness in our submarkets, (vi) changing submarket demographics or (vii) economic recessions;
- reduced demand for parking space due to matters such as: (i) reduced attendance in our buildings, (ii) the impact of technology such as self-driving cars, or (iii) the increasing popularity of car ride sharing services;
- increases in the supply of office space and residential units;
- fluctuations in interest rates and the availability of credit, which could adversely affect our ability to obtain financing on favorable terms or at all;
- increases in operating costs (or our reduced ability to recover operating costs from our tenants), including: (i) insurance costs, (ii) labor costs (such as the unionization of our employees or the employees of any parties with whom we contract for services to our buildings), (iii) energy prices, (iv) real estate assessments and other taxes, and (v) costs of compliance with laws, regulations and governmental policies;
- utility disruptions;
- the effects of rent controls, stabilization laws and other laws or covenants regulating rental rates;
- changes in, and changes in enforcement of, laws, regulations and governmental policies, including, without limitation, health, safety, environmental, zoning and tax laws, governmental fiscal policies and the ADA;
- legislative uncertainty related to federal and state spending and tax policy;
- difficulty in operating properties effectively;

- declines in real estate valuations, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing;
- property damage resulting from seismic activity or other natural disasters;
- acquiring undesirable properties; and
- inability to dispose of properties at appropriate times or at favorable prices.

We have a substantial amount of debt, which exposes us to interest rate fluctuation risk and the risk of not being able to refinance our debt, which in turn could expose us to the risk of default under our debt obligations.

We have a substantial amount of debt and we may incur significant additional debt for various purposes, including, without limitation, to fund future property acquisitions and development activities, reposition properties and to fund our operations. As of December 31, 2023, we had approximately \$5.6 billion of debt outstanding, of which \$1.7 billion is floating rate debt, which exposes us to interest rate fluctuation risk. See Note 8 to our consolidated financial statements in Item 15 of this Report for more detail regarding our consolidated debt. See "Off-Balance Sheet Arrangements" in Item 7 of this Report for more detail regarding our unconsolidated debt.

Our ability to service and refinance our debt and to fund our operations, working capital, and capital expenditures, depends on our ability to generate cash flow in the future. Our cash flow is subject to general economic, industry, financial, competitive, operating, legislative, regulatory, environmental and other factors, many of which are beyond our control. Our substantial indebtedness, and the limitations and other constraints imposed on us by our debt agreements, especially during economic downturns when credit is harder to obtain, could adversely affect us, including the following:

- periods of rising and high interest rates would adversely affect: (i) our results of operations, (ii) our ability to pay dividends and distributions, (iii) the market price of our common stock, (iv) our ability to borrow or to borrow on favorable terms and (v) our ability to refinance existing debt on commercially reasonable terms or at all;
- our cash flows may be insufficient to meet our required principal and interest payments;
- servicing our borrowings may leave us with insufficient cash to operate our properties or to pay the distributions necessary to maintain our REIT qualification;
- we may be unable to borrow additional funds as needed or on favorable terms, which could, among other things, adversely affect our ability to capitalize upon acquisition opportunities;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our existing indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;
- we may violate any restrictive covenants in our loan documents, which could entitle the lenders to accelerate our debt obligations;
- we may be unable to hedge floating rate debt, counterparties may fail to honor their obligations under our hedge agreements, the hedge agreements may not effectively hedge the interest rate fluctuation risk, and, upon the expiration of any hedge agreements we do have, we will be exposed to the then-existing market rates of interest and future interest rate volatility with respect to debt that is currently hedged; we could also be declared in default on our hedge agreements if we default on the underlying debt that we are hedging;
- we may default on our obligations and the lenders or mortgagees may foreclose on our properties that secure their loans and receive an assignment of rents and leases;
- our default under any of our indebtedness with cross default provisions could result in a default on other indebtedness; and
- any foreclosure on our properties could also create taxable income without accompanying cash proceeds, which could adversely affect our ability to meet the REIT distribution requirements imposed by the Code.

The rents we receive from new leases may be less than our asking rents, and we may experience rent roll-down from time to time.

As a result of various factors, such as competitive pricing pressure in our submarkets, adverse conditions in the Los Angeles County or Honolulu real estate market, general economic downturns, or the desirability of our properties compared to other properties in our submarkets, the rents we receive on new leases could be less than our in-place rents, which could adversely affect our operating results, cash flows, and financial position.

Although we have a diverse tenant base, a large portion of our tenants operate in a concentrated group of industries and downturns in these industries could adversely affect our financial condition, results of operations and cash flows.

As of December 31, 2023, as a percentage of our annualized base rental revenue for the stabilized portfolio, 18.2% of our tenants operated in the legal industry, 15.5% in the financial services industry, 14.1% in the entertainment industry and 12.7% in the real estate industry. As we continue our development and potential acquisition activities, our tenant mix could become more concentrated, further exposing us to risks associated with those industries. For the composition of our tenants by industry, see "Item 2. Properties—Office Industry Diversification as of December 31, 2023." An economic downturn in any of these industries, or in any industry in which a significant number of our tenants currently or may in the future operate, could negatively impact the financial condition of such tenants and cause them to fail to make timely rental payments or default on lease obligations, fail to renew their leases or renew their leases on terms less favorable to us, become bankrupt or insolvent, or otherwise become unable to satisfy their obligations to us. As a result, a downturn in an industry in which a significant number of our tenants operate could adversely affect our financial conditions, result of operations and cash flows.

In order to successfully compete against other properties, we need to maintain, repair, and renovate our properties, which reduces our cash flows.

If our properties are not as attractive to current and prospective tenants in terms of rent, services, condition, or location as properties owned by our competitors, we could lose tenants or suffer lower rental rates. As a result, we may from time to time be required to incur significant capital expenditures to maintain the competitiveness of our properties. There can be no assurances that any such expenditures would result in higher occupancy or rental rates, or deter existing tenants from relocating to properties owned by our competitors.

We face intense competition, which could adversely impact the occupancy and rental rates of our properties.

We compete with a number of developers, owners and operators of office and multifamily real estate, many of which own properties similar to ours in the same markets in which our properties are located. If our competitors offer space at rental rates below current market rates, or below the rental rates that we currently charge our tenants, or if they offer tenants significant rent or other concessions, we may lose existing or potential tenants and may not be able to replace them, and we may be pressured to reduce our rental rates below those we currently charge or offer more substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to retain tenants when our tenants' leases expire.

Epidemics, pandemics or other outbreaks, and restrictions intended to prevent their spread, may adversely affect our business, financial position, results of operations, cash flows, our ability to service our debt, our ability to pay dividends to our stockholders, our REIT status, our ability to capitalize on business opportunities as they arise, our ability to raise capital, and/or the market price of our common stock.

Epidemics, pandemics or other outbreaks of an illness, disease or virus, such as COVID-19, can severely disrupt general economic activities in a variety of ways that are difficult to predict. For example, governments and businesses may take actions to mitigate the public health crisis, including quarantines, stay-at-home orders, density limitations, social distancing measures, and/or restrictions on types of business that may continue to operate. The extent to which an outbreak could impact our business will depend on factors such as the duration and spread, its severity, the actions taken to contain the virus, the emergence and impact of future virus variants, and how quickly and to what extent normal economic and operating conditions resume. We may experience significant impacts to our business as a result of any economic impact of an outbreak, including any resulting economic recession.

Some of the potential impacts from an outbreak could include:

- Government actions, including but not limited to lease enforcement moratoriums, that reduce or otherwise hinder our ability to collect rent promptly or at all, adversely affect tenant demand, increase our costs or otherwise reduce our collections;

- Supply chain, governmental or other disruptions that adversely affect construction or our operations and/or those of our tenants;
- Economic pressure on our tenants, which could lead to lower collections or defaults;
- Reduced or different tenant demand, leading to lower occupancy and/or rental rates in our buildings;
- Reduced attendance in our buildings, resulting in lower parking revenues;
- Increases in expenses and/or capital investments or decreases in tenant demand as a result of safety concerns;
- Increased risks of IT disruptions and/or cyber attacks as a result of our employees or tenants working remotely;
- Disruption of our operations as a result of the illness or social distancing of our employees or tenants;
- Impact on the labor market, which could lead to higher employee turnover and increased labor costs;
- Changes in the financial markets, the value of our properties and/or our cash flows which adversely affect our stock price and/or our tenants' access to needed debt or equity capital on reasonable or any terms; and/or
- Increases in the cost or availability, or changes to the terms, of insurance.

Potential losses, including from adverse weather conditions, natural disasters and title claims, may not be covered by insurance.

Our business operations in Los Angeles County, California and Honolulu, Hawaii are susceptible to, and could be significantly affected by, adverse weather conditions and natural disasters such as earthquakes, tsunamis, hurricanes, volcanoes, drought, wind, floods, landslides and fires. The likelihood of such disasters may be increased as a result of climate change, and climate change could also have other impacts such as rising sea levels, which could impact our properties in Honolulu.

Adverse weather conditions, natural disasters and climate change impacts could cause significant damage to our properties or to the economies of the regions in which they are located, the risk of which is enhanced by the concentration of our properties' locations. Our insurance coverage may not be adequate to cover business interruption or losses resulting from adverse weather or natural disasters. In addition, our insurance policies include substantial self-insurance portions and significant deductibles and co-payments for such events, and we are subject to the availability of insurance in the US and the pricing thereof. As a result, we may incur significant costs in the event of adverse weather conditions and natural disasters.

Most of our properties are located in Southern California, an area subject to an increased risk of earthquakes. While we presently carry earthquake insurance on our properties, the amount of our earthquake insurance coverage may not be sufficient to fully cover losses from earthquakes. We may reduce or discontinue earthquake or any other insurance coverage on some or all of our properties in the future if the cost of premiums for any of these policies in our judgment exceeds the value of the coverage discounted for the risk of loss.

We do not carry insurance for certain losses, such as losses caused by certain environmental conditions, asbestos, riots or war. In addition, our title insurance policies generally only insure the value of a property at the time of purchase, and we have not and do not intend to increase our title insurance coverage as the market value of our portfolio increases. As a result, we may not have sufficient coverage against all losses that we may experience, including from adverse title claims.

If we experience a loss that is uninsured or which exceeds policy limits, we could incur significant costs and lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. If the damaged properties are encumbered, we may continue to be liable for the indebtedness, even if these properties were irreparably damaged.

If any of our properties were destroyed or damaged, then we might not be permitted to rebuild many of those properties to their existing height or size at their existing location under current zoning and land use regulations. In the event that we experience a substantial or comprehensive loss of one of our properties, we may not be able to rebuild such property to its existing specifications and otherwise may have to upgrade such property to meet current code requirements.

New regulations in the submarkets in which we operate could require us to make safety improvements to our buildings, for example requiring us to retrofit our buildings to better withstand earthquakes, and we could incur significant costs complying with those regulations.

We may be unable to renew leases or lease vacant space.

We may be unable to renew our tenants' leases, in which case we must find new tenants. To attract new tenants or retain existing tenants, particularly in periods of recession, we may have to accept rental rates below our existing rental rates or offer substantial rent abatements, tenant improvements, early termination rights or below-market renewal options. Accordingly, portions of our office and multifamily properties may remain vacant for extended periods of time. In addition, some existing leases currently provide tenants with options to renew the terms of their leases at rates that are below the current market rates or to terminate their leases prior to the expiration date thereof. We actively pursue opportunities for what we believe to be well-located and high quality buildings that may be in a transitional phase due to current or impending vacancies. We cannot assure that any such vacancies will be filled following a property acquisition, or that new tenant leases will be executed at or above market rates. As of December 31, 2023, 16.7% of the square footage in our total office portfolio was available for lease and 15.9% was scheduled to expire in 2024. As of December 31, 2023, 1.5% of the units in our multifamily portfolio were available for lease, and substantially all of the leases in our multifamily portfolio must be renewed within the next year. For more information see Item 2 "Properties" of this Report.

Our business strategy for our office portfolio focuses on leasing to smaller-sized tenants which may present greater credit risks.

Our business strategy for our office portfolio focuses on leasing to smaller-sized tenants, which may present greater credit risks because they are more susceptible to economic downturns than larger tenants, and may be more likely to cancel or not renew their leases.

Real estate investments are generally illiquid.

Our real estate investments are relatively difficult to sell quickly. Return of capital and realization of gains, if any, from an investment will generally occur upon disposition or refinancing of the underlying property. We may not be able to realize our investment objectives by sale or be able to refinance at attractive prices within any given period of time. We may also not be able to complete any exit strategy. Any number of factors could increase these risks, such as (i) weak market conditions, (ii) the lack of an established market for a property, (iii) changes in the financial condition or prospects of prospective buyers, (iv) changes in local, national or international economic conditions, and (v) changes in laws, regulations or fiscal policies. Furthermore, certain properties may be adversely affected by contractual rights, such as rights of first offer or ground leases.

We may incur significant costs to comply with laws, regulations and covenants.

The properties in our portfolio are subject to various covenants, federal, state and local laws, ordinances, regulatory requirements, including permitting and licensing requirements, various environmental laws, the ADA and rent control laws. Such laws and regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic, asbestos abatement or hazardous material cleanup requirements. There can be no assurance that existing laws and regulations will not adversely affect us or the timing or cost of any future acquisitions, developments or renovations, or that additional regulations that increase such delays or result in additional costs will not be adopted. Under the ADA, our properties must meet federal requirements related to access and use by disabled persons to the extent that such properties are "public accommodations". The costs of our on-going efforts to comply with these laws and regulations are substantial. Similarly, our properties are subject to land use rules and regulations that govern our development, repositioning and use of our properties, such as Title 24 of the California Code of Regulations, which prescribes building energy efficiency standards for residential and nonresidential buildings in the State of California. Moreover, as we have not conducted a comprehensive audit or investigation of all of our properties to determine our compliance with applicable laws and regulations, we may be liable for investigation and remediation costs, penalties, and/or damages, which could be substantial and could adversely affect our ability to sell or rent our property or to borrow using such property as collateral. In addition, changes in the existing land use rules and regulations and approval process that restrict or delay our ability to develop, redevelop or use our properties (such as potential restrictions on the use and/or density of new developments, water use and other uses and activities) or that prescribe additional standards could have a material adverse effect on our financial position, results of operations, cash flows, the market price of our common stock, and our ability to satisfy our debt service obligations and to pay dividends and distributions to our security holders.

Because we own real property, we are subject to extensive environmental regulations, which create uncertainty regarding future environmental expenditures and liabilities.

Environmental laws regulate, and impose liability for, releases of hazardous or toxic substances into the environment. Under various provisions of these laws, a current or former owner or operator of real estate may be liable for costs related to soil or groundwater contamination on, in, or migrating to or from its property. Persons who arrange for the disposal or treatment of hazardous or toxic substances may be liable for the costs of cleaning up contamination at the disposal site. Such laws often impose liability regardless of whether the person knew of, or was responsible for, the presence of the hazardous or toxic substances that caused the contamination. In addition, some laws may create a lien on a contaminated site in favor of the government for damages and costs it incurs in connection with the contamination. The presence of, or contamination resulting from, any of these substances, or the failure to properly remediate them, may adversely affect our ability to sell or rent our property or to borrow using the property as collateral. Persons exposed to hazardous or toxic substances at our properties may sue for personal injury damages, for example, some laws impose liability for release of or exposure to asbestos-containing materials, a substance known to be present in a number of our buildings. In other cases, some of our properties have been (or may have been) impacted by contamination from past operations or from off-site sources. As a result, in connection with our current or former ownership, operation, management and development of real properties, we may be potentially liable for investigation and cleanup costs, penalties, and damages under environmental laws.

Although most of our properties have been subjected to preliminary environmental assessments, known as Phase I assessments, by independent environmental consultants in order to identify potential environmental concerns, Phase I assessments are limited in scope, and may not identify all potential environmental liabilities or risks associated with the property. For example, a prior owner or operator of a property or historical operations at or near our properties may have created a material environmental condition that is not known to us or the independent consultants preparing the Phase I assessments. Unless required by applicable laws or regulations, we may not further investigate, remedy or ameliorate the environmental conditions identified in the Phase I assessments. We cannot assure that these or other environmental studies identified all potential environmental liabilities, or that we will not incur material environmental liabilities in the future. If we do incur material environmental liabilities in the future, we may face significant remediation costs and may find it difficult to sell any affected properties. See Note 17 to our consolidated financial statements in Item 15 of this Report for more detail regarding our buildings that contain asbestos.

In addition, we may incur costs to comply with federal, state and local legislation and regulations that are implemented to mitigate the effects of climate change. The costs of complying with evolving regulatory requirements could negatively impact our results of operations.

Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs of remediation.

Moisture may accumulate in buildings or on building materials, and mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources, and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our tenants, employees of our tenants or others if property damage or personal injury is alleged to have occurred.

Rent control or rent stabilization legislation and other regulatory restrictions may limit our ability to increase rents and pass through new or increased operating costs to our tenants.

We presently expect to continue operating and acquiring properties in areas that have adopted laws and regulations imposing restrictions on the timing or amount of rent increases or have imposed regulations relating to low- and moderate-income housing.

California and various municipalities within Southern California, including the cities of Los Angeles and Santa Monica where our properties are located, have enacted rent control legislation. All of our multifamily properties in Los Angeles County are affected by these laws and regulations. Under current California law we are able to increase rents to market rates once a tenant vacates a rent-controlled unit; however, increases in rental rates for renewing tenants are limited by California, Los Angeles and Santa Monica rent control regulations.

Hawaii does not have state mandated rent control, however portions of the Honolulu multifamily market are subject to low- and moderate-income housing regulations. We have agreed to rent specified percentages of the units at some of our Honolulu multifamily properties to persons with income below specified levels in exchange for certain tax benefits.

These laws and regulations can (i) limit our ability to charge market rents, increase rents, evict tenants or recover increases in our operating expenses, (ii) negatively impact our ability to attract higher-paying tenants, (iii) require us to incur costs for reporting and compliance, and (iv) make it more difficult for us to dispose of properties in certain circumstances. Any failure to comply with these regulations could result in fines, penalties and/or the loss of certain tax benefits and the forfeiture of rents.

We may be unable to complete acquisitions that would grow our business, or successfully integrate and operate acquired properties.

Our planned growth strategy includes the disciplined acquisition of properties as opportunities arise. Our ability to acquire properties on favorable terms and to successfully integrate and operate them is subject to significant risks, including the following:

- we may be unable to acquire desired properties because of competition from other real estate investors, including other real estate operating companies, publicly-traded REITs and investment funds;
- competition from other potential acquirers may significantly increase the purchase price of a desired property;
- we may acquire properties that are not accretive to our results upon acquisition or we may not successfully manage and lease them up to meet our expectations;
- we may be unable to generate sufficient cash from operations, or obtain the necessary debt or equity financing to consummate an acquisition or, if obtained, the financing may not be on favorable terms;
- cash flows from the acquired properties may be insufficient to service the related debt financing;
- we may need to spend more than we budgeted to make necessary improvements or renovations to acquired properties;
- we may spend significant time and money on potential acquisitions that we do not close;
- the process of acquiring or pursuing the acquisition of a property may divert the attention of our senior management team from our existing business operations;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations;
- occupancy and rental rates of acquired properties may be less than expected; and
- we may acquire properties without recourse, or with limited recourse, for liabilities, whether known or unknown, such as clean-up of environmental contamination, claims by tenants, vendors or other persons against the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

We may be unable to successfully expand our operations into new markets and submarkets.

If the opportunity arises, we may explore acquisitions of properties in new markets. The risks applicable to our ability to acquire, integrate and operate properties in our current markets are also applicable to our ability to acquire, integrate and operate properties in new markets. In addition to these risks, we will not possess the same level of familiarity with the dynamics and market conditions of any new markets that we may enter, which could adversely affect our ability to expand into those markets. We may be unable to build a significant market share or achieve a desired return on our investments in new markets.

We are exposed to risks associated with property development.

We engage in development and redevelopment activities with respect to certain of our properties. To the extent that we do so, we are subject to certain risks, including the following:

- We may not complete a development or redevelopment project on schedule or within budgeted amounts (as a result of risks beyond our control, such as weather, labor conditions, permitting issues, material shortages and price increases);
- We may be unable to lease the developed or redeveloped properties at budgeted rental rates or lease up the property within budgeted time frames;

- We may devote time and expend funds on development or redevelopment of properties that we may not complete;
- We may encounter delays or refusals in obtaining all necessary zoning, land use, and other required entitlements, and building, occupancy and other required governmental permits and authorizations, and our costs to comply with the conditions imposed by such permits and authorizations could increase;
- We may encounter delays, refusals and unforeseen cost increases resulting from third-party litigation or objections; and
- We may fail to obtain the financial results expected from properties we develop or redevelop;

We are exposed to certain risks when we enter into JVs or issue securities of our subsidiaries, including our Operating Partnership.

We have and may in the future develop or acquire properties with, or raise capital from, third parties through partnerships, JVs or other entities, or through acquiring or disposing of non-controlling interests in, or sharing responsibility for managing the affairs of, a property, partnership, JV or other entity. This may subject us to risks that may not be present with other methods of ownership, including for example the following:

- We may not be able to exercise sole decision-making authority regarding the properties, partnership, JV or other entity, which would allow for impasses on decisions that could restrict our ability to sell or transfer our interests in such entity or such entity's ability to transfer or sell its assets;
- Partners or co-venturers may default on their obligations including those related to capital contributions, debt financing or interest rate swaps, which could delay acquisition, construction or development of a property or increase our financial commitment to the partnership or JV;
- Conflicts of interests with our partners or co-venturers as result of matters such as different needs for liquidity, assessments of the market or tax objectives; ownership of competing interests in other properties; and other business interests, policies or objectives that are competitive or inconsistent with ours;
- If any such jointly owned or managed entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may suffer significantly, including having to dispose of our interest in such entity (if that is possible) or even losing our status as a REIT;
- Our assumptions regarding the tax impact of any structure or transaction could prove to be incorrect, and we could be exposed to significant taxable income, property tax reassessments or other liabilities, including any liability to third parties that we may assume as part of such transaction or otherwise;
- Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses, affect our ability to develop or operate a property and/or prevent our officers and/or directors from focusing their time and effort on our business;
- We may, in certain circumstances, be liable for the actions of our third-party partners or co-venturers; and
- We may not be able to raise capital as needed from institutional investors or sovereign wealth funds, or on terms that are favorable.

If we default on the ground lease to which one of our properties is subject, our business could be adversely affected.

Some of our properties may be subject to a ground lease. A default under the terms of such a lease, or the inability to renegotiate a new lease upon expiration of a lease, could have a material adverse effect on our operating results, cash flows and financial condition.

We may not have sufficient cash available for distribution to stockholders at expected levels in the future.

Our distributions could exceed our cash generated from operations. If necessary, we may fund the difference from our existing cash balances or additional borrowings. If our available cash were to decline significantly below our taxable income, we could lose our REIT status unless we could borrow to make such distributions or make any required distributions in common stock.

We face risks associated with contractual counterparties being designated “Prohibited Persons” by the Office of Foreign Assets Control.

The OFAC of the US Department of the Treasury maintains a list of persons designated as terrorists or who are otherwise blocked or banned (“Prohibited Persons”). The OFAC regulations and other laws prohibit conducting business or engaging in transactions with Prohibited Persons. Some of our agreements require us and the other party to comply with the OFAC requirements. If a party with whom we contract is placed on the OFAC list we may be required by the OFAC regulations to terminate the agreement, which could result in a losses or a damage claim by the other party that the termination was wrongful.

Terrorism and war could harm our business and operating results.

The possibility of future terrorist attacks or war could have a negative impact on our operations, even if they are not directed at our properties and even if they never actually occur. Terrorist attacks can also substantially affect the availability and price of insurance coverage for certain types of damages or occurrences, and our insurance policies for terrorism include large deductibles and co-payments. The lack of sufficient insurance for these types of acts could expose us to significant losses.

Risks Related to Our Organization and Structure

Tax consequences to holders of OP Units upon a sale or refinancing of our properties may cause the interests of our executive officers to differ from the interests of our stockholders.

Some of our properties were contributed to us in exchange for units of our Operating Partnership. As a result of the unrealized built-in gain attributable to such properties at the time of their contribution, some holders of OP Units, including our executive officers, may suffer different and more adverse tax consequences than holders of our common stock upon the sale or refinancing of the properties owned by our Operating Partnership, including disproportionately greater allocations of items of taxable income and gain upon a realization event. As a result, those holders may have different objectives regarding the appropriate pricing, timing and other material terms of any sale or refinancing of certain properties, or whether to sell or refinance such properties at all.

Our executive officers have significant influence over our affairs.

At December 31, 2023, our executive officers owned 4% of our outstanding common stock, but they would own 17% if all of their outstanding LTIPs and OP Units were converted into common stock. As a result, our executive officers, to the extent that they vote their shares in a similar manner, will have significant influence over our affairs and could exercise such influence in a manner that is not in the best interests of our other stockholders, including by attempting to delay, defer or prevent a change of control transaction that might otherwise be in the best interests of our stockholders.

Under their employment agreements, certain of our executive officers will receive severance if they are terminated without cause or resign for good reason.

We have employment agreements with our CEO, Jordan L. Kaplan, and our COO, Kenneth M. Panzer, which provide each executive with severance if they are terminated without cause or resign for good reason (including following a change of control). The severance is based upon three times the average of the respective executives annual compensation (base salary and annual bonus) during the last three full calendar years ending prior to the termination date. In addition, these executive officers would not be restricted from competing with us after their departure.

The loss of any of our executive officers or key senior personnel could significantly harm our business.

Our ability to maintain our competitive position is largely dependent upon the skill and effort of our executive officers and key personnel, who have significant real estate industry experience, strong industry reputations and networks, and assist us in identifying acquisition, disposition, development and borrowing opportunities, negotiating with tenants and sellers of properties, and managing our development projects and the operations of our properties. If we lose the services of any of our executive officers or key senior personnel our business could be adversely affected.

Compensation awards to our management may not be tied to or correspond with improved financial results or the market price of our common stock.

The compensation committee of our board of directors is responsible for overseeing our compensation and incentive compensation plans. Our compensation committee has significant discretion in structuring compensation packages and may make compensation decisions based on any number of factors. Compensation awards may not be tied to or correspond with improved financial results or the market price of our common stock. See Note 13 to our consolidated financial statements in Item 15 of this Report for more information regarding our stock-based compensation.

Our board of directors may change significant corporate policies without stockholder approval.

Our investment, financing, borrowing, dividend, operating and other policies are determined by our board of directors. These policies may be amended or revised at any time and from time to time at the discretion of our board of directors without a vote of our stockholders. Our board of directors may change our policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements.

Our growth depends on external sources of capital which are outside of our control.

In order to qualify as a REIT, we are required under the Code to distribute annually at least 90% of our "REIT taxable income", determined without regard to the dividends paid deduction and by excluding any net capital gain. To the extent that we do not distribute all of our net long-term capital gains or at least 90% of our REIT taxable income, we will be required to pay tax thereon at the regular corporate tax rate. Because of these distribution requirements, we may not be able to fund future capital needs from our operating cash flows, including acquisitions, development and debt refinancing. Consequently, we expect to rely on third-party sources to fund some of our capital needs and we may not be able to obtain financing on favorable terms or at all. Any additional borrowings will increase our leverage, and any additional equity that we issue will dilute our common stock. Our access to third-party sources of capital depends on many factors, some of which include:

- general market conditions;
- the market's perception of our growth potential;
- our current debt levels;
- our current and expected future earnings;
- our cash flows and cash dividends; and
- the market price per share of our common stock.

We face risks associated with short-term liquid investments.

From time to time, we have significant cash balances that we invest in a variety of short-term money market fund investments that are intended to preserve principal value and maintain a high degree of liquidity while providing current income. These investments are not insured against loss of principal and there is no guarantee that our investments in these funds will be redeemable at par value. If we cannot liquidate our investments or redeem them at par we could incur losses and experience liquidity issues.

Our charter, the partnership agreement of our Operating Partnership, and Maryland law contain provisions that may delay or prevent a change of control transaction.

(i) Our charter contains a five percent ownership limit.

Our charter, subject to certain exceptions, contains restrictions on ownership that limit, and authorizes our directors to take such actions as are necessary and desirable to limit, any person to actual or constructive ownership of not more than five percent of the value or number, whichever is more restrictive, of the outstanding shares of our common stock. Our board of directors, in its sole discretion, may exempt a proposed transferee from the ownership limit. The ownership limit contained in our charter may delay or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

(ii) Our board of directors may create and issue a class or series of preferred stock without stockholder approval.

Our board of directors is empowered under our charter to amend our charter to increase or decrease the aggregate number of shares of our common stock or the number of shares of stock of any class or series that we have authority to issue, to designate and issue from time to time one or more classes or series of preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock without stockholder approval. Our board of directors may determine the relative rights, preferences and privileges of any class or series of preferred stock issued. As a result, we may issue series or classes of preferred stock with preferences, dividends, powers and rights, voting or otherwise, senior to the rights of our common stock holders. The issuance of preferred stock could also have the effect of delaying or preventing a change of control transaction that might otherwise be in the best interests of our stockholders.

(iii) Certain provisions in the partnership agreement of our Operating Partnership may delay or prevent an unsolicited acquisition of us.

Provisions in our Operating Partnership agreement may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights of qualifying parties;
- transfer restrictions on our OP Units;
- the ability of the general partner in some cases to amend the partnership agreement without the consent of the limited partners; and
- the right of the limited partners to consent to transfers of the general partnership interest and mergers under specified circumstances.

Any potential change of control transaction may be further limited as a result of provisions of the partnership unit designation for certain LTIP Units, which require us to preserve the rights of LTIP unit holders and may restrict us from amending the partnership agreement for our Operating Partnership in a manner that would have an adverse effect on the rights of LTIP unit holders.

(iv) Certain provisions of Maryland law could inhibit changes in control.

Certain provisions of the MGCL may have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the market price of our common stock, including:

- “business combination” provisions that, subject to limitations, prohibit certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose special appraisal rights and special stockholder voting requirements on these combinations; and
- “control share” provisions that provide that “control shares” of our company (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a “control share acquisition” (defined as the direct or indirect acquisition of ownership or control of “control shares”) have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

We have elected to opt out of these provisions of the MGCL, in the case of the business combination provisions of the MGCL, by resolution of our board of directors, and in the case of the control share provisions of the MGCL, pursuant to a provision in our bylaws. However, our board of directors may by resolution elect to repeal the foregoing opt-outs from the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Our charter, bylaws, our Operating Partnership agreement and Maryland law also contain other provisions that may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Our fiduciary duties as the sole stockholder of the general partner of our Operating Partnership could create conflicts of interest.

As the sole stockholder of the general partner of our Operating Partnership, we have fiduciary duties to the other limited partners in our Operating Partnership, the discharge of which may conflict with the interests of our stockholders. The limited partners of our Operating Partnership have agreed that, in the event of a conflict in the fiduciary duties owed by us to our stockholders and, in our capacity as general partner of our Operating Partnership, to such limited partners, we are under no obligation to give priority to the interests of such limited partners. The limited partners have the right to vote on certain amendments to the Operating Partnership agreement (which require approval by a majority in interest of the limited partners, including us) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our stockholders. For example, we are unable to modify the rights of limited partners to receive distributions as set forth in the Operating Partnership agreement in a manner that adversely affects their rights without their consent, even though such modification might be in the best interest of our stockholders.

Risks Related to Taxes and Our Status as a REIT

Our property taxes could increase due to property tax rate changes, reassessments or changes in property tax laws, which would adversely impact our cash flows.

We are required to pay property taxes for our properties, which could increase as property tax rates increase or as our properties are assessed or reassessed by taxing authorities. In California, pursuant to an existing state law commonly referred to as Proposition 13, properties are currently reassessed to market value only at the time of change in ownership or completion of construction, and thereafter, annual property reassessments are generally limited to 2% increases over the previously assessed values. As a result, Proposition 13 generally results in significant below-market assessed values over time.

From time to time, including recently, lawmakers and political coalitions have initiated efforts to repeal or amend Proposition 13 to eliminate its application to commercial and/or other properties. If Proposition 13 no longer limited the assessed value of our California properties, the assessed values and property taxes for those properties could increase substantially, which could have a material impact on our results of operations, cash flows and financial condition.

Failure to qualify as a REIT would subject us to corporate taxation and potentially reduce cash available for distributions.

We have elected to be taxed as a REIT under the Code, commencing with our initial taxable year ended December 31, 2006. To qualify as a REIT, we must satisfy on a continuing basis certain technical and complex income, asset, organizational, distribution, stockholder ownership and other requirements. See Item 1 "Business Overview" of this Report for more information regarding these tests. Our ability to satisfy these tests depends upon our analysis of and compliance with numerous factors, many of which are not subject to a precise determination and have only limited judicial and administrative interpretations, and which are not entirely within our control. Holding substantially all of our assets through our Operating Partnership further complicates the application of the REIT requirements and a technical or inadvertent mistake could jeopardize our REIT status. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to the requirements for qualification as a REIT or the federal income tax consequences of qualification as a REIT. Although we believe that we will continue to qualify as a REIT, we can give no assurance that we have qualified or will continue to qualify as a REIT.

If we were to fail to qualify as a REIT in any taxable year, and certain relief provisions did not apply, we would be subject to federal income tax on our taxable income at the regular corporate rate, and distributions to stockholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders. Unless entitled to relief under certain Code provisions, we would also be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. In addition, if we fail to qualify as a REIT, we would not be required to make distributions to stockholders, and all distributions to stockholders will be subject to tax as dividend income to the extent of our current and accumulated earnings and profits. If we fail to qualify as a REIT for federal income tax purposes and are able to avail ourselves of one or more of the relief provisions under the Code in order to maintain our REIT status, we would nevertheless be required to pay penalty taxes of \$50,000 or more for each such failure.

As a result of the above factors, our failure to qualify as a REIT could impair our ability to raise capital and expand our business, substantially reduce distributions to stockholders, result in us incurring substantial indebtedness (to the extent borrowings are feasible) or liquidating substantial investments in order to pay the resulting taxes, and adversely affect the market price of our common stock.

Our Fund, and three of our consolidated JVs, also own properties through one or more entities which are intended to qualify as REITs, and we may in the future use other structures that include REITs. The failure of any such entities to qualify as a REIT could have similar consequences to the REIT subsidiary and could also cause us to fail to qualify as a REIT.

If the Operating Partnership, or any of its subsidiaries (other than any TRS), were treated as a regular corporation for federal income tax purposes, we could cease to qualify as a REIT.

Although we believe that the Operating Partnership and other subsidiary partnerships, limited liability companies, REIT subsidiaries, QRS and other subsidiaries (other than a TRS) in which we own a direct or indirect interest will be treated for tax purposes as a partnership, disregarded entity (e.g., in the case of a 100% owned limited liability company), REIT or QRS, as applicable, no assurance can be given that the IRS will not challenge the tax classification of any such entity, or that a court would not sustain such a challenge. If the IRS were successful in treating the Operating Partnership or other subsidiaries (other than a TRS) as entities taxable as a corporation (including a "publicly traded partnership" taxed as a corporation) for federal income tax purposes, we would likely fail to qualify as a REIT and it would significantly reduce the amount of cash available for distribution by such subsidiaries to us.

Even if we qualify as a REIT, we will be required to pay some taxes which would reduce cash available for distributions.

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay certain federal, state and local taxes on our income and property. For example, we will be subject to income tax to the extent that we distribute less than 100% of our REIT taxable income (including capital gains). In addition, any net taxable income earned directly by our TRS, or through entities that are disregarded for federal income tax purposes as entities separate from our TRS, will be subject to federal and possibly state corporate income tax. We have elected to treat one of our subsidiaries as a TRS, and we may elect to treat other subsidiaries as TRSs in the future. In this regard, several provisions of the laws applicable to REITs and their subsidiaries ensure that a TRS will be subject to an appropriate level of federal income taxation. For example, for taxable years prior to 2018, a TRS is limited in its ability to deduct interest payments made to an affiliated REIT and, for taxable years after 2017, a TRS is subject to more general limitations on its ability to deduct interest payments to any lender. In addition, the REIT has to pay a 100% tax on some payments that it receives or on some deductions taken by its TRS if the economic arrangements between the REIT, the REIT's tenants, and the TRS are not comparable to similar arrangements between unrelated parties. In addition, some state and local jurisdictions may tax some of our income even though as a REIT we are not subject to federal income tax on that income because not all states and localities treat REITs the same as they are treated for federal income tax purposes. Moreover, if we have net income from "prohibited transactions," that income will be subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held primarily for sale to customers in the ordinary course of our business, such characterization is a factual determination and we cannot guarantee that the IRS would agree with our characterization of our properties. To the extent that we are required to pay federal, state and local taxes, we will have less cash available for distributions to our stockholders.

REIT distribution requirements could adversely affect our liquidity and cause us to forego otherwise attractive opportunities.

To qualify as a REIT, we generally must distribute annually at least 90% of our REIT taxable income, excluding any net capital gains. To the extent that we do not distribute all of our net long-term capital gains or all of our REIT taxable income, we will be required to pay tax thereon at the regular corporate tax rate. We intend to make distributions to our stockholders to comply with the Code requirements for REITs and to minimize or eliminate our corporate income tax obligation. Certain types of assets and activities generate substantial mismatches between taxable income and available cash, either because of differences in timing between the recognition of income and the actual receipt of cash or because of differences between the deduction of expenses and the actual payment of those expenses. Such assets include rental real estate that has been financed through financing structures which require some or all of available cash flows to be used to service borrowings. As a result, the requirement to distribute a substantial portion of our taxable income could cause us to sell assets in adverse market conditions, borrow on unfavorable terms, make a taxable distribution of our stock as part of a distribution in which stockholders may elect to receive our stock or (subject to a limit measured as a percentage of the total distribution) cash, distribute amounts that could otherwise be used to fund our operations, capital expenditures, acquisitions or repayment of debt, or cause us to forego otherwise attractive opportunities.

REIT stockholders can receive taxable income without cash distributions .

Under certain circumstances, REITs are permitted to pay a portion of the required dividends in shares of their stock rather than in cash. If we were to avail ourselves of that option, our stockholders could be required to pay taxes on such stock distributions without the benefit of cash distributions to pay the resulting taxes.

If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable or if we are unable to identify and complete the acquisition of a suitable replacement property to effect a Section 1031 Exchange, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties on a tax deferred basis.

From time to time we may dispose of real properties in transactions that are intended to qualify as tax deferred exchanges under Section 1031 of the Code (Section 1031 Exchanges). It is possible that the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable. In such cases, our taxable income would increase as would the amount of distributions we are required to make to satisfy our REIT distribution requirements. This could increase the dividend income to our stockholders by reducing any return of capital they receive. In some circumstances, we may be required to pay additional dividends or, in lieu of that, corporate income tax, possibly including interest and penalties. As a result, we may be required to borrow in order to pay additional dividends or taxes, and the payment of such taxes could cause us to have less cash available to distribute to our stockholders. If a Section 1031 Exchange were later to be determined to be taxable, we may be required to amend our tax returns for the applicable year in question, including any reports we distributed to our stockholders. It is possible that legislation could be enacted that could modify or repeal the laws with respect to Section 1031 Exchanges, which could make it more difficult or not possible for us to dispose of real properties on a tax deferred basis.

Legislative or other actions affecting REITs could have a negative effect on our investors or us, including our ability to maintain our qualification as a REIT or the federal income tax consequences of such qualification.

Federal income tax laws are constantly under review by persons involved in the legislative process, the IRS and the U.S. Department of the Treasury. Changes to the laws could adversely affect us and our investors. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. Changes to laws relating to the tax treatment of other entities, or an investment in other entities, could make an investment in such other entities more attractive relative to an investment in a REIT.

Non-U.S. investors may be subject to FIRPTA, which would impose tax on certain distributions and on the sale of common stock if we are unable to qualify as a “domestically controlled” REIT or if our stock is not considered to be regularly traded on an established securities market.

A non-U.S. investor disposing of a U.S. real property interest, including shares of a U.S. corporation whose assets consist principally of U.S. real property interests or USRPIs is generally subject to a tax, known as FIRPTA tax, on the gain recognized on the disposition. Such FIRPTA tax does not apply, however, to the disposition of stock in a REIT if the REIT is a “domestically controlled qualified investment entity”. A domestically controlled qualified investment entity includes a REIT in which, at all times during a specified testing period, less than 50% of the value of its shares is held directly or indirectly by non-U.S. holders. In the event that we do not constitute a domestically controlled qualified investment entity, a non-U.S. investor’s sale of our common stock nonetheless will generally not be subject to tax under FIRPTA as a sale of a USRPI, provided that (1) the stock owned is of a class that is “regularly traded” as defined by applicable Treasury regulations, on an established securities market, and (2) the selling non-U.S. investor held 10% or less of our outstanding common stock at all times during a specified testing period. If we were to fail to so qualify as a domestically controlled qualified investment entity and our common stock were to fail to be “regularly traded”, a gain realized by a non-U.S. investor on a sale of our common stock would be subject to FIRPTA tax and applicable withholding. No assurance can be given that we will be a domestically controlled qualified investment entity. Additionally, any distributions we make to our non-U.S. stockholders that are attributable to gain from the sale of any USRPI will also generally be subject to FIRPTA tax and applicable withholdings, unless the recipient non-U.S. stockholder has not owned more than 10% of our common stock at any time during the year preceding the distribution and our common stock is treated as being “regularly traded”.

General Risks

Security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our IT networks and related systems could harm our business.

We face risks associated with security breaches, whether through cyber attacks or cyber intrusions over the Internet, malware (including ransomware), computer viruses, social engineering and phishing e-mails, exploitation of vulnerabilities in software used in our business, malfeasance by insiders or persons with access to systems inside our organization, human or technological error, and other significant disruptions of our IT networks and related systems. The risk of a security breach or disruption, particularly through cyber attack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, is expected to increase as the number, intensity and sophistication of attacks and intrusions from around the world is escalating. Our IT networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations (including managing our building systems) and, in some cases, may be critical to the operations of certain of our tenants. We own and manage some of these systems but must rely on third parties for a range of systems, networks and other products and services, including but not limited to software and cloud computing services, that are critical to our business. In addition, we and others collect, maintain and process data about employees, business partners and others, including personally identifiable information, as well as proprietary data belonging to our business such as trade secrets.

There can be no assurance that our security measures, or those of third parties on whom we rely, will effectively protect the confidentiality, integrity and availability of our networks, systems and data from security breaches or disruptions. While to date we have experienced no cyberattacks or incidents that have had a material impact on our operations or financial results, we cannot guarantee that material incidents will not occur in the future.

Our information, networks, systems and facilities remain vulnerable because the techniques used by attackers are constantly evolving (including their use of tools like artificial intelligence) and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk. A security breach or other significant disruption involving our IT networks and related systems could have an adverse effect on our business, for example:

- Disruption to our networks and systems and thus our operations and/or those of our tenants or vendors;
- Misstated financial reports, violations of loan covenants, missed reporting deadlines and missed permitting deadlines;
- Inability to comply with laws and regulations;
- Unauthorized access to, destruction, loss, theft, misappropriation or release of proprietary, confidential, sensitive or otherwise valuable information of ours or others, which others could be used to compete against us or for disruptive, destructive or otherwise harmful purposes;
- Rendering us unable to maintain the building systems relied upon by our tenants;
- The requirement of significant management attention and resources to restore our business and remedy any damages that result;
- Claims for breach of contract, damages, credits, penalties or termination of leases or other agreements;
- Regulatory inquiries, investigations and fines or penalties; and
- Damage to our reputation among our tenants, investors, or others.

We cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

Litigation could have an adverse effect on our business.

From time to time, we are party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. An unfavorable resolution of litigation could adversely affect us. Even when there is a favorable outcome, litigation may result in substantial expenses and significantly divert the attention of our management with a similar adverse effect on us.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results.

An effective system of internal control over financial reporting is necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. There can be no guarantee that our internal controls over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including material weaknesses, in our internal control over financial reporting that may occur in the future could result in material misstatements in our financial reporting, which could result in restatements of our financial statements. Failure to maintain effective internal controls could cause us to not meet our reporting obligations, which could affect our ability to remain listed with the NYSE or result in SEC enforcement actions, and could cause investors to lose confidence in our reported financial information.

New accounting pronouncements could adversely affect our operating results or the reported financial performance of our tenants.

Accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Uncertainties posed by various initiatives of accounting standard-setting by the FASB and the SEC, which create and interpret applicable accounting standards for U.S. companies, may change the financial accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements. Similarly, these changes could have a material impact on our tenants' reported financial condition or results of operations, credit ratings and preferences regarding leasing real estate. See "New Accounting Pronouncements" in Note 2 to our consolidated financial statements in Item 15 of this Report.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We are developing a cybersecurity risk management program intended to protect the confidentiality, integrity and availability of our critical systems and information.

Our program is based on frameworks provided by the Center for Internet Security Controls. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the CIS Controls as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational and financial risk areas.

Our cybersecurity risk management program includes among other things:

- a. Risk assessments designed to help identify significant cybersecurity risks to our critical systems, information and services;
- b. A security team principally responsible for managing (1) our cybersecurity risk assessment process, (2) our security controls, and (3) our response to cybersecurity incidents;
- c. The use of external service providers, where appropriate, to assess, test, or otherwise assist with aspects of our security controls;
- d. An incident response plan with procedures for responding to cybersecurity incidents;
- e. Cybersecurity awareness training of our employees, and senior management; and
- f. A third-party risk management process for service providers, suppliers and vendors.

There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations or financial condition. We face ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors in Item 1A."

Governance

Our Board of Directors considers cybersecurity risk as part of its risk oversight function and has delegated to our Audit Committee (Committee) oversight of cybersecurity and other information technology risks. The Committee receives periodic reports from management on our cybersecurity risks. In addition, management updates the Committee as necessary, regarding any significant cybersecurity incidents.

The Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cybersecurity risk management program. Board members receive presentations on cybersecurity topics from our Chief Information Officer (CIO), internal security staff, or external experts as part of the Board's continuing education on topics that impact public companies.

Our management team, led by our CIO, is responsible for assessing and managing our significant risks from cyber security threats. The team has primary responsibility for our overall cybersecurity risk management program. Our management team's experience includes multiple team members with 56 collective years of relevant experience with Douglas Emmett, Inc. The team has extensive knowledge of the technologies and applications addressed by the cybersecurity risk management program.

Our CIO supports the management team in staying informed about and monitoring efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources; and alerts and reports produced by security tools deployed in the IT environment.

Item 2. Properties

We present property level data for our Total Portfolio, except that we present historical capital expenditures for our Consolidated Portfolio.

Office Portfolio Summary as of December 31, 2023

Region	Number of Properties	Our Rentable Square Feet	Region Rentable Square Feet ⁽¹⁾	Our Average Market Share ⁽²⁾
Los Angeles				
Westside ⁽³⁾	52	9,999,051	40,401,665	34.4 %
Valley	16	6,790,777	22,485,019	44.4
Honolulu ⁽³⁾	2	1,190,835	5,267,268	22.6
Total / Average	70	17,980,663	68,153,952	37.4 %

(1) The rentable square feet in each region is based on the Rentable Square Feet as reported in the 2023 fourth quarter CBRE Marketview report for our submarkets in that region.

(2) Our market share is calculated by dividing our Rentable Square Feet by the applicable Region's Rentable Square Feet, weighted in the case of averages based on the square feet of exposure in our total portfolio to each submarket as follows:

Region	Submarket	Number of Properties	Our Rentable Square Feet	Our Market Share ⁽²⁾
Westside	Brentwood	15	2,085,745	60.9%
	Westwood	7	2,191,711	43.6
	Olympic Corridor	5	1,142,885	28.1
	Beverly Hills ⁽³⁾	11	2,196,067	27.6
	Santa Monica	11	1,425,374	14.3
Valley	Century City	3	957,269	9.0
	Sherman Oaks/Encino	12	3,488,995	55.1
	Warner Center/Woodland Hills	3	2,845,577	37.4
Honolulu	Burbank	1	456,205	5.3
	Honolulu ⁽³⁾	2	1,190,835	22.6
Total / Weighted Average		70	17,980,663	37.4%

(3) In calculating market share, we adjusted the rentable square footage by: (i) removing a 218,000 square foot property located just outside the Beverly Hills city limits from both the numerator and the denominator, and (ii) removing 77,000 rentable square feet of vacant space at an office building in Honolulu that we are converting to residential apartments from both our rentable square footage and that of the submarket.

Office Portfolio Percentage Leased and In-place Rents as of December 31, 2023

Region ⁽¹⁾	Percent Leased	Annualized Rent ⁽²⁾	Annualized Rent Per Leased Square Foot ⁽²⁾	Monthly Rent Per Leased Square Foot ⁽²⁾
Los Angeles				
Westside	82.1 %	\$ 449,123,019	\$ 57.01	\$ 4.75
Valley	83.8	197,159,698	36.04	3.00
Honolulu	90.4	37,069,247	35.93	2.99
Total / Weighted Average	83.3 %	\$ 683,351,964	\$ 47.52	\$ 3.96

(1) Regional data reflects the following underlying submarket data:

Region	Submarket	Percent Leased	Monthly Rent Per Leased Square Foot ⁽²⁾
Westside	Beverly Hills	85.7 %	\$ 4.92
	Brentwood	79.9	4.01
	Century City	86.3	4.69
	Olympic Corridor	76.1	3.33
	Santa Monica	81.2	6.95
Valley	Westwood	82.6	4.54
	Burbank	100.0	5.01
	Sherman Oaks/Encino	87.1	3.01
Honolulu	Warner Center/Woodland Hills	77.1	2.57
	Honolulu	90.4	2.99
Weighted Average		83.3 %	\$ 3.96

(2) Does not include signed leases not yet commenced, which are included in percent leased but excluded from annualized rent.

Office Lease Diversification as of December 31, 2023

Portfolio Tenant Size		
	Median	Average
Square feet	2,500	5,300

Square Feet Under Lease	Office Leases			Rentable Square Feet			Annualized Rent		
	Number	Percent		Amount	Percent		Amount	Percent	
2,500 or less	1,356	50.3	%	1,956,517	13.6	%	\$ 86,409,633	12.6	%
2,501- 10,000	1,019	37.8		4,951,267	34.4		227,624,126	33.3	
10,001- 20,000	209	7.8		2,879,834	20.0		138,727,510	20.3	
20,001- 40,000	81	3.0		2,206,570	15.4		101,150,861	14.8	
40,001- 100,000	29	1.0		1,682,300	11.7		85,820,710	12.6	
Greater than 100,000	2	0.1		703,824	4.9		43,619,124	6.4	
Total for all leases	2,696	100.0	%	14,380,312	100.0	%	\$ 683,351,964	100.0	%

Largest Office Tenants as of December 31, 2023

The table below presents tenants paying 1% or more of our aggregate Annualized Rent:

Tenant	Number of Leases	Number of Properties	Lease Expiration ⁽¹⁾	Total Leased Square Feet	Percent of Rentable Square Feet	Annualized Rent	Percent of Annualized Rent
Warner Bros.							
Discovery ⁽²⁾	1	1	2024	456,205	2.5 %	\$ 27,435,217	4.0 %
William Morris Endeavor ⁽³⁾	2	1	2027	247,768	1.4	16,189,523	2.4
UCLA ⁽⁴⁾	18	10	2023-2033	247,183	1.4	13,482,083	2.0
Morgan Stanley ⁽⁵⁾	5	5	2025-2028	144,688	0.8	10,661,157	1.5
Equinox Fitness ⁽⁶⁾	6	5	2029-2038	185,236	1.0	10,407,103	1.5
Total	<u><u>32</u></u>	<u><u>22</u></u>		<u><u>1,281,080</u></u>	<u><u>7.1 %</u></u>	<u><u>\$ 78,175,083</u></u>	<u><u>11.4 %</u></u>

(1) Expiration dates are per lease (expiration dates do not reflect storage and similar leases).

(2) Square footage (rounded) expires as follows: 456,000 square feet in 2024.

(3) Table reflects lease terms as of December 31, 2023. Subsequent to quarter end, the lease term was extended through 2037. Tenant has the option to terminate 248,000 square feet in 2033.

(4) Square footage (rounded) expires as follows: 1 lease totaling 1,000 square feet in 2023; 3 leases totaling 37,000 square feet in 2024; 4 leases totaling 89,000 square feet in 2025; 5 leases totaling 32,000 square feet in 2026; 1 lease totaling 51,000 square feet in 2027; 1 lease totaling 8,000 square feet in 2028; 1 lease totaling 15,000 square feet in 2029; and 2 leases totaling 14,000 square feet in 2033. Tenant has options to terminate 51,000 square feet in 2025.

(5) Square footage (rounded) expires as follows: 26,000 square feet in 2025; 88,000 square feet in 2027 and 30,000 square feet in 2028.

(6) Square footage (rounded) expires as follows: 34,000 square feet in 2029; 46,000 square feet in 2035; 31,000 square feet in 2037 and 74,000 square feet in 2038.

Office Industry Diversification as of December 31, 2023

Industry	Number of Leases	Annualized Rent as a Percent of Total
Legal	576	18.2 %
Financial Services	364	15.5
Entertainment	150	14.1
Real Estate	315	12.7
Health Services	387	9.2
Accounting & Consulting	298	8.9
Technology	101	4.9
Retail	154	4.9
Insurance	91	3.2
Educational Services	46	2.8
Public Administration	73	2.3
Advertising	33	1.0
Other	45	1.1
Manufacturing & Distribution	53	1.2
Total	<u><u>2,686</u></u>	<u><u>100.0 %</u></u>

Office Lease Expirations as of December 31, 2023 (assuming non-exercise of renewal options and early termination rights)

Year of Lease Expiration	Number of Leases	Rentable Square Feet	Expiring Square			Annualized Rent as a Percent of Total	Annualized Rent Per Leased Square Foot ⁽¹⁾	Annualized Rent Per Leased Square Foot at Expiration ⁽²⁾	
			Feet as a Percent of Total	Annualized Rent at December 31, 2023	Annualized Rent as a Percent of Total			Leased Square Foot at Expiration ⁽²⁾	
Short Term Leases	92	305,460	1.7 %	\$ 12,085,729	1.8 %	\$ 39.57	\$ 39.45		
2024	594	2,864,277	15.9	137,113,780	20.1	47.87	47.42		
2025	578	2,482,316	13.8	116,721,428	17.1	47.02	49.11		
2026	465	2,157,587	12.0	98,549,202	14.4	45.68	49.55		
2027	314	2,004,294	11.2	101,142,084	14.8	50.46	56.37		
2028	270	1,452,991	8.1	67,433,092	9.9	46.41	53.31		
2029	137	847,123	4.7	40,414,711	5.9	47.71	54.71		
2030	76	714,311	4.0	35,791,173	5.2	50.11	61.09		
2031	57	405,546	2.2	19,316,010	2.8	47.63	59.90		
2032	33	321,974	1.8	16,063,724	2.4	49.89	64.81		
2033	52	348,144	1.9	17,324,494	2.5	49.76	68.47		
Thereafter	28	476,289	2.7	21,396,537	3.1	44.92	63.09		
Subtotal/weighted average	2,696	14,380,312	80.0	683,351,964	100.0	47.52	52.58		
Signed leases not commenced		417,287	2.3						
Available		3,002,047	16.7						
Building management use		106,908	0.6						
BOMA adjustment ⁽³⁾		74,109	0.4						
Total/Weighted Average	2,696	17,980,663	100.0 %	\$ 683,351,964	100.0 %	\$ 47.52	\$ 52.58		

(1) Represents annualized rent at December 31, 2023 divided by leased square feet.

(2) Represents annualized rent at expiration divided by leased square feet.

(3) Represents the square footage adjustments for leases that do not reflect BOMA remeasurement.

Office Tenant Improvements and Leasing Commissions

	Year Ended December 31,		
	2023	2022	2021
Renewal leases⁽¹⁾			
Number of leases	576	571	557
Square feet	2,359,780	2,416,521	2,553,056
Tenant improvement costs per square foot ⁽²⁾	\$ 11.15	\$ 11.06	\$ 8.59
Leasing commission costs per square foot ⁽²⁾	5.98	5.86	5.88
Total costs per square foot ⁽²⁾	<u><u>\$ 17.13</u></u>	<u><u>\$ 16.92</u></u>	<u><u>\$ 14.47</u></u>
New leases⁽¹⁾			
Number of leases	289	343	351
Square feet	792,716	1,225,024	1,105,297
Tenant improvement costs per square foot ⁽²⁾	\$ 21.69	\$ 27.68	\$ 27.43
Leasing commission costs per square foot ⁽²⁾	7.39	9.26	9.81
Total costs per square foot ⁽²⁾	<u><u>\$ 29.08</u></u>	<u><u>\$ 36.94</u></u>	<u><u>\$ 37.24</u></u>
Total leases⁽¹⁾			
Number of leases	865	914	908
Square feet	3,152,496	3,641,545	3,658,353
Tenant improvement costs per square foot ⁽²⁾	\$ 13.80	\$ 16.65	\$ 14.28
Leasing commission costs per square foot ⁽²⁾	6.34	7.01	7.07
Total costs per square foot ⁽²⁾	<u><u>\$ 20.14</u></u>	<u><u>\$ 23.66</u></u>	<u><u>\$ 21.35</u></u>

(1) Excludes square feet for ancillary retail space.

(2) Tenant improvements and leasing commissions are reported in the period in which the lease is signed. Tenant improvements are based on signed leases, or, for leases in which a tenant improvement allowance was not specified, the amount budgeted at the time the lease commenced.

Office Recurring Capital Expenditures (consolidated office portfolio)

	Year Ended December 31,		
	2023	2022	2021
Recurring Capital Expenditures ⁽¹⁾	\$ 3,279,814	\$ 4,224,496	\$ 3,838,453
Total square feet ⁽¹⁾	14,851,645	14,851,378	14,851,378
Recurring Capital Expenditures per square foot ⁽¹⁾	\$ 0.22	\$ 0.28	\$ 0.26

(1) We excluded the following properties in accordance with our definition of Recurring Capital Expenditures:

- For 2023, we excluded ten properties with an aggregate 2.7 million square feet.
- For 2022, we excluded eleven properties with an aggregate 2.8 million square feet.
- For 2021, we excluded eleven properties with an aggregate 2.9 million square feet.

Multifamily Portfolio as of December 31, 2023

Submarket	Number of Properties	Number of Units	Units as a Percent of Total
Los Angeles			
Santa Monica	3	940	21 %
West Los Angeles ⁽¹⁾	7	1,151	25
Honolulu	4	2,485	54
Total	<u>14</u>	<u>4,576</u>	<u>100 %</u>

Submarket	Percent Leased	Annualized Rent ⁽²⁾	Monthly Rent Per Leased Unit
Los Angeles			
Santa Monica	98.2 %	\$ 48,562,584	\$ 4,394
West Los Angeles ⁽³⁾	97.4	52,768,992	4,754
Honolulu	99.1	67,367,508	2,286
Total / Weighted Average	98.5 %	\$ 168,699,084	\$ 3,268

(1) Excludes units vacated as part of removing Barrington Plaza from the rental market.

(2) The multifamily portfolio also includes 83,018 square feet and annualized rent of \$2,992,297 consisting of ancillary retail space at three properties and remaining office space at a building undergoing conversion from office to residential, which are not included in this table.

(3) Excludes impact of Barrington Plaza.

Multifamily Recurring Capital Expenditures

	Year Ended December 31,		
	2023	2022	2021
Recurring Capital Expenditures ⁽¹⁾⁽²⁾	\$ 2,978,083	\$ 3,092,613	\$ 2,821,969
Total units ⁽¹⁾⁽²⁾	4,013	3,925	3,449
Recurring Capital Expenditures per unit ⁽¹⁾⁽²⁾	\$ 747	\$ 807	\$ 818

(1) Recurring Capital Expenditures include costs associated with the turnover of units. Our multifamily portfolio includes a large number of units that, due to Santa Monica rent control laws, have had only modest rent increases since 1979. During 2023, when a tenant vacated one of these units, we incurred on average \$63 thousand per unit to bring the unit up to our standards. We classify these capital expenditures as non-recurring.

(2) We excluded the following properties in accordance with our definition of Recurring Capital Expenditures:

- For 2023, we excluded two properties with an aggregate 563 units.
- For 2022, we excluded two properties with an aggregate 1,088 units.
- For 2021, we excluded two properties with an aggregate 939 units.

Item 3. Legal Proceedings

From time to time, we are party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. Excluding ordinary, routine litigation incidental to our business, we are not currently a party to any legal proceedings that we believe would reasonably be expected to have a materially adverse effect on our business, financial condition or results of operations. See "Legal Proceedings" in Note 17 to our consolidated financial statements in Item 15 of this Report.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Common Stock; Dividends

Our common stock is traded on the NYSE under the symbol "DEI". On December 29, 2023, the closing price of our common stock was \$14.50.

The table below presents the dividends declared for our common stock as reported by the NYSE:

	First Quarter	Second Quarter		Third Quarter		Fourth Quarter	
		2023	2022	2023	2022	2023	2022
Dividend declared	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.28	\$ 0.28	\$ 0.19	\$ 0.19

Holders of Record

We had 7 holders of record of our common stock on February 9, 2024. Most of the shares of our common stock are held in "street" name and accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number.

Sales of Unregistered Securities

None.

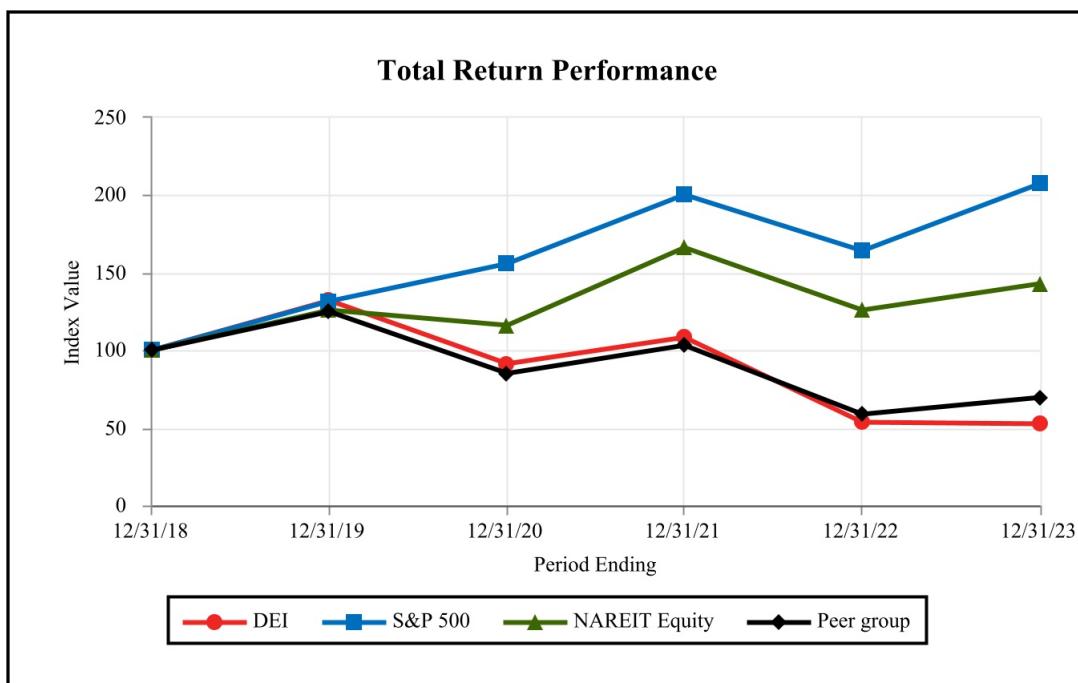
Repurchases of Equity Securities

None.

Performance Graph

The information below shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, other than as provided in Item 201 of Regulation S-K, or to the liabilities of Section 18 of the Exchange Act, except to the extent we specifically request that such information be treated as soliciting material or specifically incorporate it by reference into a filing under the Securities Act or the Exchange Act.

The graph below compares the cumulative total return on our common stock from December 31, 2018 to December 31, 2023 to the cumulative total return of the S&P 500, NAREIT Equity and an appropriate "peer group" index (assuming a \$100 investment in our common stock and in each of the indexes on December 31, 2018, and that all dividends were reinvested into additional shares of common stock at the frequency with which dividends are paid on the common stock during the applicable fiscal year). The total return performance presented in this graph is not necessarily indicative of, and is not intended to suggest, the total future return performance.



Index	Period Ending					
	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23
DEI	100.00	131.96	91.24	108.35	53.21	52.22
S&P 500	100.00	131.49	155.68	200.37	164.08	207.21
NAREIT Equity ⁽¹⁾	100.00	126.00	115.92	166.04	125.58	142.83
Peer group ⁽²⁾	100.00	124.68	84.99	103.24	58.49	69.54

(1) FTSE NAREIT Equity REITs index.

(2) Consists of Boston Properties, Inc. (BXP), Kilroy Realty Corporation (KRC), SL Green Realty Corp. (SLG), Vornado Trust (VNO) and Hudson Pacific Properties, Inc (HPP).

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Forward Looking Statements disclaimer and our consolidated financial statements and related notes in Item 15 of this Report. During 2023, our results of operations were impacted by various transactions - see "Debt and Equity Transactions, Development and Repositioning Projects, and Other Transactions" further below.

Overview

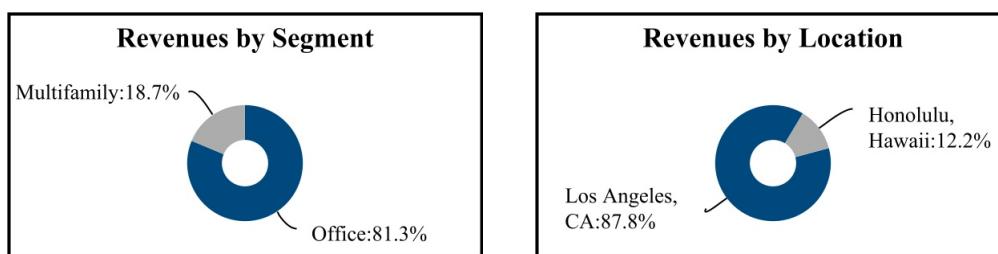
Douglas Emmett, Inc. is a fully integrated, self-administered and self-managed REIT. Through our interest in our Operating Partnership and its subsidiaries, our consolidated JVs and our unconsolidated Fund, we are one of the largest owners and operators of high-quality office and multifamily properties in Los Angeles County, California and in Honolulu, Hawaii. We focus on owning, acquiring, developing and managing a substantial market share of top-tier office properties and premier multifamily communities in neighborhoods that possess significant supply constraints, high-end executive housing and key lifestyle amenities. As of December 31, 2023, our portfolio consisted of the following (including ancillary retail space and excluding two parcels of land from which we receive rent under ground leases):

	Consolidated Portfolio ⁽¹⁾	Total Portfolio ⁽²⁾
Office		
Class A Properties	68	70
Rentable Square Feet (in thousands) ⁽³⁾	17,595	17,981
Leased rate	83.3%	83.3%
Occupancy rate	80.9%	81.0%
Multifamily		
Properties	14	14
Units ⁽⁴⁾	4,576	4,576
Leased rate ⁽⁴⁾	98.5%	98.5%
Occupancy rate ⁽⁴⁾	96.7%	96.7%

- (1) Our Consolidated Portfolio includes the properties in our consolidated results. Through our subsidiaries, we wholly-own 52 office properties totaling 13.4 million square feet and 12 residential properties with 4,106 apartments. Through four consolidated JVs, we partially own an additional 16 office properties totaling 4.2 million square feet and two residential properties with 470 apartments. Our Consolidated Portfolio excludes two wholly-owned land parcels from which we receive ground rent from ground leases to the owners of a Class A office building and a hotel.
- (2) Our Total Portfolio includes our Consolidated Portfolio as well as two properties totaling 0.4 million square feet owned by our unconsolidated Fund, Partnership X. See Note 6 to our consolidated financial statements in Item 15 of this Report for more information about Partnership X.
- (3) As of December 31, 2023, we removed approximately 77,000 Rentable Square Feet for an office building we are converting to apartments. See "Development" further below.
- (4) Unit totals exclude units vacated as part of removing Barrington Plaza from the rental market. The leased and occupancy rates exclude the impact of Barrington Plaza. See "Property to be Removed from Service" further below.

Revenues by Segment and Location

During 2023, revenues from our Consolidated Portfolio were derived as follows:



Debt and Equity Transactions, Development and Repositioning Projects, and Other Transactions

Debt and Equity Transactions

During the first quarter of 2023:

- Interest rate swaps, which fixed the interest rate on a \$400.0 million interest-only, floating-rate term loan that matures in December 2024 for one of our consolidated JVs, expired on January 1, 2023, and the interest rate on the respective loan is now floating.
- Interest rate swaps, which fixed the interest rate on a \$335.0 million interest-only, floating-rate term loan that matures in March 2025 for one of our wholly-owned subsidiaries, expired on March 1, 2023, and the interest rate on the respective loan is now floating.
- An interest rate swap that fixed the interest rate on a \$102.4 million interest-only, floating-rate term loan that matures in April 2025 for one of our wholly-owned subsidiaries, expired on March 1, 2023, and the interest rate on the respective loan is now floating.
- We repurchased 1.4 million shares of common stock for \$16.5 million in cash, excluding transaction costs, in open market transactions. The average purchase price was \$11.50 per share.
- We acquired 5 thousand OP Units for \$89 thousand in cash.

During the second quarter of 2023:

- We repurchased 7.6 million shares of common stock for \$92.6 million in cash, excluding transaction costs, in open market transactions. The average purchase price was \$12.13 per share.
- We acquired 20 thousand OP Units for \$232 thousand in cash.

During the third quarter of 2023:

- We closed a new \$350.0 million secured, non-recourse interest-only term loan that matures in August 2033. The loan accrues interest at SOFR plus 1.37% and is secured by our Landmark Los Angeles and Bishop Place properties. The interest rate is capped with lender-required out-of-the-money interest rate caps at 7.84% until August 2026. We used part of the proceeds to pay off the balance on our revolving credit facility, which expired in August 2023.
- We purchased three lender-required out-of-the-money interest rate caps with an aggregate notional amount of \$472.0 million to hedge \$472.0 million of a \$550.0 million loan. The interest rate is capped at a weighted average of 8.99% until July 2026.
- We converted our LIBOR loans and swaps to SOFR. See Item 7A in Part II for our SOFR transition disclosures.
- In connection with the Barrington Plaza loan, Barrington Plaza Apartments have been removed from the rental market. The lender is treating the debt as a construction loan and they required a \$13.3 million cash deposit, which we placed in an interest-bearing collateral account during the third quarter. See "Property to be Removed from Service" further below for more information about Barrington Plaza.
- We acquired 3 thousand OP Units for \$46 thousand in cash.

During the fourth quarter of 2023:

- We acquired an additional 20.2% of the equity in our unconsolidated Fund, Partnership X, which increased our ownership interest in the Fund to 53.8%.
- We entered into a guarantee for the \$175.0 million consolidated JV loan which guarantees the portion of the loan principal that would need to be paid down to meet the minimum debt yield in the loan agreement.
- We acquired 180 thousand OP Units for \$2.0 million in cash.
- We acquired 468 thousand OP Units in exchange for issuing an equal number of shares of our common stock to the holders of the OP Units.

In January of 2024:

- In connection with the Barrington Plaza loan, we signed a construction completion guarantee. See "Property to be Removed from Service" further below for more information about Barrington Plaza.

See Notes 6, 8, 10 and 11 to our consolidated financial statements in Item 15 of this Report for more information regarding our unconsolidated Fund, debt, derivatives and equity, respectively.

Development

- 1132 Bishop Street, Honolulu, Hawaii - "The Residences at Bishop Place"

In downtown Honolulu, we are converting a 25-story, 493 thousand square foot office tower into 493 rental apartments. This project is helping to address the severe shortage of rental housing in Honolulu and revitalize the central business district, where we own a significant portion of the Class A office space. As of December 31, 2023, we had delivered ninety-percent of the planned units and leased ninety-seven-percent of the units delivered. The conversion will continue in phases through 2025 as the remaining office space is vacated, therefore, the expected timing of the remaining spending is uncertain.

Repositionings

We often strategically purchase properties with large vacancies or expected near-term lease roll-over and use our knowledge of the property and submarket to reposition the property for the optimal use and tenant mix. In addition, we may reposition properties already in our portfolio. The work we undertake to reposition a building typically takes months or even years, and could involve a range of improvements from a complete structural renovation to a targeted remodeling of selected spaces. During the repositioning, the affected property may display depressed rental revenue and occupancy levels that impact our results and, therefore, comparisons of our performance from period to period.

Property to be Removed from Service

During the second quarter of 2023, we removed our Barrington Plaza Apartments property in Los Angeles from the rental market. A reconstruction of this property is expected to take a number of years at a cost of several hundred million dollars. We are currently in litigation with the insurance providers in 2020 for Barrington Plaza to recover certain costs associated with reconstruction. As of December 31, 2023, a significant majority of the tenants have vacated. Tenants occupying 154 units have the right to remain until May 2024, and we expect them to move out at an uneven pace over the intervening period. That schedule could be impacted by legal or regulatory actions. During any period when the property is unoccupied, we will not generate any revenue from it. In connection with the removal of the property from the rental market, we accelerated and recorded additional depreciation expense of \$82.1 million for the year ended December 31, 2023, which is included in Depreciation and amortization on our consolidated statements of operations.

Rental Rate Trends - Total Portfolio

Office Rental Rates

The table below presents the average annual rental rate per leased square foot and the annualized lease transaction costs per leased square foot for leases executed in our total office portfolio during the respective periods:

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Average straight-line rental rate ⁽¹⁾⁽²⁾⁽⁴⁾	\$42.97	\$46.78	\$44.99	\$45.26	\$49.65
Annualized lease transaction costs ⁽³⁾⁽⁴⁾	\$5.53	\$5.85	\$4.77	\$5.11	\$6.02

(1) These average rental rates are not directly comparable from year to year because the averages are significantly affected from period to period by factors such as the buildings, submarkets, and types of space and terms involved in the leases executed during the respective reporting period. Because straight-line rent takes into account the full economic value during the full term of each lease, including rent concessions and escalations, we believe that it may provide a better comparison than ending cash rents, which include the impact of the annual escalations over the entire term of the lease.

(2) Reflects the weighted average straight-line Annualized Rent.

(3) Reflects the weighted average leasing commissions and tenant improvement allowances divided by the weighted average number of years for the leases. Excludes leases substantially negotiated by the seller in the case of acquired properties and leases for tenants relocated from space at the landlord's request.

(4) Our office rental rates were adversely impacted by the COVID-19 pandemic during 2020, 2021 and 2022, although the lower rental rates for the respective periods were partly offset by lower tenant improvement costs.

Office Rent Roll

The table below presents the rent roll for new and renewed leases per leased square foot executed in our total office portfolio:

Rent Roll ⁽¹⁾⁽²⁾	Year Ended December 31, 2023		
	Expiring Rate ⁽²⁾	New/Renewal Rate ⁽²⁾	Percentage Change
Cash Rent	\$45.25	\$41.80	(7.6)%
Straight-line Rent	\$41.17	\$42.97	4.4%

(1) Represents the average annual initial stabilized cash and straight-line rents per square foot on new and renewed leases signed during the year compared to the prior leases for the same space. Excludes leases with a term of twelve months or less, leases where the prior lease was terminated more than a year before signing of the new lease, leases for tenants relocated at the landlord's request, leases in acquired buildings where we believe the information about the prior agreement is incomplete or where we believe the base rent reflects other off-market inducements to the tenant, and other non-comparable leases.

(2) Our office rent roll can fluctuate from period to period as a result of changes in our submarkets, buildings and term of the expiring leases, making these metrics difficult to predict.

Multifamily Rental Rates

The table below presents the average annual rental rate per leased unit for new tenants:

	Year Ended December 31,				
	2023	2022	2021	2020	2019
Average annual rental rate - new tenants ⁽¹⁾⁽²⁾	\$ 36,070	\$ 31,763	\$ 29,837	\$ 28,416	\$ 28,350

(1) These average rental rates are not directly comparable from year to year because of changes in the properties and units included. For example:

- (i) During 2020, the average was impacted by the addition of a significant number of units at our Bishop Place development in Honolulu, where the rental rates were higher than the average in our portfolio, and
- (ii) During 2022, the average was impacted by the acquisition of 1221 Ocean Avenue, where the rental rates were higher than the average in our portfolio.
- (iii) During 2023, the average was impacted by leasing of units at our newly developed West Los Angeles property, where the rental rates were higher than the average in our portfolio. Barrington Plaza was removed from this metric beginning with the third quarter of 2023.

(2) Our multifamily rental rates were adversely impacted by the COVID-19 pandemic in 2020 but improved in 2021 and 2022.

Multifamily Rent Roll

The rent on leases subject to rent change during 2023 (new tenants and existing tenants undergoing annual rent review) was 2.1% higher on average than the prior rent on the same unit.

Occupancy Rates - Total Portfolio

The tables below present the occupancy rates for our total office portfolio and multifamily portfolio:

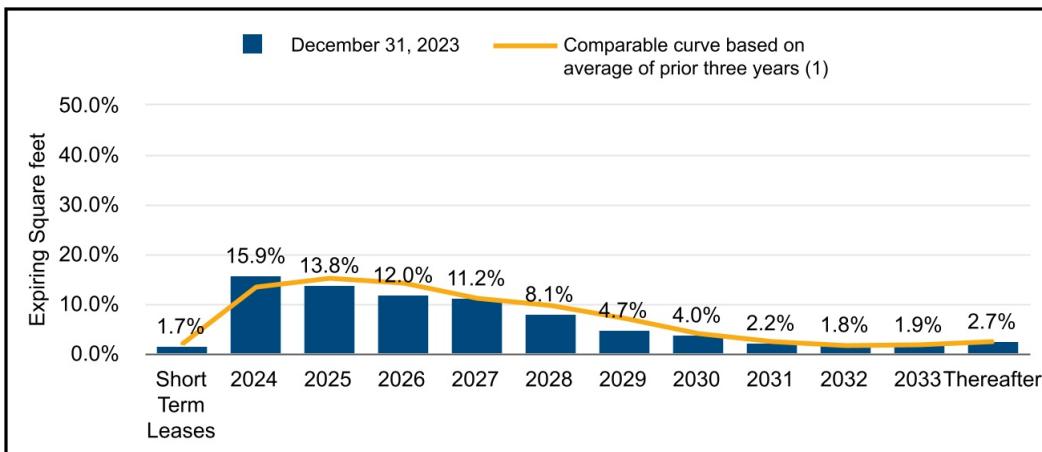
Occupancy Rates ⁽¹⁾ as of:	December 31,				
	2023	2022	2021	2020	2019
Office portfolio ⁽²⁾	81.0 %	83.7 %	84.9 %	87.4 %	91.4 %
Multifamily portfolio ⁽³⁾⁽⁵⁾	96.7 %	98.1 %	98.0 %	94.2 %	95.2 %

Average Occupancy Rates ⁽¹⁾⁽⁴⁾ :	Year Ended December 31,				
	2023	2022	2021	2020	2019
Office portfolio ⁽²⁾	82.6 %	84.2 %	85.7 %	89.5 %	90.7 %
Multifamily portfolio ⁽³⁾⁽⁵⁾	96.9 %	97.9 %	96.8 %	94.2 %	96.5 %

- (1) Occupancy rates include the impact of property acquisitions, most of whose occupancy rates at the time of acquisition were below that of our existing portfolio.
- (2) Our office occupancy rates were adversely impacted by the COVID-19 pandemic during 2020, 2021 and 2022.
- (3) Our Occupancy Rates may not be directly comparable from year to year, as they can be impacted by acquisitions, dispositions, development and redevelopment projects. Excludes units vacated as part of removing Barrington Plaza from the rental market until June of 2023 and excludes the impact of Barrington Plaza entirely starting in July 2023.
- (4) Average occupancy rates are calculated by averaging the occupancy rates at the end of each of the quarters in the period and at the end of the quarter immediately prior to the start of the period.
- (5) Our multifamily occupancy rates were adversely impacted by the COVID-19 pandemic during 2020 but recovered during 2021 and 2022.

Office Lease Expirations

As of December 31, 2023, assuming non-exercise of renewal options and early termination rights, we expect to see expiring square footage in our total office portfolio as follows:



- (1) Average of the percentage of leases at December 31, 2020, 2021, and 2022 with the same remaining duration as the leases for the labeled year had at December 31, 2023. Acquisitions are included in the prior year average commencing in the quarter after the acquisition.

Results of Operations

Comparison of 2023 to 2022

Our operating results were adversely impacted by the effects of inflation and higher interest rates during 2023, and by the COVID-19 pandemic during 2022.

	Year Ended December		Favorable (Unfavorable)		Commentary
	31, 2023	2022	Change	%	
	(In thousands)				
<u>Revenues</u>					
Office rental revenue and tenant recoveries	\$ 714,742	\$ 724,131	\$ (9,389)	(1.3)%	The decrease was primarily due to lower occupancy, lower collections, lower accretion from below-market leases and our office to residential conversion project at Bishop Place. The decrease was partly offset by higher rental rates, higher lease termination revenues and an increase in tenant recoveries.
Office parking and other income	\$ 115,203	\$ 100,442	\$ 14,761	14.7 %	The increase was primarily due to an increase in parking income due to higher parking activity and higher ground lease income due to a one-time catch-up payment related to a ground lease reset dispute.
Multifamily revenue	\$ 190,543	\$ 169,079	\$ 21,464	12.7 %	The increase was primarily due to: (i) an increase in revenues from new units at our Landmark Los Angeles development project and our Residences at Bishop Place conversion project, (ii) an increase in revenues from our 1221 Ocean Avenue property in Santa Monica that we purchased in the second quarter of 2022 and (iii) higher rental rates at our other multifamily properties. The increase was partly offset by a decrease in revenues from units removed from service at our Barrington Plaza property commencing during the second quarter of 2023.
<u>Operating expenses</u>					
Office rental expenses	\$ 294,310	\$ 284,522	\$ (9,788)	(3.4)%	The increase was primarily due to an increase in utility, security, janitorial and insurance expenses. The increase was partly offset by a decrease in rental expenses from our office to residential conversion project at Bishop Place and lower property taxes.
Multifamily rental expenses	\$ 67,323	\$ 49,299	\$ (18,024)	(36.6)%	The increase was primarily due to: (i) an increase in rental expenses from new units at our development projects, (ii) an increase in rental expenses from our 1221 Ocean Avenue property in Santa Monica that we purchased in the second quarter of 2022, and (iii) an increase in property taxes, security and personnel

					expenses at our other multifamily properties.
General and administrative expenses	\$ 49,236	\$ 45,405	\$ (3,831)	(8.4)%	The increase was primarily due to higher legal expenses, partly offset by a decrease in advocacy expenses.
Depreciation and amortization	\$ 459,949	\$ 372,798	\$ (87,151)	(23.4)%	The increase was primarily due to accelerated depreciation related to removing units from service at our Barrington Plaza property commencing during the second quarter of 2023.

	Year Ended December 31,		Favorable (Unfavorable)		Commentary
	2023	2022	Change	%	
	(In thousands)				
<u>Non-Operating Income and Expenses</u>					
Other income	\$ 19,633	\$ 4,587	\$ 15,046	328.0 %	The increase was primarily due to an increase in interest income due to higher interest rates and higher cash and cash equivalent balances.
Other expenses	\$ (1,032)	\$ (714)	\$ (318)	(44.5)%	The increase was primarily due to higher transaction costs.
(Loss) income from unconsolidated Fund	\$ (34,643)	\$ 1,224	\$ (35,867)	(2,930.3)%	The decrease was primarily due to an impairment charge of \$36.2 million in 2023 related to our investment in our Fund.
Interest expense	\$ (209,468)	\$ (150,185)	\$ (59,283)	(39.5)%	The increase was primarily due to higher interest rates on our floating rate debt, higher debt, and a decrease in interest capitalized related to development activity.

Comparison of 2022 to 2021

See Item 7 of Part II in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 17, 2023 for a comparison of our results of operations for 2022 compared to 2021.

Non-GAAP Supplemental Financial Measure: FFO

Usefulness to Investors

We report FFO because it is a widely reported measure of the performance of equity REITs, and is also used by some investors to identify the impact of trends in occupancy rates, rental rates and operating costs from year to year, excluding the impacts from changes in the value of our real estate, and to compare our performance with other REITs. FFO is a non-GAAP financial measure for which we believe that net income (loss) is the most directly comparable GAAP financial measure. FFO has limitations as a measure of our performance because it excludes depreciation and amortization of real estate, and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures, tenant improvements and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations. FFO should be considered only as a supplement to net income as a measure of our performance and should not be used as a measure of our liquidity or cash flow, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to the FFO of other REITs. See "Results of Operations" above for a discussion of the items that impacted our net income (loss).

FFO Reconciliation to GAAP

The table below reconciles our FFO (the FFO attributable to our common stockholders and noncontrolling interests in our Operating Partnership - which includes our share of our consolidated JVs and our unconsolidated Fund's FFO) to net (loss) income attributable to common stockholders (the most directly comparable GAAP measure). Our FFO was adversely impacted by the effects of inflation and higher interest rates during 2023, and by the COVID-19 pandemic during 2022.

(In thousands)	Year Ended December 31,	
	2023	2022
Net (loss) income attributable to common stockholders ⁽¹⁾	\$ (42,706)	\$ 97,145
Depreciation and amortization of real estate assets	459,949	372,798
Net loss attributable to noncontrolling interests	(33,134)	(605)
Adjustments attributable to unconsolidated Fund ⁽¹⁾⁽²⁾	39,194	2,848
Adjustments attributable to consolidated JVs ⁽³⁾	(46,012)	(52,503)
FFO	\$ 377,291	\$ 419,683

(1) Our net loss for the year ended December 31, 2023 includes a \$36.2 million impairment charge related to our investment in our unconsolidated Fund. Adjustments attributable to our unconsolidated Fund include an adjustment to exclude the respective impairment loss. We excluded this impairment charge from our calculation of FFO because the impairment charge relates directly to the real estate held by the Fund.

(2) Adjusts for our share of Partnership X's depreciation and amortization of real estate assets.

(3) Adjusts for the net income (loss) and depreciation and amortization of real estate assets that is attributable to the noncontrolling interests in our consolidated JVs.

Comparison of 2023 to 2022

During 2023, FFO decreased by \$42.4 million, or 10.1%, to \$377.3 million, compared to \$419.7 million for 2022. The decrease was primarily due to higher interest expense and a decrease in NOI from our office portfolio, partly offset by higher interest income and an increase in NOI from our multifamily portfolio. The increase in interest expense was primarily due to higher interest rates on our floating rate debt, higher debt and a decrease in interest capitalized related to development activity. The decrease in NOI from our office portfolio was primarily due to: (i) lower occupancy, (ii) lower collections, (iii) lower accretion from below-market leases, (iv) our office to residential conversion project at Bishop Place and (v) higher rental expenses. The increase in interest income was primarily due to higher interest rates and higher cash and cash equivalents balances. The increase in NOI from our multifamily portfolio was primarily due to: (i) new units from our development projects, (ii) our acquisition of the 1221 Ocean Avenue property in Santa Monica in the second quarter of 2022, and (iii) higher rental rates at our other multifamily properties.

Comparison of 2022 to 2021

See Item 7 of Part II in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 17, 2023 for a comparison of our FFO for 2022 compared to 2021.

Non-GAAP Supplemental Financial Measure: Same Property NOI

Usefulness to Investors

We report Same Property NOI to facilitate a comparison of our operations between reported periods. Many investors use Same Property NOI to evaluate our operating performance and to compare our operating performance with other REITs, because it can reduce the impact of investing transactions on operating trends. Same Property NOI is a non-GAAP financial measure for which we believe that net income (loss) is the most directly comparable GAAP financial measure. We report Same Property NOI because it is a widely recognized measure of the performance of equity REITs, and is used by some investors to identify trends in occupancy rates, rental rates and operating costs and to compare our operating performance with that of other REITs. Same Property NOI has limitations as a measure of our performance because it excludes depreciation and amortization expense, and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures, tenant improvements and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations. Other REITs may not calculate Same Property NOI in the same manner. As a result, our Same Property NOI may not be comparable to the Same Property NOI of other REITs. Same Property NOI should be considered only as a supplement to net income as a measure of our performance and should not be used as a measure of our liquidity or cash flow, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends.

Comparison of 2023 to 2022:

Our Same Properties for 2023 included 67 office properties, aggregating 17.6 million Rentable Square Feet, and 10 multifamily properties with an aggregate 3,449 units. The amounts presented below reflect 100% (not our pro-rata share). Our Same Property results were adversely impacted by the effects of inflation during 2023 and by the COVID-19 pandemic during 2022.

	Year Ended December 31,		Favorable (Unfavorable)		Commentary
	2023	2022	Change	%	
	(In thousands)				
Office revenues	\$ 819,931	\$ 814,084	\$ 5,847	0.7 %	The increase was primarily due to an increase in parking income and tenant recoveries, partly offset by lower rental revenues. The lower rental revenues were primarily due to lower occupancy, lower collections and lower accretion from below-market leases, partly offset by higher lease termination revenues.
Office expenses	(293,686)	(279,653)	(14,033)	(5.0)%	The increase was primarily due to an increase in utility, security, janitorial and insurance expenses. The increase was partly offset by lower property taxes.
Office NOI	526,245	534,431	(8,186)	(1.5)%	
Multifamily revenues	119,718	114,688	5,030	4.4 %	The increase was primarily due to an increase in rental revenues due to higher rental rates.
Multifamily expenses	(37,318)	(34,633)	(2,685)	(7.8)%	The increase was primarily due to an increase in property taxes, security, and personnel expenses.
Multifamily NOI	82,400	80,055	2,345	2.9 %	
Total NOI	\$ 608,645	\$ 614,486	\$ (5,841)	(1.0)%	

Reconciliation to GAAP

The table below presents a reconciliation of Net (loss) income attributable to common stockholders (the most directly comparable GAAP measure) to Same Property NOI:

(In thousands)	Year Ended December 31,	
	2023	2022
Net (loss) income attributable to common stockholders	\$ (42,706)	\$ 97,145
Net loss attributable to noncontrolling interests	(33,134)	(605)
Net (loss) income	(75,840)	96,540
General and administrative expenses	49,236	45,405
Depreciation and amortization	459,949	372,798
Other income	(19,633)	(4,587)
Other expenses	1,032	714
Loss (income) from unconsolidated Fund	34,643	(1,224)
Interest expense	209,468	150,185
NOI	\$ 658,855	\$ 659,831
Same Property NOI by Segment		
Same property office revenues	\$ 819,931	\$ 814,084
Same property office expenses	(293,686)	(279,653)
Same Property Office NOI	526,245	534,431
Same property multifamily revenues	119,718	114,688
Same property multifamily expenses	(37,318)	(34,633)
Same Property Multifamily NOI	82,400	80,055
Same Property NOI	608,645	614,486
Non-comparable office revenues	10,014	10,489
Non-comparable office expenses	(624)	(4,869)
Non-comparable multifamily revenues	70,825	54,391
Non-comparable multifamily expenses	(30,005)	(14,666)
NOI	\$ 658,855	\$ 659,831

Comparison of 2022 to 2021

See Item 7 of Part II in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 17, 2023 for a comparison of our same property NOI for 2022 compared to 2021.

Liquidity and Capital Resources

Short-term liquidity

Our short-term liquidity needs consist primarily of funds necessary for our operating activities, development, repositioning projects, dividends, distributions, and discretionary share repurchases. During 2023, we generated cash from operations of \$427.0 million. As of December 31, 2023, we had \$523.1 million of cash and cash equivalents. Our earliest term loan maturity is December 2024. See Note 8 to our consolidated financial statements in Item 15 of this Report for more information regarding our debt. Excluding acquisitions and debt refinancings, we expect to meet our short-term liquidity requirements through cash on hand and cash generated by operations.

Long-term liquidity

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, development and debt refinancings. We do not expect to have sufficient funds on hand to cover these long-term cash requirements due to REIT federal tax rules which require that we distribute at least 90% of our income on an annual basis. We plan to meet our long-term liquidity needs through long-term secured non-recourse debt, the issuance of equity securities, including common stock and OP Units, as well as property dispositions and JV transactions.

We only use non-recourse debt, secured by our properties. As of the date of this report, approximately 45% of our total office portfolio was unencumbered. To mitigate the impact of changing interest rates on our cash flows from operations, we generally enter into interest rate swap agreements with respect to our loans with floating interest rates. These swap agreements generally expire two years before the maturity date of the related loan, during which time we can refinance the loan without any interest penalty. We also enter into interest rate cap agreements from time to time to cap the interest rates on our floating rate loans. See Notes 8 and 10 to our consolidated financial statements in Item 15 of this Report for more information regarding our debt and derivative contracts, respectively. See Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of this Report regarding the impact of interest rate increases on our future operating results and cash flows.

Certain Contractual Obligations

See the following notes to our consolidated financial statements in Item 15 of this Report for information regarding our contractual commitments:

- Note 4 - minimum future ground lease payments;
- Note 8 - minimum future principal payments for our secured notes payable, and the interest rates that determine our future periodic interest payments; and
- Note 17 - contractual commitments.

Off-Balance Sheet Arrangements

Unconsolidated Fund Debt

Our Fund, Partnership X, has its own secured non-recourse debt and interest rate swaps. We have made certain environmental and other limited indemnities and guarantees covering customary non-recourse carve-outs related to that loan, and we have also guaranteed the interest rate swaps. Partnership X has agreed to indemnify us for any amounts that we would be required to pay under these agreements. As of December 31, 2023, all of the obligations under the respective loan and swap agreements have been performed in accordance with the terms of those agreements. See "Guarantees" in Note 17 to our consolidated financial statements in Item 15 of this Report for more information about our Fund's debt and swaps, and the respective guarantees.

Cash Flows

Comparison of 2023 to 2022

Our operating cash flows were adversely impacted by the effects of inflation and higher interest rates during 2023 and by the COVID-19 pandemic during 2022.

	Year Ended December 31,		Increase (Decrease)		% (In thousands)
	2023	2022	In Cash		
Net cash provided by operating activities ⁽¹⁾	\$ 426,964	\$ 496,888	\$ (69,924)	(14.1)%	
Net cash used in investing activities ⁽²⁾	\$ (233,590)	\$ (560,953)	\$ 327,363	58.4 %	
Cash provided by (used in) financing activities ⁽³⁾	\$ 60,871	\$ (3,003)	\$ 63,874	(2,127.0)%	

- (1) Our cash flows from operating activities are primarily dependent upon the occupancy and rental rates of our portfolio, the collectibility of tenant receivables, the level of our operating and general and administrative expenses, and interest expense. The decrease in cash from operating activities of \$69.9 million was primarily due to: (i) higher interest expense, (ii) cash used to fund working capital, (iii) an increase in general and administrative cash expenses, and (iv) a decrease in NOI from our office portfolio, partly offset by higher interest income and an increase in NOI from our multifamily portfolio.
- (2) Our cash flows from investing activities is generally used to fund property acquisitions, developments and redevelopment projects, and Recurring and non-Recurring Capital Expenditures. The increase in cash from investing activities of \$327.4 million was primarily due to \$330.5 million for a property acquisition during 2022 and a decrease in capital expenditures for developments of \$34.3 million, partly offset by an increase in capital expenditures for improvements to real estate of \$26.8 million.
- (3) Our cash flows from financing activities are generally impacted by our borrowings and capital activities, as well as dividends and distributions paid to common stockholders and noncontrolling interests, respectively. The increase in cash from financing activities of \$63.9 million was primarily due to: (i) an increase in net borrowings of \$175.0 million, (ii) a decrease in dividends paid to common stockholders of \$66.9 million, and (iii) lower distributions paid to noncontrolling interests of \$18.4 million, partly offset by cash paid to repurchase common stock of \$109.2 million and a decrease in contributions from noncontrolling interests in our consolidated JVs of \$80.9 million.

Comparison of 2022 to 2021

See Item 7 of Part II in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 17, 2023 for a comparison of our cash flows for 2022 compared to 2021.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP, which requires us to make estimates of certain items which affect the reported amounts of our assets, liabilities, revenues and expenses. While we believe that our estimates are based upon reasonable assumptions and judgments at the time that they are made, some of our estimates could prove to be incorrect, and those differences could be material. Below is a discussion of our critical accounting policies, which are the policies we believe require the most estimate and judgment. See Note 2 to our consolidated financial statements included in Item 15 of this Report for the summary of our significant accounting policies.

Investment in Real Estate

Acquisitions and Initial Consolidation of VIEs

We account for property acquisitions as asset acquisitions. We allocate the purchase price for asset acquisitions, which includes the capitalized transaction costs, and for the properties upon the initial consolidation of VIEs not determined to be a business, on a relative fair value basis to: (i) land, (ii) buildings and improvements, (iii) tenant improvements and identifiable intangible assets such as in-place at-market leases, (iv) acquired above- and below-market ground and tenant leases, and if applicable (v) assumed debt, based upon comparable sales for land, and the income approach using our estimates of expected future cash flows and other valuation techniques, which include but are not limited to, our estimates of rental rates, revenue growth rates, capitalization rates and discount rates, for other assets and liabilities. We estimate the relative fair values of the tangible assets on an "as-if-vacant" basis. The estimated relative fair value of acquired in-place at-market leases are the estimated costs to lease the property to the occupancy level at the date of acquisition, including the fair value of leasing commissions and legal costs. We evaluate the time period over which we expect such occupancy level to be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period. Above and below-market ground and tenant leases are recorded as an asset or liability based upon the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid or received pursuant to the in-place ground or tenant leases, respectively, and our estimate of fair market rental rates for the corresponding in-place leases, over the remaining non-cancelable term of the leases. Assumed debt is recorded at fair value based upon the present value of the expected future payments and current interest rates.

These estimates require judgment, involve complex calculations, and the allocations have a direct and material impact on our results of operations because, for example, (i) there would be less depreciation if we allocate more value to land (which is not depreciated), or (ii) if we allocate more value to buildings than to tenant improvements, the depreciation would be recognized over a much longer time period, because buildings are depreciated over a longer time period than tenant improvements.

Impairment of Long-Lived Assets

We assess our investment in real estate for impairment on a periodic basis, and whenever events or changes in circumstances indicate that the carrying value of our investments in real estate may not be recoverable. If the undiscounted future cash flows expected to be generated by the asset are less than the carrying value of the asset, and our evaluation indicates that we may be unable to recover the carrying value, then we would record an impairment loss to the extent that the carrying value exceeds the estimated fair value of the asset. Our estimates of future cash flows are based in part upon assumptions regarding future occupancy, rental revenues and operating costs, and could differ materially from actual results. We record real estate held for sale at the lower of carrying value or estimated fair value, less costs to sell, and similarly recognize impairment losses if we believe that we cannot recover the carrying value. Our evaluation of market conditions for assets held for sale requires judgment, and our expectations could differ materially from actual results. Impairment losses would reduce our net income and could be material. Based upon such periodic assessments we did not record any impairment losses for our long-lived assets during 2023, 2022 or 2021.

Revenue Recognition - Collectibility of lease payments from office tenants

In accordance with Topic 842, if collectibility of lease payments is not probable at the commencement date, then we limit the lease income to the lesser of the income recognized on a straight-line basis or cash basis. If our assessment of collectibility changes after the commencement date, we record the difference between the lease income that would have been recognized on a straight-line basis and cash basis as a current-period adjustment to rental revenues and tenant recoveries. We adopted the Topic 842 complete impairment model. Under this model, we no longer maintain a general reserve related to our receivables, and instead analyze, on a lease-by-lease basis, whether amounts due under the operating lease are deemed probable for collection. We write off tenant and deferred rent receivables as a charge against rental revenues and tenant recoveries in the period we determine the lease payments are not probable for collection. If we subsequently collect amounts that were previously written off then the amounts collected are recorded as an increase to our rental revenues and tenant recoveries in the period they are collected.

Our assessment of the collectibility of lease payments requires judgment and could have a material impact on our results of operations. This assessment involves using a methodology that requires judgment and estimates about matters that are uncertain at the time the estimates are made, including tenant specific factors, specific industry conditions, and general economic trends and conditions.

During 2022 and 2021, our results of operations were materially impacted by the COVID-19 pandemic. Charges for uncollectible amounts related to tenant receivables and deferred rent receivables reduced our rental revenues and tenant recoveries by \$0.8 million, \$0.6 million, and \$3.0 million in 2023, 2022 and 2021, respectively. We restored accrual basis accounting for certain office tenants that were previously determined to be uncollectible and accounted for on a cash basis of accounting, which increased our office revenues by \$4.4 million and \$3.6 million in 2023 and 2022, respectively.

Revenue Recognition for Tenant Recoveries

Our tenant recovery revenues for recoverable operating expenses are recognized as revenue in the period that the recoverable expenses are incurred. Subsequent to year-end, we perform reconciliations on a lease-by-lease basis and bill or credit each tenant for any differences between the estimated expenses we billed to the tenant and the actual expenses incurred. Estimating tenant recovery revenues requires an in-depth analysis of the complex terms of each underlying lease. Examples of estimates and judgments made when determining the amounts recoverable include:

- estimating the recoverable expenses;
- estimating the impact of changes to expense and occupancy during the year;
- estimating the fixed and variable components of operating expenses for each building;
- conforming recoverable expense pools to those used in the base year for the underlying lease; and
- judging whether an expense or capital expenditure is recoverable pursuant to the terms of the underlying lease.

These estimates require judgment and involve calculations for each of our office properties. If our estimates prove to be incorrect, then our tenant recovery revenues and net income could be materially and adversely affected in future periods when we perform our reconciliations. The impact of changing our current year tenant recovery billings by 5% would result in a change to our tenant recovery revenues and net income of \$2.6 million, \$2.2 million and \$2.4 million during 2023, 2022 and 2021, respectively.

Stock-Based Compensation

We award stock-based compensation to certain employees and non-employee directors in the form of LTIP Units. We recognize the fair value of the awards over the requisite vesting period, which is based upon service. The fair value of the awards is based upon the market value of our common stock on the grant date and a discount for post-vesting restrictions.

Our estimate of the discount for post-vesting restrictions requires judgment. If our estimate of the discount is too high or too low, it would result in the fair value of the awards that we make being too low or too high, respectively, which would result in an under- or over-expense of stock-based compensation, respectively, and this under- or over-expensing of stock-based compensation would result in our net income being overstated or understated, respectively. Stock-based compensation expense was \$19.8 million, \$21.0 million and \$20.9 million for 2023, 2022 and 2021, respectively. The impact of changing the discount rate by 5% would result in a change to our stock-based compensation expense and net income of \$1.0 million, \$1.1 million and \$1.0 million during 2023, 2022 and 2021, respectively.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Fixed-Rate Borrowings and Hedged Borrowings

As of December 31, 2023, the interest rates for 69% of our consolidated borrowings were fixed or swap-fixed with interest rate swaps, and 15% were capped with interest rate caps. Our use of interest rate swaps and caps exposes us to credit risk from the potential inability of our counterparties to perform under the terms of those agreements. We attempt to minimize this credit risk by contracting with a variety of financial counterparties with investment grade ratings. As of December 31, 2023, the maximum amount the interest expense on our capped-rate borrowings could increase is \$14.3 million per year. Higher interest rates would cause an increase in our future interest expense on our capped-rate debt, which would reduce our future net income, cash flows from operations and FFO.

Unhedged Floating-Rate Borrowings

As of December 31, 2023, the interest rates for 16% of our consolidated borrowings were floating. As of December 31, 2023, the interest expense for our floating-rate borrowings that are not hedged would increase by \$9.3 million per year for every one hundred basis point increase in the related benchmark interest rate. Higher interest rates would cause an increase in our future interest expense on our floating-rate debt, which would reduce our future net income, cash flows from operations and FFO.

See Note 8 to our consolidated financial statements in Item 15 of this Report for more information regarding our debt and our future swap and cap expirations. See Note 10 to our consolidated financial statements in Item 15 of this Report for more information regarding our swaps and caps.

Market Transition to SOFR from LIBOR

During the third quarter of 2023, we converted all of our LIBOR loans and swaps to SOFR. The LIBOR loans converted to SOFR include a small SOFR adjustment (an increase to the SOFR rate) to calculate the interest payable to the lender. The SOFR conversion did not change the swap-fixed interest rates for our swap-fixed loans. See Notes 8 and 10 to our consolidated financial statements in Item 15 of this Report for more information regarding our debt and derivatives, respectively.

Item 8. Financial Statements and Supplementary Data

See the Index to our Financial Statements in [Item 15](#).

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

As of December 31, 2023, the end of the period covered by this Report, we carried out an evaluation, under the supervision and with the participation of management, including our CEO and CFO, regarding the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on the foregoing, our CEO and CFO concluded, as of that time, that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports filed or submitted under the Exchange Act (i) is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including our CEO and our CFO, as appropriate, to allow for timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm thereon appear at pages [F-1](#) and [F-4](#), respectively, and are incorporated herein by reference.

Item 9B. Other Information

- (a) None.
- (b) During the three months ended December 31, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each such term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to the information set forth under the captions "Election of Directors (Proposal 1) – Information Concerning Current Directors and Nominees", "Information About Our Executive Officers", "Corporate Governance", "Board Meetings and Committees" and "Delinquent Section 16(a) Reports" (to the extent required), in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2023.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the information set forth under the captions "Executive Compensation", "Compensation Committee Report", "Director Compensation", and "Compensation Committee Interlocks and Insider Participation", in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance Under Stock-Based Compensation Plan

The following table presents information with respect to shares of our common stock that may be issued under our existing stock incentive plan as of December 31, 2023:

Plan Category	Number of shares of common stock to be issued upon exercise of outstanding options, warrants and rights (In thousands)	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares of common stock remaining available for future issuance under stock-based compensation plans (excluding shares reflected in column (a)) (In thousands)
	(a)	(b)	(c)
Stock-based compensation plans approved by stockholders	(1) 4,734	(2) \$—	(3) 16,542

(1) For a description of our 2016 Omnibus Stock Incentive Plan, see Note 13 to our consolidated financial statements in Item 15 of this Report. We did not have any other stock-based compensation plans as of December 31, 2023.

(2) Consists of 2.7 million vested and 2.0 million unvested LTIP Units.

(3) We have no outstanding options. There are no exercise prices for LTIP Units.

The remaining information required by this item is incorporated by reference to the information set forth under the caption "Voting Securities and Principal Stockholders—Security Ownership of Certain Beneficial Owners and Management", in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the information set forth under the captions "Election of Directors (Proposal 1) – Information Concerning Current Directors and Nominees", "Corporate Governance" and "Transactions With Related Persons", in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2023.

Item 14. Principal Accounting Fees and Services

Our Independent Registered Public Accounting Firm is Ernst & Young LLP , Los Angeles California , PCAOB Firm ID: 42 . The information required by this item is incorporated by reference to the information set forth under the caption "Independent Registered Public Accounting Firm" in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after December 31, 2023.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a)(1) and (2) Financial Statements and Schedules

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Note: All other schedules have been omitted because the required information is not present, or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or notes thereto.

(a)(3) exhibits

Number	Description	Footnote
3.1	Articles of Amendment and Restatement of Douglas Emmett, Inc.	(1)
3.2	Bylaws of Douglas Emmett, Inc.	(2)
3.3	Certificate of Correction to Articles of Amendment and Restatement of Douglas Emmett, Inc.	(3)
3.4	Bylaws Amendment	(4)
4.1	Form of Certificate of Common Stock of Douglas Emmett, Inc.	(5)
4.2	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	(6)
10.1	Form of Agreement of Limited Partnership of Douglas Emmett Properties, LP.	(5)
10.2	Registration Rights Agreement among Douglas Emmett, Inc. and the Initial Holders named therein. +	(7)
10.3	Form of Indemnification Agreement between Douglas Emmett, Inc. and its directors and officers. +	(8)
10.4	Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan. +	(9)
10.5	Form of Douglas Emmett Properties, LP Partnership Unit Designation – 2016 LTIP Units. +	(10)
10.6	Form of Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan LTIP Unit Award Agreement. +*	
10.7	Employment agreement dated January 1, 2024 between Douglas Emmett, Inc., Douglas Emmett Properties, LP and Jordan Kaplan. +	(11)
10.8	Employment agreement dated January 1, 2024 between Douglas Emmett, Inc., Douglas Emmett Properties, LP and Kenneth Panzer. +	(11)
21.1	List of Subsidiaries of the Registrant. *	
23.1	Consent of Independent Registered Public Accounting Firm. *	
31.1	Certificate of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *	
31.2	Certificate of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *	
32.1	Certificate of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *	(12)
32.2	Certificate of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *	(12)
97.1	Douglas Emmett, Inc. Policy for Recovery of Erroneously Awarded Compensation. *	
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.*	
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*	
	*	Filed with this Annual Report on Form 10-K .
	+	Denotes management contract or compensatory plan, contract or arrangement.
(1)		Filed with Amendment No. 6 to Form S-11 on October 19, 2006 and incorporated herein by this reference. (File number 333-135082)
(2)		Filed with Form 8-K on September 6, 2013 and incorporated herein by this reference. (File number 001-33106)
(3)		Filed with Form 8-K on October 30, 2006 and incorporated herein by this reference. (File number 001-33106)
(4)		Filed with Form 8-K on April 9, 2018 and incorporated herein by this reference. (File number 001-33106)

- (5) Filed with Amendment No. 3 to Form S-11 on October 3, 2006 and incorporated herein by this reference. (File number 333-135082)
- (6) Filed with Form 10-K on February 18, 2022 and incorporated herein by this reference. (File number 001-33106)
- (7) Filed with Form S-11 on June 16, 2006 and incorporated herein by this reference. (File number 333-135082)
- (8) Filed with Amendment No. 2 to Form S-11 on September 20, 2006 and incorporated herein by this reference. (File number 333-135082)
- (9) Filed with Definitive Proxy Statement on April 14, 2023 and incorporated herein by this reference. (File number 001-33106)
- (10) Filed with Form 8-K on December 12, 2016 and incorporated herein by this reference. (File number 001-33106)
- (11) Filed with Form 8-K on January 3, 2024 and incorporated herein by this reference. (File number 001-33106)
- (12) In accordance with SEC Release No. 33-8212, these exhibits are being furnished, and are not being filed as part of this Report on Form 10-K or as a separate disclosure document, and are not being incorporated by reference into any Securities Act registration statement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

DOUGLAS EMMETT, INC.

Dated: February 16, 2024 By: /s/ JORDAN L. KAPLAN
Jordan L. Kaplan
President and CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the persons below, in their respective capacities, on behalf of the registrant as of February 16, 2024.

Signature	Title
<u>/s/ JORDAN L. KAPLAN</u> Jordan L. Kaplan	President, CEO and Director (Principal Executive Officer)
<u>/s/ PETER D. SEYMOUR</u> Peter D. Seymour	CFO (Principal Financial and Accounting Officer)
<u>/s/ DAN A. EMMETT</u> Dan A. Emmett	Chairman of the Board
<u>/s/ KENNETH M. PANZER</u> Kenneth M. Panzer	COO and Director
<u>/s/ LESLIE E. BIDER</u> Leslie E. Bider	Director
<u>/s/ DORENE C. DOMINGUEZ</u> Dorene C. Dominguez	Director
<u>/s/ DR. DAVID T. FEINBERG</u> Dr. David T. Feinberg	Director
<u>/s/ RAY C. LEONARD</u> Ray C. Leonard	Director
<u>/s/ VIRGINIA A. MCFERRAN</u> Virginia A. McFerran	Director
<u>/s/ THOMAS E. O'HERN</u> Thomas E. O'Hern	Director
<u>/s/ WILLIAM E. SIMON, JR.</u> William E. Simon, Jr.	Director
<u>/s/ SHIRLEY WANG</u> Shirley Wang	Director

Report of Management on Internal Control over Financial Reporting

The management of Douglas Emmett, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934.

Our system of internal control is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of our financial statements for external reporting purposes in accordance with US GAAP. Our management, including the undersigned CEO and CFO, assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In conducting its assessment, management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control—Integrated Framework (2013 Framework). Based on this assessment, management concluded that, as of December 31, 2023, our internal control over financial reporting was effective based on those criteria.

Management, including our CEO and CFO, does not expect that our disclosure controls and procedures, or our internal controls will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

The effectiveness of our internal control over financial reporting as of December 31, 2023, has been audited by Ernst & Young LLP, the independent registered public accounting firm that audited the consolidated financial statements included in this annual report, as stated in their report appearing on page F-2, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2023.

/s/ JORDAN L. KAPLAN

Jordan L. Kaplan
President and CEO

/s/ PETER D. SEYMOUR

Peter D. Seymour
CFO

February 16, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Douglas Emmett, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Douglas Emmett, Inc. (the Company) as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the three years in the period ended December 31, 2023 and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 16, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Impairment of investment in real estate

Description of the Matter

The Company's net investment in real estate totaled \$8.7 billion as of December 31, 2023. As discussed in Note 2 to the consolidated financial statements, on a periodic basis and whenever events or changes in circumstances indicate that the carrying value of a property may not be recoverable, the Company assesses whether there has been an impairment in the carrying value of its properties. When indicators of impairment are present for a property, management calculates the future undiscounted cash flows expected to be generated by the property and compares it to the property's carrying value to determine whether an impairment occurred. Based on its assessment, management concluded that no impairments occurred for the year ended December 31, 2023.

The Company's evaluation of impairment indicators was based on qualitative and quantitative factors including consideration of significant decreases in the market prices of long-lived assets and the impact of current economic trends. Auditing the Company's impairment assessment for real estate assets was challenging because of the high degree of auditor judgment necessary to evaluate management's identification of indicators of potential impairment.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's real estate asset impairment assessment process.

Our testing of the Company's impairment assessment included, among other procedures, evaluating significant judgments applied in determining whether indicators of impairment existed for the Company's real estate assets. Our procedures included obtaining evidence to corroborate such judgments and consideration of contrary evidence. For example, we compared significant assumptions to historical operating results and market data, and considered the potential impact of debt maturities and lease expirations on management's ability to hold the properties over the expected term.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1995.

Los Angeles, California

February 16, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Douglas Emmett, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Douglas Emmett, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Douglas Emmett, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Douglas Emmett, Inc. as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the three years in the period ended December 31, 2023 and the related notes and financial statement schedule listed in the Index at Item 15(a), and our report dated February 16, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Los Angeles, California

February 16, 2024

Douglas Emmett, Inc.
Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2023	December 31, 2022
Assets		
Investment in real estate, gross	\$ 12,405,814	\$ 12,292,973
Less: accumulated depreciation and amortization	(3,652,630)	(3,299,365)
Investment in real estate, net	8,753,184	8,993,608
Ground lease right-of-use asset	7,447	7,455
Cash and cash equivalents	523,082	268,837
Tenant receivables	6,096	6,879
Deferred rent receivables	115,321	114,980
Acquired lease intangible assets, net	2,971	3,536
Interest rate contract assets	170,880	270,234
Investment in unconsolidated Fund	15,977	47,976
Other assets	49,260	33,941
Total Assets	\$ 9,644,218	\$ 9,747,446
Liabilities		
Secured notes payable, net	\$ 5,543,171	\$ 5,191,893
Ground lease liability	10,836	10,848
Interest payable, accounts payable and deferred revenue	131,237	140,925
Security deposits	61,958	61,429
Acquired lease intangible liabilities, net	19,838	31,364
Interest rate contract liabilities	—	1,790
Dividends payable	31,781	33,414
Total Liabilities	5,798,821	5,471,663
Equity		
Douglas Emmett, Inc. stockholders' equity:		
Common Stock, \$ 0.01 par value, 750,000,000 authorized, 167,206,267 and 175,809,682 outstanding at December 31, 2023 and December 31, 2022, respectively	1,672	1,758
Additional paid-in capital	3,392,955	3,493,307
Accumulated other comprehensive income	115,917	187,063
Accumulated deficit	(1,290,682)	(1,119,714)
Total Douglas Emmett, Inc. stockholders' equity	2,219,862	2,562,414
Noncontrolling interests	1,625,535	1,713,369
Total Equity	3,845,397	4,275,783
Total Liabilities and Equity	\$ 9,644,218	\$ 9,747,446

See accompanying notes to the consolidated financial statements.

Douglas Emmett, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenues			
Office rental			
Rental revenues and tenant recoveries	\$ 714,742	\$ 724,131	\$ 704,946
Parking and other income	115,203	100,442	81,924
Total office revenues	829,945	824,573	786,870
Multifamily rental			
Rental revenues	174,296	152,314	116,095
Parking and other income	16,247	16,765	15,432
Total multifamily revenues	190,543	169,079	131,527
Total revenues	1,020,488	993,652	918,397
Operating Expenses			
Office expenses	294,310	284,522	265,376
Multifamily expenses	67,323	49,299	38,025
General and administrative expenses	49,236	45,405	42,554
Depreciation and amortization	459,949	372,798	371,289
Total operating expenses	870,818	752,024	717,244
Other income	19,633	4,587	2,465
Other expenses	(1,032)	(714)	(937)
(Loss) income from unconsolidated Fund	(34,643)	1,224	946
Interest expense	(209,468)	(150,185)	(147,496)
Net (loss) income	(75,840)	96,540	56,131
Net loss attributable to noncontrolling interests	33,134	605	9,136
Net (loss) income attributable to common stockholders	\$ (42,706)	\$ 97,145	\$ 65,267
Net (loss) income per common share – basic and diluted	\$ (0.26)	\$ 0.55	\$ 0.37

See accompanying notes to the consolidated financial statements.

Douglas Emmett, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Net (loss) income	\$ (75,840)	\$ 96,540	\$ 56,131
Other comprehensive (loss) income: cash flow hedges	(100,031)	325,548	158,923
Comprehensive (loss) income	(175,871)	422,088	215,054
Comprehensive loss (income) attributable to noncontrolling interests	62,019	(99,106)	(40,526)
Comprehensive (loss) income attributable to common stockholders	\$ (113,852)	\$ 322,982	\$ 174,528

See accompanying notes to the consolidated financial statements.

Douglas Emmett, Inc.
Consolidated Statements of Equity
(In thousands, except dividend per share data)

	Year Ended December 31,			
	2023	2022	2021	
Shares of Common Stock	Beginning balance	175,810	175,529	175,464
	Exchange of OP Units for common stock	468	281	65
	Repurchases of common stock	(9,072)	—	—
	Ending balance	<u>167,206</u>	<u>175,810</u>	<u>175,529</u>
Common Stock	Beginning balance	\$ 1,758	\$ 1,755	\$ 1,755
	Exchange of OP Units for common stock	5	3	—
	Repurchases of common stock	(91)	—	—
	Ending balance	<u>\$ 1,672</u>	<u>\$ 1,758</u>	<u>\$ 1,755</u>
Additional Paid-in Capital	Beginning balance	\$ 3,493,307	\$ 3,488,886	\$ 3,487,887
	Exchange of OP Units for common stock	7,736	4,597	1,056
	Repurchases of OP Units with cash	1,054	(176)	(57)
	Repurchases of common stock	(109,142)	—	—
	Ending balance	<u>\$ 3,392,955</u>	<u>\$ 3,493,307</u>	<u>\$ 3,488,886</u>
Accumulated Other Comprehensive Income (Loss)	Beginning balance	\$ 187,063	\$ (38,774)	\$ (148,035)
	Cash flow hedge adjustments	(71,146)	225,837	109,261
	Ending balance	<u>\$ 115,917</u>	<u>\$ 187,063</u>	<u>\$ (38,774)</u>
Accumulated Deficit	Beginning balance	\$ (1,119,714)	\$ (1,035,798)	\$ (904,516)
	Net (loss) income attributable to common stockholders	(42,706)	97,145	65,267
	Dividends	(128,262)	(181,061)	(196,549)
	Ending balance	<u>\$ (1,290,682)</u>	<u>\$ (1,119,714)</u>	<u>\$ (1,035,798)</u>
Noncontrolling Interests	Beginning balance	\$ 1,713,369	\$ 1,570,484	\$ 1,558,928
	Net loss	(33,134)	(605)	(9,136)
	Cash flow hedge adjustments	(28,885)	99,711	49,662
	Contributions	125	81,000	—
	Distributions	(40,589)	(58,969)	(54,919)
	Exchange of OP Units for common stock	(7,741)	(4,600)	(1,056)
	Repurchases of OP Units with cash	(3,460)	(161)	(65)
	Stock-based compensation	25,850	26,509	27,070
	Ending balance	<u>\$ 1,625,535</u>	<u>\$ 1,713,369</u>	<u>\$ 1,570,484</u>

Statement continues on the following page.

Douglas Emmett, Inc.
Consolidated Statements of Equity
(In thousands, except dividend per share data)

	Year Ended December 31,			
	2023	2022	2021	
Total Equity	Beginning balance	\$ 4,275,783	\$ 3,986,553	\$ 3,996,019
	Net (loss) income	(75,840)	96,540	56,131
	Cash flow hedge adjustments	(100,031)	325,548	158,923
	Repurchases of OP Units with cash	(2,406)	(337)	(122)
	Repurchases of common stock	(109,233)	—	—
	Contributions	125	81,000	—
	Dividends	(128,262)	(181,061)	(196,549)
	Distributions	(40,589)	(58,969)	(54,919)
	Stock-based compensation	25,850	26,509	27,070
	Ending balance	\$ 3,845,397	\$ 4,275,783	\$ 3,986,553

Dividends declared per common share \$ 0.76 \$ 1.03 \$ 1.12

See accompanying notes to the consolidated financial statements.

Douglas Emmett, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Operating Activities			
Net (loss) income	\$ (75,840)	\$ 96,540	\$ 56,131
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Loss (income) from unconsolidated Fund	34,643	(1,224)	(946)
Depreciation and amortization	459,949	372,798	371,289
Net accretion of acquired lease intangibles	(10,961)	(11,255)	(9,541)
Straight-line rent	(342)	169	1,051
Loan premium amortized and written off	(460)	(460)	(460)
Deferred loan costs amortized and written off	8,858	7,943	10,902
Amortization of stock-based compensation	19,834	21,025	20,887
Operating distributions from unconsolidated Fund	1,288	1,224	943
Purchase of interest rate caps	(1,622)	—	—
Change in working capital components:			
Tenant receivables	783	6,248	5,099
Interest payable, accounts payable and deferred revenue	6,248	(1,399)	(2,842)
Security deposits	529	4,832	(962)
Other assets	(15,943)	447	(4,600)
Net cash provided by operating activities	426,964	496,888	446,951
Investing Activities			
Capital expenditures for improvements to real estate	(189,157)	(162,364)	(108,499)
Capital expenditures for developments	(41,480)	(75,754)	(184,592)
Insurance recoveries for damage to real estate	2,181	5,716	3,041
Property acquisition	—	(330,470)	—
Acquisition of additional interest in unconsolidated Fund	(5,214)	—	—
Capital distributions from unconsolidated Fund	80	1,919	1,342
Net cash used in investing activities	(233,590)	(560,953)	(288,708)
Financing Activities			
Proceeds from borrowings	505,000	245,000	1,345,000
Repayment of borrowings	(155,862)	(70,823)	(1,075,787)
Loan cost payments	(6,269)	(2,032)	(12,397)
Purchase of interest rate caps	—	(481)	—
Proceeds from sale of interest rate cap	—	444	—
Contributions from noncontrolling interests in consolidated JVs	125	81,000	—
Distributions paid to noncontrolling interests	(40,589)	(58,969)	(54,919)
Dividends paid to common stockholders	(129,895)	(196,805)	(196,529)
Repurchases of OP Units	(2,406)	(337)	(122)
Repurchases of common stock	(109,233)	—	—
Net cash provided by (used in) financing activities	60,871	(3,003)	5,246
Increase (decrease) in cash and cash equivalents and restricted cash	254,245	(67,068)	163,489
Cash and cash equivalents and restricted cash - beginning balance	268,938	336,006	172,517
Cash and cash equivalents and restricted cash - ending balance	\$ 523,183	\$ 268,938	\$ 336,006

Reconciliation of Ending Cash Balance

	Year Ended December 31,		
	2023	2022	2021

	---	---	---
Cash and cash equivalents	\$ 523,082	\$ 268,837	\$ 335,905
Restricted cash (included in Other assets on our consolidated balance sheets)	101	101	101
Cash and cash equivalents and restricted cash	\$ 523,183	\$ 268,938	\$ 336,006

Supplemental Cash Flows Information

	Year Ended December 31,		
	2023	2022	2021
Cash paid for interest, net of capitalized interest	\$ 195,952	\$ 141,427	\$ 136,999
Capitalized interest paid	\$ 1,474	\$ 9,101	\$ 8,814
Non-cash Investing Transactions			
Accrual for real estate and development capital expenditures	\$ 16,540	\$ 33,783	\$ 38,101
Capitalized stock-based compensation for improvements to real estate and developments	\$ 6,016	\$ 5,479	\$ 6,183
Removal of fully depreciated and amortized buildings, building improvements, tenant improvements and lease intangibles	\$ 102,114	\$ 100,050	\$ 157,325
Removal of fully amortized acquired lease intangible assets	\$ 427	\$ 1,438	\$ 442
Removal of fully accreted acquired lease intangible liabilities	\$ 16,843	\$ 11,900	\$ 23,725
Non-cash Financing Transactions			
Gain recorded in AOCI - consolidated derivatives	\$ 45,364	\$ 326,396	\$ 82,876
Gain recorded in AOCI - unconsolidated Fund's derivatives (our share)	\$ 585	\$ 3,780	\$ 569
Dividends declared	\$ 128,262	\$ 181,061	\$ 196,549
Exchange of OP Units for common stock	\$ 7,741	\$ 4,600	\$ 1,056

See accompanying notes to the consolidated financial statements.

1. Overview

Organization and Business Description

Douglas Emmett, Inc. is a fully integrated, self-administered and self-managed REIT. We are one of the largest owners and operators of high-quality office and multifamily properties in Los Angeles County, California and Honolulu, Hawaii. Through our interest in our Operating Partnership and its subsidiaries, consolidated JVs and unconsolidated Fund, we focus on owning, acquiring, developing and managing a substantial market share of top-tier office properties and premier multifamily communities in neighborhoods that possess significant supply constraints, high-end executive housing and key lifestyle amenities. The terms "us," "we" and "our" as used in the consolidated financial statements refer to Douglas Emmett, Inc. and its subsidiaries on a consolidated basis.

At December 31, 2023, our Consolidated Portfolio consisted of (i) a 17.6 million square foot office portfolio, (ii) 4,576 multifamily apartment units and (iii) fee interests in two parcels of land from which we receive rent under ground leases. We also manage and own an equity interest in an unconsolidated Fund which, at December 31, 2023, owned an additional 0.4 million square feet of office space. We manage our unconsolidated Fund alongside our Consolidated Portfolio, and we therefore present the statistics for our office portfolio on a Total Portfolio basis. As of December 31, 2023, our portfolio consisted of the following (including ancillary retail space and excluding two parcels of land from which we receive rent under ground leases):

	Consolidated Portfolio	Total Portfolio
<u>Office</u>		
Wholly-owned properties	52	52
Consolidated JV properties	16	16
Unconsolidated Fund properties	—	2
	<u>68</u>	<u>70</u>
<u>Multifamily</u>		
Wholly-owned properties	12	12
Consolidated JV properties	2	2
	<u>14</u>	<u>14</u>
Total	<u>82</u>	<u>84</u>

Basis of Presentation

The accompanying consolidated financial statements are the consolidated financial statements of Douglas Emmett, Inc. and its subsidiaries, including our Operating Partnership and our consolidated JVs. All significant intercompany balances and transactions have been eliminated in our consolidated financial statements.

We consolidate entities in which we are considered to be the primary beneficiary of a VIE or have a majority of the voting interest of the entity. We are deemed to be the primary beneficiary of a VIE when we have (i) the power to direct the activities of that VIE that most significantly impact its economic performance, and (ii) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. We do not consolidate entities in which the other parties have substantive kick-out rights to remove our power to direct the activities, most significantly impacting the economic performance, of that VIE. In determining whether we are the primary beneficiary, we consider factors such as ownership interest, management representation, authority to control decisions, and contractual and substantive participating rights of each party.

We consolidate our Operating Partnership through which we conduct substantially all of our business, and own, directly and through subsidiaries, substantially all of our assets, and are obligated to repay substantially all of our liabilities. The consolidated debt, excluding our consolidated JVs, was \$ 3.76 billion and \$ 3.41 billion, as of December 31, 2023 and December 31, 2022, respectively. See Note 8. We also consolidate four JVs through our Operating Partnership. We consolidate our Operating Partnership and our four JVs because they are VIEs and we or our Operating Partnership are the primary beneficiary for each.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements

As of December 31, 2023, our consolidated VIE entities, excluding our Operating Partnership, had:

- aggregate consolidated assets of \$ 3.83 billion (of which \$ 3.47 billion related to investment in real estate), and
- aggregate consolidated liabilities of \$ 1.88 billion (of which \$ 1.81 billion related to debt).

As of December 31, 2022, our consolidated VIE entities, excluding our Operating Partnership, had:

- aggregate consolidated assets of \$ 3.94 billion (of which \$ 3.54 billion related to investment in real estate), and
- aggregate consolidated liabilities of \$ 1.89 billion (of which \$ 1.81 billion related to debt).

The accompanying consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC in conformity with US GAAP as established by the FASB in the ASC. The accompanying consolidated financial statements include, in our opinion, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial information set forth therein. Any references to the number or class of properties, square footage, per square footage amounts, apartment units and geography, are unaudited and outside the scope of our independent registered public accounting firm's audit of our consolidated financial statements in accordance with the standards of the PCAOB.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make certain estimates that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Investment in Real Estate

Acquisitions and Initial Consolidation of VIEs

Acquisitions of properties generally do not meet the definition of a business and are accounted for as asset acquisitions, as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. We include the acquired properties' results of operations in our results of operations from the respective acquisition date. We allocate the purchase price for asset acquisitions, which includes the capitalized transaction costs, and for the properties upon the initial consolidation of VIEs not determined to be a business, on a relative fair value basis to: (i) land, (ii) buildings and improvements, (iii) tenant improvements and identifiable intangible assets such as in-place at-market leases, (iv) acquired above- and below-market ground and tenant leases (including for renewal options), and if applicable (v) assumed debt and (vi) assumed interest rate swaps. The fair values are based upon comparable sales for land, and the income approach using our estimates of expected future cash flows and other valuation techniques, which include but are not limited to, our estimates of rental rates, revenue growth rates, capitalization rates and discount rates, for other assets and liabilities. We estimate the relative fair values of the tangible assets on an "as-if-vacant" basis. The estimated relative fair value of acquired in-place at-market leases are the estimated costs to lease the property to the occupancy level at the date of acquisition, including the fair value of leasing commissions and legal costs. We evaluate the time period over which we expect such occupancy level to be achieved and include an estimate of the net operating costs (primarily real estate taxes, insurance and utilities) incurred during the lease-up period. Above- and below-market ground and tenant leases are recorded as an asset or liability based on the present value (using a discount rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid or received pursuant to the in-place ground or tenant leases, respectively, and our estimate of the fair market rental rates for the corresponding in-place leases, over the remaining non-cancelable term of the lease. Assumed debt is recorded at fair value based upon the present value of the expected future payments and current interest rates. See Note 3 for our property acquisition disclosures.

Depreciation and Amortization

The assets and liabilities listed below are carried on our consolidated balance sheets net of the related accumulated depreciation or amortization/accretion, and any impairment charges. We accelerate depreciation for affected assets when we renovate our buildings or our buildings are impacted by new developments. When assets are sold or retired, their cost and related accumulated depreciation or amortization are removed from our consolidated balance sheets with the resulting gains or losses, if any, reflected in our results of operations for the respective period.

- Buildings and improvements are depreciated on a straight-line basis using an estimated life of twenty-five to forty years for buildings and fifteen years for improvements.
- Tenant improvements are depreciated on a straight-line basis over the life of the related lease, with any remaining balance depreciated in the period of any early lease termination.
- Acquired in-place leases are amortized on a straight-line basis over the weighted average remaining term of the acquired in-place leases.
- Acquired lease intangibles are amortized on a straight-line basis over the related lease term, with any remaining balance amortized in the period of any early lease termination.
- Acquired above- and below-market tenant leases are amortized/accreted on a straight line basis over the life of the related lease and recorded as either an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue.
- Acquired above- and below-market ground leases, from which we earn ground rent income, are amortized/accreted on a straight line basis over the life of the related lease and recorded either as an increase (for below-market leases) or a decrease (for above-market leases) to rental revenue.
- Acquired above- and below-market ground leases, for which we incur ground rent expense, are accreted/ amortized over the life of the related lease and recorded either as an increase (for below-market leases) or a decrease (for above-market leases) to expense.

Real Estate Held for Sale

Properties are classified as held for sale on our consolidated balance sheets when they meet certain requirements, including the approval of the sale of the property, the marketing of the property for sale, and our expectation that the sale will likely occur within the next 12 months. Properties classified as held for sale are carried at the lower of their carrying value or fair value less costs to sell, and we also cease to depreciate the property. As of December 31, 2023 and 2022, we did not have any properties held for sale.

Dispositions

Recognition of gains or losses from sales of investments in real estate requires that we meet certain revenue recognition criteria and transfer control of the real estate to the buyer. The gain or loss recorded is measured as the difference between the sales price, less costs to sell, and the carrying value of the real estate when we sell it. We did not sell any properties during 2023, 2022 and 2021.

Cost Capitalization

Costs incurred during the period of construction of real estate are capitalized. Cost capitalization of development and redevelopment activities begins during the predevelopment period, which we define as the activities that are necessary to begin the development of the property. We cease capitalization upon substantial completion of the project, but no later than one year from cessation of major construction activity. We also cease capitalization when activities necessary to prepare the property for its intended use have been suspended. Capitalized costs are included in Investment in real estate, gross, on our consolidated balance sheets. Demolition expenses and repairs and maintenance are recorded as expense when incurred. During 2023, 2022 and 2021, we capitalized \$ 38.0 million, \$ 59.7 million and \$ 185.4 million of costs related to our developments, respectively, which included \$ 1.5 million, \$ 9.1 million and \$ 8.8 million of capitalized interest, respectively.

Ground Lease

We account for our ground lease, for which we are the lessee, in accordance with Topic 842 "Leases". We classify the ground lease as an operating lease, and we recognize a right-of-use asset for the land and a lease liability for the future lease payments. We recognize the lease payments as expense, which is included in Office expenses in our consolidated statements of operations. See Note 4 for more information regarding this ground lease. See Note 14 for the fair value disclosures related to the ground lease liability.

Investment in Unconsolidated Fund

As of December 31, 2023 and 2022, we managed and owned an equity interest in one unconsolidated Fund. See Note 6. We account for our investment in our unconsolidated Fund using the equity method because we have significant influence but not control over the Fund. Under the equity method, we initially recorded our investment in our Fund at cost, which includes acquisition basis difference and additional basis for capital raising costs, and subsequently adjust the investment balance for: (i) our share of the Fund's net income or losses, (ii) our share of the Fund's other comprehensive income or losses, (iii) our cash contributions to the Fund and (iv) our distributions received from the Fund. If we sell our interest in the Fund, or if the Fund qualifies for consolidation, we would remove our investment in our unconsolidated Fund from our consolidated balance sheets.

Our investment in our unconsolidated Fund is included in Investment in unconsolidated Fund on the consolidated balance sheets. Our share of our Fund's accumulated other comprehensive income or losses is included in Accumulated other comprehensive income (loss) on our consolidated balance sheets. As of December 31, 2023 and 2022, the total investment basis difference included in our investment balance in our unconsolidated Fund was \$ 4.1 million and \$ 27.8 million, respectively. Our share of the net income or losses from our Fund is included in Income (Loss) from unconsolidated Fund in our consolidated statements of operations.

We periodically assess whether there has been any impairment that is other than temporary in our investment in our unconsolidated Fund. An impairment charge would be recorded if events or changes in circumstances indicate that a decline in the fair value below the carrying value has occurred and the decline is other-than-temporary. Based upon such periodic assessments, we recorded an impairment charge of \$ 36.2 million during 2023, and no impairment charges occurred during 2022 or 2021. The impairment charge we recorded during 2023 is included in Income (Loss) from unconsolidated Fund on our consolidated statement of operations.

Impairment of Long-Lived Assets

We periodically assess whether there has been any impairment in the carrying value of our properties and whenever events or changes in circumstances indicate that the carrying value of a property may not be recoverable. An impairment charge would be recorded if events or changes in circumstances indicate that a decline in the fair value below the carrying value has occurred and the decline is not recoverable. Recoverability of the carrying value of our properties is measured by a comparison of the carrying value to the undiscounted future cash flows expected to be generated by the property. If the carrying value exceeds the estimated undiscounted future cash flows, an impairment loss is recorded equal to the difference between the property's carrying value and its fair value based on the estimated discounted future cash flows. Based upon such periodic assessments, no impairments occurred during 2023, 2022 or 2021.

Cash and Cash Equivalents

We consider short-term investments with maturities of three months or less when purchased to be cash equivalents.

Revenue Recognition

Rental Revenues and Tenant Recoveries

We account for our rental revenues, and variable lease payments such as tenant recoveries and parking revenues, in accordance with Topic 842. We adopted a practical expedient which allows us to account for our rental revenues, tenant recoveries and parking revenues on a combined basis. Rental revenues and tenant recoveries from tenant leases are included in Rental revenues and tenant recoveries on our consolidated statements of operations. Parking revenues are included in office Parking and other income on our consolidated statements of operations. See "Office parking revenues" disclosure further below. All of our tenant leases are classified as operating leases. For lease terms exceeding one year, rental income is recognized on a straight-line basis over the lease term. Rental revenue from month-to-month leases or leases with no scheduled rent increases or other adjustments is recognized on a monthly basis when earned.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Estimated tenant recoveries for real estate taxes, common area maintenance and other recoverable operating expenses, which are included in Rental revenues and tenant recoveries on our consolidated statements of operations, are recognized as revenue on a gross basis in the period that the recoverable expenses are incurred. Subsequent to year-end, in accordance with our policy, we perform reconciliations on a lease-by-lease basis and bill or credit each tenant for any differences between the estimated expenses we billed to the tenant and the actual expenses incurred. Tenant recoveries were \$ 61.6 million, \$ 58.2 million and \$ 56.5 million in 2023, 2022 and 2021, respectively.

Tenant receivables consist primarily of amounts due for contractual lease payments and reimbursements of common area maintenance expenses, property taxes, and other costs recoverable from tenants. Deferred rent receivables represent the amount by which the cumulative straight-line rental revenue recorded to date exceeds the cumulative cash rents billed to date under the lease agreement.

Lease Terminations

Lease termination fees, which are included in Rental revenues and tenant recoveries on our consolidated statements of operations, are recognized on a straight line basis over the new remaining lease term when the related lease is canceled. We recognized lease termination revenue of \$ 5.2 million, \$ 1.3 million and \$ 1.2 million during 2023, 2022 and 2021, respectively.

Tenant Improvements

Tenant improvements constructed, and owned by us, and reimbursed by tenants are recorded as our assets, and the related revenue, which are included in Rental revenues and tenant recoveries on our consolidated statements of operations, is recognized over the related lease term. We recognized revenue for reimbursement of tenant improvements of \$ 5.8 million, \$ 4.8 million and \$ 5.8 million during 2023, 2022 and 2021, respectively.

Collectibility

In accordance with Topic 842, we perform an assessment as to whether or not substantially all of the amounts due under a tenant's lease agreement is deemed probable of collection. This assessment involves using a methodology that requires judgment and estimates about matters that are uncertain at the time the estimates are made, including tenant specific factors, specific industry conditions, and general economic trends and conditions.

For leases where we have concluded it is probable that we will collect substantially all the lease payments due under those leases, we continue to record lease income on a straight-line basis over the lease term. For leases where we have concluded that it is not probable that we will collect substantially all the lease payments due under those leases, we limit the lease income to the lesser of the income recognized on a straight-line basis or cash basis. We write-off tenant receivables and deferred rent receivables as a charge against rental revenues and tenant recoveries in the period we conclude that substantially all of the lease payments are not probable of collection. If we subsequently collect amounts that were previously written off then the amounts collected are recorded as an increase to our rental revenues and tenant recoveries in the period they are collected. If our conclusion of collectibility changes, we will record the difference between the lease income that would have been recognized on a straight-line basis and cash basis as a current-period adjustment to rental revenues and tenant recoveries.

Charges for uncollectible tenant receivables and deferred rent receivables reduced our office revenues by \$ 0.8 million, \$ 0.6 million, and \$ 3.0 million in 2023, 2022, and 2021 respectively. We restored accrual basis accounting for certain office tenants that were previously determined to be uncollectible and accounted for on a cash basis of accounting, which increased our office revenues by \$ 4.4 million and \$ 3.6 million in 2023 and 2022, respectively.

Parking and Other Income

Office Parking Revenues

Our lease contracts generally make a specified number of parking spaces available to the tenant, and we bill and recognize parking revenues on a monthly basis in accordance with the lease agreements, generally using the monthly parking rates in effect at the time of billing. Office parking revenues were \$ 92.2 million, \$ 84.9 million and \$ 69.0 million in 2023, 2022 and 2021, respectively, and are included in office Parking and other income on our consolidated statements of operations. Office parking receivables were \$ 0.8 million and \$ 0.9 million as of December 31, 2023 and 2022, respectively, and are included in Tenant receivables on our consolidated balance sheets.

Ground Lease Revenues

We own two parcels of land from which we receive rent under ground leases. We account for our ground lease revenues as operating leases in accordance with Topic 842. Ground lease revenues were \$ 7.9 million, \$ 2.1 million and \$ 0.3 million in 2023, 2022 and 2021, respectively, and are included in office Parking and other income on our consolidated statements of operations.

Insurance Recoveries

The amount by which insurance recoveries related to property damage exceed any losses recognized from that damage are recorded as Other income on our consolidated statements of operations when payment has been received or confirmation of the amount of proceeds has been received.

In January 2020, there was a fire in one of our residential property buildings. We carry comprehensive liability and property insurance covering all of the properties in our portfolio under blanket insurance policies to cover these kinds of losses. We recorded \$ 1.3 million, \$ 3.9 million, and \$ 4.8 million of business interruption revenues during 2023, 2022 and 2021, respectively, which is included in Multifamily rental - Parking and other income on our consolidated statements of operations.

Interest Income

Interest income from our short-term money market fund investments is recognized on an accrual basis. Interest income is included in Other income on our consolidated statements of operations.

Leasing Costs

We account for our leasing costs in accordance with Topic 842. In accordance with Topic 842, we capitalize initial direct costs of a lease, which are costs that would not have been incurred had the lease not been executed. Costs to negotiate a lease that would have been incurred regardless of whether the lease was executed, such as employee salaries, are not considered to be initial direct costs, and are expensed as incurred.

Loan Costs

Loan costs incurred directly with the issuance of secured notes payable are deferred and amortized to interest expense over the respective loan or credit facility term. Any unamortized amounts are written off upon early repayment of the secured notes payable, and the related cost and accumulated amortization are removed from our consolidated balance sheets.

To the extent that a refinancing is considered an exchange of debt with the same lender, we account for loan costs based upon whether the old debt is determined to be modified or extinguished for accounting purposes. If the old debt is determined to be modified then we (i) continue to defer and amortize any unamortized deferred loan costs associated with the old debt at the time of the modification over the new term of the modified debt, (ii) defer and amortize the lender costs incurred in connection with the modification over the new term of the modified debt, and (iii) expense all other costs associated with the modification. If the old debt is determined to be extinguished then we (i) write off any unamortized deferred loan costs associated with the extinguished debt at the time of the extinguishment and remove the related cost and accumulated amortization from our consolidated balance sheets, (ii) expense all lender costs associated with the extinguishment, and (iii) defer and amortize all other costs incurred directly in connection with the extinguishment over the term of the new debt.

Deferred loan costs are presented on the consolidated balance sheets as a deduction from the carrying amount of our secured notes payable. All loan costs expensed and deferred loan costs amortized are included in interest expense in our consolidated statements of operations. See Note 8 for our loan cost disclosures.

Debt Discounts and Premiums

Debt discounts and premiums related to recording debt assumed in connection with property acquisitions at fair value are generally amortized and accreted, respectively, over the remaining term of the related loan, which approximates the effective interest method. The amortization/accretion is included in interest expense in our consolidated statements of operations.

Derivative Contracts

We make use of interest rate swap and cap contracts to manage the risk associated with changes in interest rates on our floating-rate debt and to satisfy certain lender requirements. When we enter into a floating-rate term loan, we generally enter into an interest rate swap agreement for the equivalent principal amount, for a period covering the majority of the loan term, which effectively converts our floating-rate debt to a fixed-rate basis during that time. We also enter into interest rate cap agreements from time to time to cap the interest rates on our floating rate loans. We may enter into derivative contracts that are intended to hedge certain economics risks, even though hedge accounting does not apply or we elect to not apply hedge accounting. We do not speculate in derivatives and we do not make use of any other derivative instruments.

When entering into derivative agreements, we generally elect to designate them as cash flow hedges for accounting purposes. Changes in fair value of hedging instruments designated as cash flow hedges are recorded in accumulated other comprehensive income (loss) (AOCI), which is a component of equity outside of earnings. For our Fund's hedging instruments designated as cash flow hedges, we record our share of the changes in fair value of the hedging instrument in AOCI. Amounts recorded in AOCI related to our designated hedges are reclassified to Interest expense as interest payments are made on the hedged floating rate debt. Amounts reported in AOCI related to our Fund's hedges are reclassified to Income (loss) from unconsolidated Fund, as interest payments are made by our Fund on its hedged floating rate debt.

Our derivatives are included in Interest rate contract assets and Interest rate contract liabilities on our consolidated balance sheets at fair value, on a gross basis, excluding accrued interest. The accrued interest is included in Interest Payable, accounts payable and deferred revenue on our consolidated balance sheets. Our share of the fair value of our Fund's derivatives is included in Investment in unconsolidated Fund on our consolidated balance sheets. See Note 10 for our derivative disclosures.

Stock-Based Compensation

We account for stock-based compensation, which includes grants of LTIP Units to certain employees and non-employee directors, using the fair value method of accounting. The estimated fair value of the awards is based upon the market value of our common stock on the grant date and a discount for post-vesting restrictions. The estimated fair value of LTIP Units granted, net of estimated forfeitures, is amortized over the vesting period, which is based upon service. See Note 13 for our stock-based compensation disclosures.

EPS

We calculate basic EPS by dividing the net income (loss) attributable to common stockholders for the period by the weighted average number of common shares outstanding during the respective period. We calculate diluted EPS by dividing the net income (loss) attributable to common stockholders for the period by the weighted average number of common shares and dilutive instruments outstanding during the respective period using the treasury stock method. Unvested LTIP Units contain non-forfeitable rights to dividends and we account for them as participating securities and include them in the computation of basic and diluted EPS using the two-class method. See Note 12 for our EPS disclosures.

Segment Information

Segment information is prepared on the same basis that our management reviews information for operational decision-making purposes. We operate two business segments: the acquisition, development, ownership and management of office real estate, and the acquisition, development, ownership and management of multifamily real estate. The services for our office segment include primarily rental of office space and other tenant services, including parking and storage space rental. The services for our multifamily segment include primarily rental of apartments and other tenant services, including parking and storage space rental. See Note 15 for our segment disclosures.

Income Taxes

We have elected to be taxed as a REIT under the Code, commencing with our initial taxable year ended December 31, 2006. To qualify as a REIT, we are required (among other things) to distribute at least 90% of our REIT taxable income to our stockholders and meet various other requirements imposed by the Code relating to matters such as operating results, asset holdings, distribution levels and diversity of stock ownership. Provided that we qualify for taxation as a REIT, we are generally not subject to corporate-level income tax on the earnings distributed currently to our stockholders that we derive from our REIT qualifying activities. If we fail to qualify as a REIT in any taxable year, and are unable to avail ourselves of certain savings provisions set forth in the Code, all of our taxable income would be subject to federal income tax at the regular corporate rate.

We have elected to treat one of our subsidiaries as a TRS, which generally may engage in any business, including the provision of customary or non-customary services to our tenants. A TRS is treated as a regular corporation and is subject to federal income tax and applicable state income and franchise taxes at regular corporate rates. Our TRS did not have significant tax provision or deferred income tax items for 2023, 2022 or 2021. Our subsidiaries (other than our TRS), including our Operating Partnership, are partnerships, disregarded entities, QRSs or REITs, as applicable, for federal income tax purposes. Under applicable federal and state income tax rules, the allocated share of net income or loss from disregarded entities or flow-through entities is reportable in the income tax returns of the respective owners. Accordingly, no income tax provision is included in our consolidated financial statements for these entities.

New Accounting Pronouncements

Changes to US GAAP are implemented by the FASB in the form of ASUs. We consider the applicability and impact of all ASUs. Other than the ASU discussed below, the FASB has not issued any other ASUs that we expect to be applicable and have a material impact on our consolidated financial statements.

ASUs Not Yet Adopted

Adoption of ASU 2023-07 (Topic 280 - "Segment Reporting")

In November 2023, the FASB issued ASU No. 2023-07, which provides guidance on improvements to reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. The ASU is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The requirements in the ASU should be applied on a retrospective basis. We expect to adopt the ASU for our fiscal year ending December 31, 2024, and we expect to provide additional segment disclosures in our reporting to meet the requirements of the ASU.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

3. Investment in Real Estate

The table below summarizes our investment in real estate:

(In thousands)	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land ⁽¹⁾	\$ 1,185,977	\$ 1,185,977
Buildings and improvements ⁽¹⁾	10,142,410	10,055,499
Tenant improvements and lease intangibles	1,020,988	981,460
Property under development ⁽¹⁾	56,439	70,037
Investment in real estate, gross	<u>\$ 12,405,814</u>	<u>\$ 12,292,973</u>

(1) During 2023, Property under development balances transferred to Building and improvements for real estate placed into service were \$ 51.6 million. During 2022, Property under development balances transferred to Land and Building and improvements for real estate placed into service were \$ 13.1 million and \$ 360.4 million, respectively.

2022 Property Acquisition

Acquisition of 1221 Ocean Avenue

On April 26, 2022, we paid \$ 330.0 million, excluding acquisition costs, to acquire a luxury multifamily apartment building with 120 units, located at 1221 Ocean Avenue in Santa Monica. We acquired the property through a new consolidated JV that we manage and in which we own a 55 % interest. We accounted for the acquisition as an asset acquisition and the acquired property's operating results are included in our consolidated operating results from the date of acquisition. The table below summarizes the purchase price allocation for the acquisition. The contract price and the purchase price allocation total in the table below differ due to acquisition costs, prorations and similar adjustments:

(In thousands)	Purchase Price Allocation
Land	\$ 22,086
Buildings and improvements	319,666
Tenant improvements and lease intangibles	8,879
Acquired below-market leases	(18,542)
Other liabilities assumed	(1,619)
Net assets and liabilities acquired	<u>\$ 330,470</u>

Property to be Removed from Service

During the second quarter of 2023, we removed our Barrington Plaza Apartments property in Los Angeles from the rental market. In connection with the removal of the property from the rental market, we accelerated and recorded additional depreciation expense of \$ 82.1 million during 2023, which is included in Depreciation and amortization on our consolidated statements of operations.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

4. Ground Lease

We pay rent under a ground lease located in Honolulu, Hawaii, which expires on December 31, 2086. The rent is fixed at \$ 733 thousand per year until February 28, 2029, after which it will reset to the greater of the existing ground rent or the market rent at that time.

As of December 31, 2023, the ground lease right-of-use asset carrying value was \$ 7.4 million, and the ground lease liability was \$ 10.8 million. Ground rent expense, which is included in Office expenses on our consolidated statements of operations, was \$ 733 thousand during 2023, 2022 and 2021.

The table below, which assumes that the ground rent payments will continue to be \$ 733 thousand per year after February 28, 2029, presents the future minimum ground lease payments as of December 31, 2023:

Year ending December 31:	(In thousands)
2024	\$ 733
2025	733
2026	733
2027	733
2028	733
Thereafter	42,513
Total future minimum lease payments	\$ 46,178

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

5. Acquired Lease Intangibles

Summary of our Acquired Lease Intangibles

(In thousands)	December 31, 2023	December 31, 2022
Above-market tenant leases	\$ 4,541	\$ 4,968
Above-market tenant leases - accumulated amortization	(2,430)	(2,309)
Above-market ground lease where we are the lessor	1,152	1,152
Above-market ground lease - accumulated amortization	(292)	(275)
Acquired lease intangible assets, net	\$ 2,971	\$ 3,536
Below-market tenant leases	\$ 48,008	\$ 64,851
Below-market tenant leases - accumulated accretion	(28,170)	(33,487)
Acquired lease intangible liabilities, net	\$ 19,838	\$ 31,364

Impact on the Consolidated Statements of Operations

The table below summarizes the net amortization/accretion related to our above- and below-market leases:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Net accretion of above- and below-market tenant lease assets and liabilities ⁽¹⁾	\$ 10,978	\$ 11,272	\$ 9,558
Amortization of an above-market ground lease asset ⁽²⁾	(17)	(17)	(17)
Total	\$ 10,961	\$ 11,255	\$ 9,541

(1) Recorded as a net increase to office and multifamily rental revenues.

(2) Recorded as a decrease to office parking and other income.

The table below presents the future net accretion related to our above- and below-market leases at December 31, 2023.

Year ending December 31:	Net increase to revenues	
	(In thousands)	
2024	\$ 7,914	
2025	5,359	
2026	2,574	
2027	1,323	
2028	769	
Thereafter	(1,072)	
Total	\$ 16,867	

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

6. Investment in Unconsolidated Fund

Description of our Fund

As of December 31, 2023, we managed and owned an equity interest of 53.8 % in an unconsolidated Fund, Partnership X, through which we and other investors in the Fund owned two office properties totaling 0.4 million square feet. During 2021, 2022 and 2023, we owned an interest of approximately 33.5 % in Partnership X. On December 31, 2023, we purchased an additional 20.2 % equity interest in the Fund.

Partnership X pays us fees and reimburses us for certain expenses related to property management and other services we provide, which are included in Other income on our consolidated statements of operations. We also receive distributions based on invested capital and on any profits that exceed certain specified cash returns to the investors. The table below presents the cash distributions we received from Partnership X:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Operating distributions received	\$ 1,288	\$ 1,224	\$ 943
Capital distributions received	80	1,919	1,342
Total distributions received	\$ 1,368	\$ 3,143	\$ 2,285

Summarized Financial Information for Partnership X

The tables below present selected financial information for Partnership X. The amounts presented reflect 100 % (not our pro-rata share) of the amounts related to the Fund, and are based upon historical book value:

(In thousands)	December 31, 2023	December 31, 2022
Total assets	\$ 146,945	\$ 147,853
Total liabilities	\$ 118,822	\$ 119,038
Total equity	\$ 28,123	\$ 28,815

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Total revenues	\$ 19,879	\$ 18,561	\$ 17,185
Operating income	\$ 6,224	\$ 5,722	\$ 4,921
Net income	\$ 4,190	\$ 3,158	\$ 2,333

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

7. Other Assets

(In thousands)	December 31, 2023	December 31, 2022
Restricted cash	\$ 101	\$ 101
Prepaid expenses	20,594	19,871
Indefinite-lived intangibles	1,988	1,988
Deposit with lender ⁽¹⁾	13,440	—
Furniture, fixtures and equipment, net	7,014	7,144
Other	6,123	4,837
Total other assets	\$ 49,260	\$ 33,941

(1) In connection with the Barrington Plaza loan, Barrington Plaza Apartments have been removed from the rental market. See Note 3, "Property to be removed from service". The lender required a \$13.3 million cash deposit, which we placed in an interest-bearing collateral account during the third quarter of 2023. The lender will return the deposit at the earlier of August 2026 or when the loan is paid in full. See Note 8 for our debt disclosures.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

8. Secured Notes Payable, Net

Description	Maturity Date ⁽¹⁾	Principal Balance as of December 31, 2023	Principal Balance as of December 31, 2022	Variable Interest Rate ⁽²⁾	Fixed Interest Rate ⁽³⁾	Swap Maturity Date
(In thousands)						
Consolidated Wholly-Owned Subsidiaries						
Term loan ⁽⁴⁾⁽⁵⁾	3/3/2025	\$ 335,000	\$ 335,000	SOFR + 1.41 %	N/A	N/A
Fannie Mae loan ⁽⁴⁾⁽⁵⁾	4/1/2025	102,400	102,400	SOFR + 1.36 %	N/A	N/A
Term loan ⁽⁴⁾	8/15/2026	415,000	415,000	SOFR + 1.20 %	3.07 %	8/1/2025
Term loan ⁽⁴⁾	9/19/2026	400,000	400,000	SOFR + 1.25 %	2.44 %	9/1/2024
Term loan ⁽⁴⁾	9/26/2026	200,000	200,000	SOFR + 1.30 %	2.36 %	10/1/2024
Term loan ⁽⁴⁾	11/1/2026	400,000	400,000	SOFR + 1.25 %	2.31 %	10/1/2024
Fannie Mae loan ⁽⁴⁾⁽⁶⁾	6/1/2027	550,000	550,000	SOFR + 1.48 %	N/A	N/A
Term loan ⁽⁴⁾	5/18/2028	300,000	300,000	SOFR + 1.51 %	2.21 %	6/1/2026
Term loan ⁽⁴⁾	1/1/2029	300,000	300,000	SOFR + 1.56 %	2.66 %	1/1/2027
Fannie Mae loan ⁽⁴⁾	6/1/2029	255,000	255,000	SOFR + 1.09 %	3.26 %	6/1/2027
Fannie Mae loan ⁽⁴⁾	6/1/2029	125,000	125,000	SOFR + 1.09 %	3.25 %	6/1/2027
Fannie Mae loan ⁽⁴⁾⁽⁷⁾	8/1/2033	350,000	—	SOFR + 1.37 %	N/A	N/A
Term loan ⁽⁸⁾	6/1/2038	27,640	28,502	N/A	4.55 %	N/A
Total Wholly-Owned Subsidiary Debt		3,760,040	3,410,902			
Consolidated JVs						
Term loan ⁽⁴⁾⁽⁹⁾	12/19/2024	400,000	400,000	SOFR + 1.40 %	N/A	N/A
Term loan ⁽⁴⁾	5/15/2027	450,000	450,000	SOFR + 1.45 %	2.26 %	4/1/2025
Term loan ⁽⁴⁾	8/19/2028	625,000	625,000	SOFR + 1.45 %	2.12 %	6/1/2025
Term loan ⁽⁴⁾⁽¹⁰⁾	4/26/2029	175,000	175,000	SOFR + 1.25 %	3.90 %	5/1/2026
Fannie Mae loan ⁽⁴⁾	6/1/2029	160,000	160,000	SOFR + 1.09 %	3.25 %	7/1/2027
Total Consolidated Debt⁽¹¹⁾		5,570,040	5,220,902			
Unamortized loan premium, net ⁽¹²⁾		3,087	3,547			
Unamortized deferred loan costs, net ⁽¹³⁾		(29,956)	(32,556)			
Total Consolidated Debt, net		\$ 5,543,171	\$ 5,191,893			

Except as noted below, our loans: (i) are non-recourse, (ii) are secured by separate collateral pools consisting of one or more properties, (iii) require interest-only monthly payments with the outstanding principal due upon maturity, and (iv) contain certain financial covenants which could require us to deposit excess cash flow with the lender under certain circumstances unless we (at our option) either provide a guarantee or additional collateral or pay down the loan within certain

parameters set forth in the loan documents. Certain loans with maturity date extension options require us to meet minimum financial thresholds in order to extend the loan maturity date.

- (1) Maturity dates include extension options.
- (2) LIBOR loans converted to SOFR during 2023 include a small SOFR adjustment to calculate the interest payable to the lender, which are included in the spreads. The SOFR conversion did not change the swap-fixed interest rates for our swap-fixed loans.
- (3) Effective rate as of December 31, 2023. Includes the effect of interest rate swaps (if applicable) and excludes the effect of prepaid loan fees and loan premiums. See Note 10 for details of our interest rate swaps. See further below for details of our loan costs and premiums.
- (4) The loan agreement includes a zero -percent SOFR floor. If the loan is swap-fixed then the related swaps do not include such a floor.
- (5) The swaps expired on March 1, 2023.
- (6) The loan is secured by four residential properties. A portion of the loan totaling \$ 472.0 million has a lender-required out-of-the-money interest rate cap at a weighted average of 8.99 % until July 2026. Barrington Plaza Apartments have been removed from the rental market. See Note 3, "Property to be removed from service." For the portion of the loan relating to Barrington Plaza, the lender is treating the debt as a construction loan. They required a \$ 13.3 million cash deposit, which we placed in an interest-bearing collateral account during the third quarter of 2023, and we signed a construction completion guarantee in January 2024. The lender will return the deposit at the earlier of August 2026 or when the loan is paid in full. The deposit is included in Other assets in our balance sheet. See Note 7.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

(7) We closed the loan during the third quarter of 2023. The loan has a lender-required out-of-the-money interest rate cap at an interest rate of 7.84 % until August 2026. We used part of the proceeds from the loan to pay off the balance on our revolving credit facility, which expired in August 2023. There was no balance outstanding on the credit facility as of December 31, 2022.

(8) The loan requires monthly payments of principal and interest. The principal amortization is based upon a 30 -year amortization schedule.

(9) The swaps expired on January 1, 2023.

(10) During the fourth quarter of 2023, we entered into a guarantee for this loan which guarantees the portion of the loan principal that would need to be paid down in order to meet the minimum debt yield in the loan agreement. See Note 17.

(11) The table does not include our unconsolidated Fund's loan - see Note 17. See Note 14 for our fair value disclosures.

(12) Balances are net of accumulated amortization of \$ 4.1 million and \$ 3.7 million at December 31, 2023 and December 31, 2022, respectively.

(13) Balances are net of accumulated amortization of \$ 56.0 million and \$ 54.1 million at December 31, 2023 and December 31, 2022, respectively.

Debt Statistics

The table below summarizes our consolidated fixed and floating rate debt:

(In thousands)	Principal Balance as of December 31,		Principal Balance as of December 31,
	2023	2022	2022
Aggregate swapped to fixed rate loans	\$ 3,805,000	\$ 4,642,400	
Aggregate fixed rate loans	27,640	28,502	
Aggregate capped rate loans	822,000	—	
Aggregate floating rate loans	915,400	550,000	
Total Debt	\$ 5,570,040	\$ 5,220,902	

The table below summarizes certain consolidated debt statistics as of December 31, 2023:

Statistics for consolidated loans with interest fixed under the terms of the loan or a swap	
Principal balance (in billions)	\$ 3.83
	4.0
Weighted average remaining life (including extension options)	years
	1.9
Weighted average remaining fixed interest period	years
	2.65
Weighted average annual interest rate	%

Future Principal Payments

At December 31, 2023, the minimum future principal payments due on our consolidated secured notes payable were as follows:

Year ending December 31:	Including Maturity Extension Options ⁽¹⁾	
	(In thousands)	
2024	\$ 400,902	
2025	438,343	
2026	1,415,987	
2027	1,001,033	
2028	926,081	
Thereafter	1,387,694	
		\$ 5,570,040

⁽¹⁾ Some of our loan agreements require that we meet certain minimum financial thresholds to be able to extend the loan maturity.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Loan Premium and Loan Costs

The table below presents loan premium and loan costs, which are included in Interest expense on our consolidated statements of operations:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Loan premium amortized and written off	\$ (460)	\$ (460)	\$ (460)
Deferred loan costs amortized and written off	8,858	7,943	10,902
Loan costs expensed	210	117	408
Total	<u><u>\$ 8,608</u></u>	<u><u>\$ 7,600</u></u>	<u><u>\$ 10,850</u></u>

9. Interest Payable, Accounts Payable and Deferred Revenue

(In thousands)	December 31, 2023	December 31, 2022
Interest payable	\$ 18,647	\$ 13,529
Accounts payable and accrued liabilities	61,767	80,244
Deferred revenue	50,823	47,152
Total interest payable, accounts payable and deferred revenue	<u><u>\$ 131,237</u></u>	<u><u>\$ 140,925</u></u>

10. Derivative Contracts

Derivative Summary

The table below summarizes our derivative contracts as of December 31, 2023:

	Number of Interest Rate Swaps	Notional (In thousands)
<u>Derivatives Designated as Cash Flow Hedges:</u>		
Consolidated derivatives - swaps ⁽¹⁾⁽²⁾⁽³⁾	24	\$ 3,805,000
Consolidated derivatives - caps ⁽²⁾⁽³⁾⁽⁴⁾	5	\$ 822,000
Unconsolidated Fund's derivatives - swaps ⁽²⁾⁽³⁾⁽⁵⁾	2	\$ 115,000
<u>Derivatives Not Designated as Cash Flow Hedges:</u>		
Consolidated derivatives - caps ⁽⁶⁾	—	\$ —

(1) The notional amount includes 100 %, not our pro-rata share, of our consolidated JVs' derivatives. See Note 8 for more information about our hedged consolidated debt.

(2) Our derivative contracts do not provide for right of offset between derivative contracts.

(3) See Note 14 for our derivative fair value disclosures.

(4) We purchased five interest rate caps with a notional amount of \$ 822.0 million during the third quarter of 2023. See Note 8 for more information about our hedged consolidated debt.

(5) The notional amount reflects 100 %, not our pro-rata share, of our unconsolidated Fund's derivatives. See Note 6 for more information about our Fund, including our equity interest percentage.

(6) Five interest rate caps with a total aggregate notional amount of \$ 1.10 billion expired on July 1, 2023.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Counterparty Credit Risk

We are subject to credit risk from the counterparties on our interest rate swap and cap contract assets because we do not receive collateral. We seek to minimize that risk by entering into agreements with a variety of counterparties with investment grade ratings. The fair value of our interest rate swap and cap contract assets, including accrued interest and excluding credit risk adjustments, was as follows:

(In thousands)	December 31, 2023	December 31, 2022
Consolidated derivatives ⁽¹⁾	\$ 184,700	\$ 281,982
Unconsolidated Fund's derivatives ⁽²⁾	\$ 9,643	\$ 12,863

(1) The amounts include 100 %, not our pro-rata share, of our consolidated JVs' derivatives.

(2) The amounts reflect 100 %, not our pro-rata share, of our unconsolidated Fund's derivatives. For more information about our Fund, including our equity interest percentage, see Note 6.

Impact of Hedges on AOCI and the Consolidated Statements of Operations

The table below presents the effect of our derivatives on our AOCI and the consolidated statements of operations:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Derivatives Designated as Cash Flow Hedges:			
Consolidated derivatives:			
Gains recorded in AOCI before reclassifications ⁽¹⁾	45,364	326,396	\$ 82,876
(Gains) losses reclassified from AOCI to Interest Expense ⁽¹⁾	\$ 144,318)	\$ (4,287)	\$ 75,358
Interest expense presented on the consolidated statements of operations	\$ 209,468)	\$ 150,185)	\$ 147,496)
Unconsolidated Fund's derivatives (our share)⁽²⁾:			
Gains recorded in AOCI before reclassifications ⁽¹⁾	\$ 585	\$ 3,780	\$ 569
(Gains) losses reclassified from AOCI to Income (loss) from unconsolidated Fund ⁽¹⁾	\$ (1,662)	\$ (341)	\$ 120
(Loss) income from unconsolidated Fund presented on the consolidated statements of operations	\$ 34,643)	\$ 1,224	\$ 946
Derivatives Not Designated as Cash Flow Hedges:			
Consolidated derivatives:			
Loss recorded as interest expense ⁽³⁾	\$ —	\$ 38	\$ —

(1) See Note 11 for our AOCI reconciliation.

(2) We calculate our share by multiplying the total amount for the Fund by our equity interest in the Fund. For more information about our Fund, including our equity interest percentage, see Note 6.

(3) Gains and losses from non-designated interest rate caps offset each other during the periods presented. The respective caps expired on July 1, 2023.

Future Reclassifications from AOCI

At December 31, 2023, our estimate of the AOCI related to derivatives designated as cash flow hedges that will be reclassified to earnings during the next year is as follows:

	(In thousands)
Consolidated derivatives:	
Gains to be reclassified from AOCI to Interest Expense	\$ 120,101
Unconsolidated Fund's derivatives (our share)⁽¹⁾:	
Gains to be reclassified from AOCI to Income (loss) from unconsolidated Fund	\$ 1,505

(1) We calculate our share by multiplying the total amount for our Fund by our equity interest in the Fund. For more information about our Fund, including our equity interest percentage, see Note 6.

11. Equity

Transactions

During 2023:

- We repurchased 9.1 million shares of our common stock for \$ 109.1 million in cash, excluding transaction costs, in open market transactions. The average purchase price was \$ 12.03 per share.
- We acquired 468 thousand OP Units in exchange for issuing an equal number of shares of our common stock to the holders of the OP Units.
- We acquired 209 thousand OP Units for \$ 2.4 million in cash.

During 2022:

- We acquired 281 thousand OP Units in exchange for issuing an equal number of shares of our common stock to the holders of the OP Units.
- We acquired 10 thousand OP Units for \$ 337 thousand in cash.
- We acquired a multifamily apartment building through a new consolidated JV that we manage and in which we own a 55 % interest. See Note 3 for more information regarding the property we purchased. We contributed \$ 99.0 million to the JV and an outside investor contributed \$ 81.0 million to the JV.

During 2021:

- We acquired 65 thousand OP Units in exchange for issuing an equal number of shares of our common stock to the holders of the OP Units.
- We acquired 4 thousand OP Units for \$ 122 thousand in cash.

Noncontrolling Interests

Our noncontrolling interests consist of interests in our Operating Partnership and consolidated JVs which are not owned by us. As of December 31, 2023, noncontrolling interests in our Operating Partnership owned 33.8 million OP Units and fully-vested LTIP Units, which represented approximately 16.8 % of our Operating Partnership's total outstanding interests, and we owned 167.2 million OP Units (to match our 167.2 million shares of outstanding common stock), which represented approximately 83.2 % of our Operating Partnership's total outstanding interests.

A share of our common stock, an OP Unit and an LTIP Unit (once vested and booked up) have essentially the same economic characteristics, sharing equally in the distributions from our Operating Partnership. Investors who own OP Units have the right to cause our Operating Partnership to acquire their OP Units for an amount of cash per unit equal to the market value of one share of our common stock at the date of acquisition, or, at our election, exchange their OP Units for shares of our common stock on a one -for-one basis. LTIP Units have been granted to our employees and non-employee directors as part of their compensation. These awards generally vest over a service period and once vested can generally be converted to OP Units provided our stock price increases by more than a specified hurdle.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Changes in our Ownership Interest in our Operating Partnership

The table below presents the effect on our equity from net (loss) income attributable to common stockholders and changes in our ownership interest in our Operating Partnership:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Net (loss) income attributable to common stockholders \$ (42,706)	\$ 97,145	\$ 65,267	
Transfers from noncontrolling interests:			
Exchange of OP Units with noncontrolling interests 7,741	4,600	1,056	
Repurchases of OP Units from noncontrolling interests 1,054	(176)	(57)	
Net transfers from noncontrolling interests 8,795	4,424	999	
Change from net (loss) income attributable to common stockholders and transfers from noncontrolling interests \$ (33,911)	\$ 101,569	\$ 66,266	

AOCI Reconciliation⁽¹⁾

The table below presents a reconciliation of our AOCI, which consists solely of adjustments related to derivatives designated as cash flow hedges:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Accumulated Other Comprehensive Income (Loss) - Beginning balance	\$ 187,063	\$ (38,774)	\$ (148,035)
Consolidated derivatives:			
Other comprehensive income before reclassifications 45,364	326,396	82,876	
Reclassification of (gains) losses from AOCI to Interest Expense (144,318)	(4,287)	75,358	
Unconsolidated Fund's derivatives (our share)⁽²⁾:			
Other comprehensive income before reclassifications 585	3,780	569	
Reclassification of (gains) losses from AOCI to Income (loss) from unconsolidated Fund (1,662)	(341)	120	
Net current period OCI	(100,031)	325,548	158,923
OCI attributable to noncontrolling interests 28,885	(99,711)	(49,662)	
OCI attributable to common stockholders	(71,146)	225,837	109,261
Accumulated Other Comprehensive Income (Loss) - Ending balance	\$ 115,917	\$ 187,063	\$ (38,774)

(1) See Note 10 for the details of our derivatives and Note 14 for our derivative fair value disclosures.

(2) We calculate our share by multiplying the total amount for our Fund by our equity interest in the Fund. For more information about our Fund, including our equity interest percentage, see Note 6.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Dividends (unaudited)

Our common stock dividends paid during 2023 are classified for federal income tax purposes as follows:

Record Date	Paid Date	Dividend Per Share	Ordinary Income %	Capital Gain %	Return of Capital %	Section 199A Dividend %
12/30/2022	1/18/2023	\$ 0.19	20.0 %	— %	80.0 %	20.0 %
3/31/2023	4/14/2023	0.19	20.0 %	— %	80.0 %	20.0 %
6/30/2023	7/18/2023	0.19	20.0 %	— %	80.0 %	20.0 %
9/29/2023	10/17/2023	0.19	20.0 %	— %	80.0 %	20.0 %
Total / Weighted Average		\$ 0.76	20.0 %	— %	80.0 %	20.0 %

12. EPS

The table below presents the calculation of basic and diluted EPS:

	Year Ended December 31,		
	2023	2022	2021
Numerator (In thousands):			
Net (loss) income attributable to common stockholders	\$ (42,706)	\$ 97,145	\$ 65,267
Allocation to participating securities: Unvested LTIP Units	(1,191)	(912)	(876)
Net (loss) income attributable to common stockholders - basic and diluted	\$ (43,897)	\$ 96,233	\$ 64,391
Denominator (In thousands):			
Weighted average shares of common stock outstanding - basic and diluted ⁽¹⁾	169,597	175,756	175,478
Net (loss) income per common share - basic and diluted	\$ (0.26)	\$ 0.55	\$ 0.37

(1) Outstanding OP Units and vested LTIP Units are not included in the denominator in calculating diluted EPS, even though they may be exchanged under certain conditions for common stock on a one -for-one basis, because their associated net income or loss (equal on a per unit basis to the Net income or loss per common share - diluted) was already deducted in calculating Net income (loss) attributable to common stockholders. Accordingly, any exchange would not have any effect on diluted EPS. The table below presents the weighted average OP Units and vested LTIP Units outstanding for the respective periods:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
OP Units	30,931	29,756	28,643
Vested LTIP Units	1,585	1,120	1,439

13. Stock-Based Compensation

Stock Incentive Plan

Plan description

The Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan, as amended, our stock incentive plan (our "2016 Plan"), permits us to make grants of incentive stock options, non-qualified stock options, stock appreciation rights, deferred stock awards, restricted stock awards, dividend equivalent rights and other stock-based awards. On May 24, 2023, our stockholders approved an amendment to the 2016 Plan to, among other things, increase the number of common shares for future awards by 19.0 million. We had an aggregate of 16.5 million shares available for grant as of December 31, 2023. Awards such as LTIP Units, deferred stock and restricted stock, which deliver the full value of the underlying shares, are counted against the Plan limits as two shares. Awards such as stock options and stock appreciation rights are counted as one share. The number of shares reserved under our 2016 Plan is also subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization. Shares of stock underlying any awards that are forfeited, canceled or otherwise terminated (other than by exercise) are added back to the shares of stock available for future issuance under the 2016 Plan. For options exercised, our policy is to issue common stock on a net settlement basis - net of the exercise price and related taxes.

Plan administration

Our 2016 Plan is administered by the compensation committee of our board of directors. The compensation committee may interpret our Plan and make all determinations necessary or desirable for the administration of our Plan. The committee has full power and authority to select the participants to whom awards will be granted, to make any combination of awards to participants, to accelerate the exercisability or vesting of any award and to determine the specific terms and conditions of each award, subject to the provisions of our Plan. All officers, employees, directors and other key personnel (including consultants and prospective employees) are eligible to participate in our 2016 Plan.

LTIP Units

We have made certain awards in the form of a separate series of units of limited partnership interests in our Operating Partnership called LTIP Units, which can be granted either as free-standing awards or in tandem with other awards under our 2016 Plan. Our LTIP Units are valued by reference to the value of our common stock at the time of grant, and are subject to such conditions and restrictions as the compensation committee may determine, including continued employment or service, and/or achievement of pre-established performance goals, financial metrics and other objectives. Once vested, LTIP Units can generally be converted to OP Units on a one for one basis, provided our stock price increases by more than a specified hurdle.

Employee Awards

We grant stock-based compensation in the form of LTIP Units as a part of our annual incentive compensation to various employees each year, a portion which vests at the date of grant, and the remainder which vests in three equal annual installments over the three calendar years following the grant date. Compensation expense for LTIP Units which are not vested at the grant date is recognized on a straight-line basis over the requisite service period for each separately vesting portion of the award. We have also made long-term grants in the form of LTIP Units to certain employees, which generally vest in equal annual installments over four to five calendar years following the grant date, and some of these grants include a portion which vests at the date of grant. In aggregate, we granted 2.2 million, 2.2 million, and 1.1 million LTIP Units to employees during 2023, 2022 and 2021, respectively.

Non-Employee Director Awards

As annual fees for their services, each of our non-employee directors receives a grant of LTIP Units that vests on a quarterly basis during the year the services are rendered, which is the calendar year following the grant date. In aggregate, we granted 146 thousand, 134 thousand, and 52 thousand LTIP Units to our non-employee directors during 2023, 2022 and 2021, respectively.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Compensation Expense

See Note 2 regarding our accounting policy for stock based compensation. At December 31, 2023, the total unrecognized stock-based compensation expense for unvested LTIP Unit awards was \$ 19.0 million, which will be recognized over a weighted-average term of 2 years. The table below presents our stock-based compensation expense:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Stock-based compensation expense, net	19,834	21,025	20,887
Capitalized stock-based compensation	\$ 6,016	\$ 5,479	\$ 6,183

Stock-Based Award Activity

The table below presents our unvested LTIP Units activity:

Unvested LTIP Units:	Number of Units (Thousands)	Weighted Average Grant Date Fair Value	Grant Date Fair Value (Thousands)	
Outstanding at December 31, 2020	984	\$ 25.71		
Granted	1,121	\$ 24.64	\$ 27,631	
Vested	(1,073)	\$ 25.05	\$ 26,871	
Forfeited	(17)	\$ 28.69	\$ 501	
Outstanding at December 31, 2021	1,015	\$ 25.17		
Granted	2,310	\$ 11.69	\$ 26,987	
Vested	(1,705)	\$ 15.72	\$ 26,794	
Forfeited	(20)	\$ 29.20	\$ 587	
Outstanding at December 31, 2022	1,600	\$ 15.73		
Granted	2,384	\$ 10.89	\$ 25,959	
Vested	(1,970)	\$ 12.97	\$ 25,555	
Forfeited	(17)	\$ 18.70	\$ 327	
Outstanding at December 31, 2023	<u>1,997</u>	\$ 12.64		

14. Fair Value of Financial Instruments

Our estimates of the fair value of financial instruments were determined using available market information and widely used valuation methods. Considerable judgment is necessary to interpret market data and determine an estimated fair value. The use of different market assumptions or valuation methods may have a material effect on the estimated fair values. The FASB fair value framework hierarchy distinguishes between assumptions based on market data obtained from sources independent of the reporting entity, and the reporting entity's own assumptions about market-based inputs. The hierarchy is as follows:

Level 1 - inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs are observable either directly or indirectly for similar assets and liabilities in active markets.

Level 3 - inputs are unobservable assumptions generated by the reporting entity.

As of December 31, 2023, we did not have any fair value estimates of financial instruments using Level 3 inputs.

Financial instruments disclosed at fair value

Short term financial instruments

The carrying amounts for cash and cash equivalents, tenant receivables, interest payable, accounts payable, security deposits and dividends payable approximate fair value because of the short-term nature of these instruments.

Secured notes payable

See Note 8 for the details of our secured notes payable. We estimate the fair value of our consolidated secured notes payable by calculating the credit-adjusted present value of the principal and interest payments for each secured note payable. The calculation incorporates observable market interest rates which we consider to be Level 2 inputs, assumes that the loans will be outstanding through maturity, and includes any maturity extension options. The table below presents the estimated fair value and carrying value of our secured notes payable, the carrying value includes unamortized loan premium and excludes unamortized deferred loan fees:

(In thousands)	December 31, 2023	December 31, 2022
Fair value	\$ 5,484,032	\$ 5,115,548
Carrying value	\$ 5,573,127	\$ 5,224,449

Ground lease liability

See Note 4 for the details of our ground lease. We estimate the fair value of our ground lease liability by calculating the present value of the future lease payments disclosed in Note 4 using our incremental borrowing rate. The calculation incorporates observable market interest rates which we consider to be Level 2 inputs. The table below presents the estimated fair value and carrying value of our ground lease liability:

(In thousands)	December 31, 2023	December 31, 2022
Fair value	\$ 4,496	\$ 4,466
Carrying value	\$ 10,836	\$ 10,848

Financial instruments measured at fair value on a recurring basis

Derivative instruments

See Note 10 for the details of our derivatives. We present our derivatives on our consolidated balance sheets at fair value, on a gross basis, excluding accrued interest. We estimate the fair value of our derivative instruments by calculating the credit-adjusted present value of the expected future cash flows of each derivative. The calculation incorporates the contractual terms of the derivatives, observable market interest rates which we consider to be Level 2 inputs, and credit risk adjustments to reflect the counterparty's as well as our own nonperformance risk. Our derivatives are not subject to master netting arrangements. See Note 2 for our accounting policy for derivative instruments regarding the impact of the changes in fair value measurements on our financial statements. The table below presents the estimated fair value of our derivatives:

	(In thousands)	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Derivative Assets:					
Fair value - consolidated derivatives ⁽¹⁾	\$	170,880	\$	270,234	
Fair value - unconsolidated Fund's derivatives ⁽²⁾	\$	9,150	\$	12,426	
Derivative Liabilities:					
Fair value - consolidated derivatives ⁽¹⁾	\$	—	\$	1,790	
Fair value - unconsolidated Fund's derivatives ⁽²⁾	\$	—	\$	—	

(1) Consolidated derivatives, which include 100 %, not our pro-rata share, of our consolidated JV's derivatives, are included in interest rate contracts on our consolidated balance sheets. The fair values exclude accrued interest which is included in interest payable on our consolidated balance sheets.

(2) The amounts reflect 100 %, not our pro-rata share, of our unconsolidated Fund's derivatives. Our pro-rata share of the amounts related to the unconsolidated Fund's derivatives is included in our Investment in unconsolidated Fund on our consolidated balance sheets. Our unconsolidated Fund did not have any derivatives in a liability position for the periods presented. See Note 6 for more information about our Fund, including our equity interest percentage, and see "Guarantees" in Note 17 regarding our Fund's derivatives.

Items measured at fair value on a non-recurring basis

Equity method investment

As of December 31, 2023 and 2022, we managed and owned an equity interest in one unconsolidated Fund. See Note 6. We account for our investment in our unconsolidated Fund using the equity method. See Note 2. Our investment in our unconsolidated Fund is presented on the consolidated balance sheet at carrying value. On December 31, 2023, we recorded an impairment charge of \$ 36.2 million, which reduced the carrying value of our investment in our unconsolidated Fund to its fair value of \$ 10.8 million. No impairment charges occurred during 2022 or 2021. The estimated fair value of our investment in the unconsolidated Fund, used to calculate the impairment charge, was calculated using level 3 inputs for the Fund's investment in real estate. The fair value of the Fund's investment in real estate was based upon the negotiated purchase price for our purchase of an additional 20.2 % equity interest in the Fund on December 31, 2023. As of December 31, 2023, the carrying value presented on our consolidated balance sheet of \$ 16.0 million includes the acquisition of our additional interest.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

15. Segment Reporting

Segment information is prepared on the same basis that our management reviews information for operational decision-making purposes. We operate in two business segments: (i) the acquisition, development, ownership and management of office real estate and (ii) the acquisition, development, ownership and management of multifamily real estate. The services for our office segment primarily include rental of office space and other tenant services, including parking and storage space rental. The services for our multifamily segment include rental of apartments and other tenant services, including parking and storage space rental. Asset information by segment is not reported because we do not use this measure to assess performance or make decisions to allocate resources. Therefore, depreciation and amortization expense is not allocated among segments. General and administrative expenses and interest expense are not included in segment profit as our internal reporting addresses these items on a corporate level.

The table below presents the operating activity of our reportable segments:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Office Segment			
Total office revenues	\$ 829,945	\$ 824,573	\$ 786,870
Office expenses	(294,310)	(284,522)	(265,376)
Office segment profit	535,635	540,051	521,494
Multifamily Segment			
Total multifamily revenues	190,543	169,079	131,527
Multifamily expenses	(67,323)	(49,299)	(38,025)
Multifamily segment profit	123,220	119,780	93,502
Total profit from all segments	\$ 658,855	\$ 659,831	\$ 614,996

The table below presents a reconciliation of the total profit from all segments to net (loss) income attributable to common stockholders:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Total profit from all segments	\$ 658,855	\$ 659,831	\$ 614,996
General and administrative expenses	(49,236)	(45,405)	(42,554)
Depreciation and amortization	(459,949)	(372,798)	(371,289)
Other income	19,633	4,587	2,465
Other expenses	(1,032)	(714)	(937)
(Loss) Income from unconsolidated Fund	(34,643)	1,224	946
Interest expense	(209,468)	(150,185)	(147,496)
Net (loss) income	(75,840)	96,540	56,131
Net loss attributable to noncontrolling interests	33,134	605	9,136
Net (loss) income attributable to common stockholders	\$ (42,706)	\$ 97,145	\$ 65,267

16. Future Minimum Lease Rental Receipts

We lease space to tenants primarily under non-cancelable operating leases that generally contain provisions for a base rent plus reimbursement of certain operating expenses, and we own fee interests in two parcels of land from which we receive rent under ground leases. The table below presents the future minimum base rentals on our non-cancelable office tenant and ground leases for our consolidated properties at December 31, 2023:

Year ending	
December 31:	(In thousands)
2024	\$ 603,197
2025	496,486
2026	396,251
2027	309,999
2028	225,451
Thereafter	700,681
Total future minimum base rentals ⁽¹⁾	2,732,065
	\$

(1) Does not include (i) residential leases, which typically have a term of one year or less, (ii) holdover rent, (iii) other types of rent such as storage and antenna rent, (iv) tenant reimbursements, (v) straight line rent, (vi) amortization/accrual of acquired above/below-market lease intangibles, and (vii) percentage rents. The amounts assume that early termination options held by tenants will not be exercised.

17. Commitments, Contingencies and Guarantees

Legal Proceedings

From time to time, we are party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. We are currently in litigation with the insurance providers in 2020 for Barrington Plaza to recover certain costs associated with reconstruction. Excluding ordinary, routine litigation incidental to our business, we are not currently a party to any legal proceedings that we believe would reasonably be expected to have a materially adverse effect on our business, financial condition or results of operations.

Concentration of Risk

Tenant Receivables

We are subject to credit risk with respect to our tenant receivables and deferred rent receivables related to our tenant leases. Our tenants' ability to honor the terms of their respective leases remains dependent upon economic, regulatory and social factors. We seek to minimize our credit risk from our tenant leases by: (i) targeting smaller, more affluent office tenants, from a diverse mix of industries, (ii) performing credit evaluations of prospective tenants, and (iii) obtaining security deposits or letters of credit from our tenants. During 2023, 2022 and 2021, no tenant accounted for more than 10% of our total revenues. See our "Rental Revenues and Tenant Recoveries" accounting policy in Note 2 for the charges to revenue for uncollectible amounts for tenant receivables and deferred rent receivables.

Geographic Risk

All of our properties, including our consolidated JVs and our unconsolidated Fund's properties, are located in Los Angeles County, California and Honolulu, Hawaii, and we are therefore susceptible to adverse economic and regulatory developments, as well as natural disasters, in those markets.

Derivative Counterparty Credit Risk

We are subject to credit risk with respect to our derivative counterparties. We do not post or receive collateral with respect to our derivative transactions. Our derivative contracts do not provide for right of offset between derivative contracts. See Note 10 for the details of our derivative contracts. We seek to minimize our credit risk by entering into agreements with a variety of counterparties with investment grade ratings.

Cash Balances

We have significant cash balances invested in a variety of short-term money market funds that are intended to preserve principal value and maintain a high degree of liquidity while providing current income. These investments are not insured against loss of principal and there is no guarantee that our investments in these funds will be redeemable at par value. We also have significant cash balances in bank accounts with high quality financial institutions with investment grade ratings. Interest bearing bank accounts at each U.S. banking institution are insured by the FDIC up to \$250 thousand.

Asset Retirement Obligations

Conditional asset retirement obligations represent a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement is conditional on a future event that may or may not be within our control. A liability for a conditional asset retirement obligation must be recorded if the fair value of the obligation can be reasonably estimated. Environmental site assessments have identified thirty-three buildings in our Consolidated Portfolio which contain asbestos, and would have to be removed in compliance with applicable environmental regulations if these properties are demolished or undergo major renovations.

As of December 31, 2023, the obligations to remove the asbestos from properties which are currently undergoing major renovations, or that we plan to renovate in the future, are not material to our consolidated financial statements. As of December 31, 2023, the obligations to remove the asbestos from our other properties have indeterminable settlement dates, and we are unable to reasonably estimate the fair value of the associated conditional asset retirement obligations.

Contractual Commitments

Development Projects

In downtown Honolulu, we are converting a 25 story, 493,000 square foot office tower into approximately 493 apartments in phases over a number of years as the office space is vacated. As of December 31, 2023, we had an aggregate remaining contractual commitment for this development project and other development projects of approximately \$ 17.9 million.

Other Contractual Commitments

As of December 31, 2023, we had an aggregate remaining contractual commitment for repositionings, capital expenditure projects and tenant improvements of approximately \$ 12.7 million.

Guarantees

Loan Guarantees

We signed a guarantee for the \$ 175.0 million consolidated JV loan which guarantees the portion of the loan principal that would need to be paid down to meet the minimum debt yield in the loan agreement. The loan matures in April 2029. The guarantee will remain in effect until either the guarantee obligation or the loan is paid in full. As of December 31, 2023, we estimate the risk of loss for this guarantee to be low. See Note 8 for more information regarding our debt.

During the second quarter of 2023, we removed our Barrington Plaza Apartments property in Los Angeles from the rental market. See Note 3, "Property to be removed from service." The reconstruction of this property is expected to take a number of years at a cost of several hundred million dollars. The lender is treating the \$ 210.0 million Barrington Plaza loan, which matures in June 2027, as a construction loan, and we signed a construction completion guarantee in January 2024. The guarantee will remain in effect until either the construction is completed or the loan is paid in full. See Note 8 for more information regarding our debt.

Douglas Emmett, Inc.
Notes to Consolidated Financial Statements (continued)

Unconsolidated Fund Guarantees

Our unconsolidated Fund, Partnership X, has a \$ 115.0 million floating-rate term loan that matures on September 14, 2028 . The loan carries interest at SOFR + 1.46 % (with a zero -percent SOFR floor), which has been effectively fixed at 2.19 % until October 1, 2026 with interest rate swaps (which do not have zero -percent SOFR floors). The loan and related swaps were converted to SOFR from LIBOR during the third quarter of 2023, resulting in a small SOFR adjustment to calculate the interest payable to the lender (which is included in the loan spread above). The conversion to SOFR did not change the swap-fixed interest rate. The loan is secured by two properties held by Partnership X and is non-recourse.

We have made certain environmental and other limited indemnities and guarantees covering customary non-recourse carve-outs for Partnership X's loan, and we have also guaranteed the related swaps. Partnership X has agreed to indemnify us for any amounts that we would be required to pay under these agreements. As of December 31, 2023, assuming that SOFR does not decrease below zero -percent, the maximum future interest payments for the swaps were \$ 2.7 million. As of December 31, 2023, all of the obligations under the related loan and swap agreements have been performed in accordance with the terms of those agreements. As of December 31, 2023, we estimate the risk of loss for the various indemnities and guarantees to be low. See Note 6 for more information regarding Partnership X.

Douglas Emmett, Inc.

Schedule III - Consolidated Real Estate and Accumulated Depreciation and Amortization

As of December 31, 2023

(In thousands)

Property Name	Cost											
	Initial Cost		Capitalized Subsequent to Acquisition		Gross Carrying Amount					Accumulated Depreciation & Amortization ⁽²⁾		
	Encumbrances	Land	Building & Improvements ⁽¹⁾	Improvements ⁽¹⁾⁽²⁾	Land	Building & Improvements ⁽¹⁾ ⁽²⁾	Improvements ⁽¹⁾⁽²⁾	Total ⁽³⁾	(4)	Year Built / Renovated	Year Acquired	
<u>Office Properties</u>												
100 Wilshire	\$252,034	\$12,769	\$ 78,447	\$ 158,133	\$ 27,108	\$ 222,241	\$ 249,349	\$ 95,152	1968/2002/2019	1999		
233 Wilshire	62,962	9,263	130,426	4,116	9,263	134,542	143,805	27,389	1975/2008-2009	2016		
401 Wilshire	—	9,989	29,187	130,718	21,787	148,107	169,894	62,030	1981/2000/2020	1996		
429 Santa Monica	33,691	4,949	72,534	4,163	4,949	76,697	81,646	15,471	1982/2016	2017		
1132 Bishop Place	—	8,317	105,651	(53,704)	8,833	51,431	60,264	28,334	1992	2004		
1299 Ocean	124,699	22,748	265,198	26,151	22,748	291,349	314,097	54,361	1980/2006/2020	2017		
1901 Avenue of the Stars	193,502	18,514	131,752	120,234	26,163	244,337	270,500	110,421	1968/2001	2001		
2001 Wilshire	37,411	5,711	81,622	5,183	5,711	86,805	92,516	11,234	1980/2013	2008		
8383 Wilshire	175,314	18,004	328,118	6,982	18,005	335,099	353,104	45,936	1971/2009	2008		
8484 Wilshire	—	8,846	77,780	16,073	8,846	93,853	102,699	30,588	1972/2013	2013		
9100 Wilshire	142,264	13,455	258,329	10,593	13,455	268,922	282,377	36,440	1971/2016	2008		
9401 Wilshire	27,640	6,740	152,310	19,745	6,740	172,055	178,795	31,419	1971/2020	2017		
9601 Wilshire	—	16,597	54,774	107,640	17,658	161,353	179,011	74,988	1962/2004	2001		
9665 Wilshire	77,445	5,568	177,072	23,600	5,568	200,672	206,240	38,262	1971/2020	2017		
10880 Wilshire	207,712	29,995	437,514	43,944	29,988	481,465	511,453	105,658	1970/2009/2020	2016		
10960 Wilshire	209,575	45,844	429,769	33,896	45,852	463,657	509,509	111,688	1971/2006	2016		
11777 San Vicente	44,412	5,032	15,768	29,929	6,714	44,015	50,729	20,477	1974/1998	1999		
12100 Wilshire	101,203	20,164	208,755	9,848	20,164	218,603	238,767	47,662	1985	2016		
12400 Wilshire	—	5,013	34,283	75,936	8,828	106,404	115,232	47,534	1985	1996		
15250 Ventura	22,369	2,130	48,908	3,577	2,130	52,485	54,615	7,185	1970/2012	2008		
16000 Ventura	37,971	1,936	89,531	3,760	1,936	93,291	95,227	13,017	1980/2011	2008		
16501 Ventura	42,944	6,759	53,112	13,658	6,759	66,770	73,529	21,475	1986/2012	2013		
Beverly Hills Medical Center	46,180	4,955	27,766	30,727	6,435	57,013	63,448	26,513	1964/2004	2004		
Bishop Square	200,000	16,273	213,793	59,004	16,273	272,797	289,070	96,436	1972/1983	2010		
Brentwood Court	—	2,564	8,872	1,329	2,563	10,202	12,765	4,590	1984	2006		
Brentwood Executive Plaza	—	3,255	9,654	35,263	5,921	42,251	48,172	19,056	1983/1996	1995		
Brentwood Medical Plaza	—	5,934	27,836	2,144	5,933	29,981	35,914	14,058	1975	2006		
Brentwood San Vicente Medical	—	5,557	16,457	3,062	5,557	19,519	25,076	8,545	1957/1985	2006		
Brentwood/Saltair	—	4,468	11,615	10,993	4,775	22,301	27,076	9,881	1986	2000		
Bundy/Olympic	—	4,201	11,860	29,410	6,030	39,441	45,471	17,904	1991/1998	1994		
Camden Medical Arts	42,276	3,102	12,221	29,313	5,298	39,338	44,636	18,025	1972/1992	1995		
Carthay Campus	—	6,595	70,454	4,691	6,594	75,146	81,740	22,069	1965/2008	2014		
Century Park Plaza	173,000	10,275	70,761	140,797	16,153	205,680	221,833	86,783	1972/1987/2020	1999		
Century Park West	—	3,717	29,099	463	3,667	29,612	33,279	14,210	1971	2007		
Columbus Center	—	2,096	10,396	11,215	2,333	21,374	23,707	9,303	1987	2001		
Coral Plaza	—	4,028	15,019	18,947	5,366	32,628	37,994	15,212	1981	1998		
Cornerstone Plaza	—	8,245	80,633	6,550	8,263	87,165	95,428	36,889	1986	2007		
Encino Gateway	—	8,475	48,525	54,335	15,653	95,682	111,335	44,481	1974/1998	2000		
Encino Plaza	—	5,293	23,125	50,097	6,165	72,350	78,515	33,521	1971/1992	2000		
Encino Terrace	105,565	12,535	59,554	101,103	15,533	157,659	173,192	71,772	1986	1999		
Executive Tower	—	6,660	32,045	57,802	9,471	87,036	96,507	39,919	1989	1995		

Douglas Emmett, Inc.
Schedule III - Consolidated Real Estate and Accumulated Depreciation and Amortization
As of December 31, 2023
(In thousands)

Property Name	Encumbrances	Land	Cost		Gross Carrying Amount			Accumulated Depreciation & Amortization ⁽²⁾			
			Capitalized Subsequent to Acquisition		Building & Improvements ⁽¹⁾⁽²⁾			Building & Improvements ⁽¹⁾⁽²⁾		Year Built / Renovated	Year Acquired
			Initial Cost	Acquisition	Land	Improvements ⁽¹⁾⁽²⁾	Total ⁽³⁾	(4)			
<u>Office Properties (continued)</u>											
First Financial Plaza	54,077	12,092	81,104	6,425	12,092	87,529	99,621	23,667	1986	2015	
Gateway Los Angeles	—	2,376	15,302	63,580	5,119	76,139	81,258	29,020	1987/2022	1994	
Harbor Court	—	51	41,001	54,054	12,060	83,046	95,106	34,709	1994	2004	
Landmark II	—	6,086	109,259	69,288	13,070	171,563	184,633	79,816	1989	1997	
Lincoln/Wilshire	—	3,833	12,484	26,816	7,475	35,658	43,133	15,044	1996	2000	
MB Plaza	—	4,533	22,024	34,089	7,503	53,143	60,646	24,970	1971/1996	1998	
Olympic Center	52,000	5,473	22,850	34,945	8,247	55,021	63,268	25,850	1985/1996	1997	
One Westwood	—	10,350	29,784	66,421	9,194	97,361	106,555	43,673	1987/2004	1999	
Palisades Promenade	60,318	5,253	15,547	53,185	9,664	64,321	73,985	30,252	1990	1995	
Saltair/San Vicente	21,533	5,075	6,946	18,056	7,557	22,520	30,077	10,470	1964/1992	1997	
San Vicente Plaza	—	7,055	12,035	581	7,055	12,616	19,671	5,926	1985	2006	
Santa Monica Square	48,500	5,366	18,025	21,856	6,863	38,384	45,247	17,536	1983/2004	2001	
Second Street Plaza	—	4,377	15,277	35,705	7,421	47,938	55,359	22,646	1991	1997	
Sherman Oaks Galleria	300,000	33,213	17,820	429,060	48,328	431,765	480,093	193,263	1981/2002	1997	
Studio Plaza	—	9,347	73,358	122,286	15,015	189,976	204,991	91,959	1988/2004	1995	
The Tower	67,064	9,643	160,602	7,104	9,643	167,706	177,349	37,443	1988/1998	2016	
The Trillium ⁽⁵⁾	—	20,688	143,263	85,673	21,989	227,635	249,624	101,297	1988/2021	2005	
Valley Executive Tower	104,000	8,446	67,672	110,841	11,737	175,222	186,959	77,859	1984	1998	
Valley Office Plaza	—	5,731	24,329	49,352	8,957	70,455	79,412	33,085	1966/2002	1998	
Verona	—	2,574	7,111	15,934	5,111	20,508	25,619	9,327	1991	1997	
Village on Canon	61,745	5,933	11,389	50,822	13,303	54,841	68,144	24,206	1989/1995	1994	
Warner Center Towers	335,000	43,110	292,147	415,784	59,418	691,623	751,041	316,269	1982-1993/2004	2002	
Warner Corporate Center	34,671	11,035	65,799	2,245	11,035	68,044	79,079	10,136	1988/2015	2008	
Westside Towers	141,915	8,506	79,532	80,815	14,568	154,285	168,853	69,506	1985	1998	
Westwood Center	140,648	9,512	259,341	20,053	9,513	279,393	288,906	63,870	1965/2000	2016	
Westwood Place	71,000	8,542	44,419	69,450	11,448	110,963	122,411	42,369	1987/2023	1999	
<u>Multifamily Properties</u>											
555 Barrington	50,000	6,461	27,639	42,765	14,903	61,962	76,865	28,520	1989	1999	
1221 Ocean Avenue	175,000	22,086	328,545	2,281	22,086	330,826	352,912	19,864	1971/2000	2022	
Barrington Plaza ⁽⁶⁾	210,000	28,568	81,485	146,318	58,208	198,163	256,371	172,603	1963/1998	1998	
Barrington/Kiowa	13,940	5,720	10,052	1,374	5,720	11,426	17,146	5,242	1974	2006	
Barry	11,370	6,426	8,179	912	6,426	9,091	15,517	4,291	1973	2006	
Kiowa	5,470	2,605	3,263	1,029	2,605	4,292	6,897	1,882	1972	2006	
Moanalua Hillside Apartments	255,000	24,791	157,353	127,801	35,365	274,580	309,945	77,010	1968/2004/2019	2005	
The Residences at Bishop Place	110,000	—	—	180,347	—	180,347	180,347	13,670	2020-2022	2004	

Pacific Plaza	78,000	10,091	16,159	77,762	27,816	76,196	104,012	33,242	1963/1998	1999
The Glendon	160,000	32,773	335,925	287	32,775	336,210	368,985	40,214	2008	2019
The Landmark Los Angeles	240,000	—	—	331,693	13,070	318,623	331,693	11,881	2018-2022	N/A
The Shores	212,000	20,809	74,191	207,358	60,555	241,803	302,358	105,926	1965-67/2002	1999
Villas at Royal Kunia	94,220	42,887	71,376	18,258	35,163	97,358	132,521	48,499	1990/1995	2006
Waena Apartments	102,400	26,864	119,273	2,540	26,864	121,813	148,677	29,695	1970/2009-2014	2014

Douglas Emmett, Inc.
Schedule III - Consolidated Real Estate and Accumulated Depreciation and Amortization
As of December 31, 2023
(In thousands)

Property Name	Cost		Initial Cost	Acquisition	Gross Carrying Amount			Accumulated Depreciation & Amortization ⁽²⁾	Year Built / Renovated ⁽⁴⁾	Year Acquired	
	Capitalized	Subsequent to			Building &						
	Encum- bances	Land			Improve- ments ⁽¹⁾	Improve- ments ⁽¹⁾⁽²⁾	Land	Improve- ments ⁽¹⁾⁽²⁾	Total ⁽³⁾		
<u>Ground Lease</u>											
Owensmouth/Warner ⁽⁵⁾	—	23,848	—	1,725	23,848	1,725	23,848	1,725	25,573	35	N/A
Total Operating Properties	5,570,040	898,700	6,922,385		1,185,977	11,163,398	12,349,375				
	\$	\$	\$	\$ 4,528,290	\$	\$	\$	\$	\$ 3,652,630		
<u>Property Under Development</u>											
The Residences at Bishop Place	\$ —	\$ —	\$ —	\$ 3,037	\$ —	\$ —	\$ 3,037	\$ 3,037	\$ 3,037	N/A	N/A
Other Developments	—	—	—	53,402	—	—	53,402	53,402	53,402	N/A	N/A
Total Property Under Development	\$ —	\$ —	\$ —	\$ 56,439	\$ —	\$ —	\$ 56,439	\$ 56,439	\$ —		
	\$ 5,570,040	898,700	6,922,385		1,185,977	11,219,837	12,405,814				
Total	\$	\$	\$	\$ 4,584,729	\$	\$	\$	\$	\$ 3,652,630		

(1) Includes tenant improvements and lease intangibles.

(2) Net of fully depreciated and amortized buildings, building improvements, tenant improvements and lease intangibles removed from our books.

(3) At December 31, 2023, the aggregate federal income tax cost basis for consolidated real estate was \$ 8.79 billion (unaudited).

(4) See our depreciation and amortization policy in Note 2 to our consolidated financial statements.

(5) The property includes a parcel of land from which we receive rent under a ground lease.

(6) During the second quarter of 2023, we removed our Barrington Plaza Apartments property in Los Angeles from the rental market. See Note 3, "Property to be removed from service", for more detail.

The table below presents a reconciliation of our investment in real estate:

(In thousands)	Year Ended December 31,		
	2023	2022	2021
Investment in real estate, gross			
Beginning balance	\$ 12,292,973	\$ 11,819,077	\$ 11,678,638
Property acquisitions	—	350,631	—
Improvements and developments	214,955	223,315	297,764
Removal of fully depreciated and amortized buildings, building improvements, tenant improvements and lease intangibles	(102,114)	(100,050)	(157,325)
Ending balance	\$ 12,405,814	\$ 12,292,973	\$ 11,819,077
Accumulated depreciation and amortization			
Beginning balance	\$ (3,299,365)	\$ (3,028,645)	\$ (2,816,193)
Depreciation and amortization	(459,949)	(372,798)	(371,289)
Other accumulated depreciation and amortization	4,570	2,028	1,512
Removal of fully depreciated and amortized buildings, building improvements, tenant improvements and lease intangibles	102,114	100,050	157,325
Ending balance	\$ (3,652,630)	\$ (3,299,365)	\$ (3,028,645)
Investment in real estate, net	\$ 8,753,184	\$ 8,993,608	\$ 8,790,432

DOUGLAS EMMETT, INC.
2016 OMNIBUS STOCK INCENTIVE PLAN
LTIP UNIT AWARD AGREEMENT (2023)

"Grantee"	[GRANTEE]
Employee Number	[EMPLOYEE #]
"Award LTIP Units"	[NUMBER]
"Grant Effective Date"	December 27, 2023
"Minimum Increase"	2% of Gross Asset Value
"Book-Up Hurdle"	Stock price of \$[HURDLE] per share
"Transferable Date"	[December 31, 2025] OR [Four Years after each Vesting Date]
"Termination Date"	December 31, 2033

"Vesting Date"*	Number of LTIP's Vesting	Cumulative % Vested
December 31, 2023	[2023 Tranche]	25%
December 31, 2024	[2024 Tranche]	50%
December 31, 2025	[2025 Tranche]	75%
December 31, 2026	[2026 Tranche]	100%

* Subject to postponement under Section 2

RECITALS

A. Grantee is an employee or director of Douglas Emmett, Inc. and/or its Subsidiaries (the "Company").

B. Pursuant to this 2016 LTIP Unit Award Agreement (this "Agreement"), the Company's 2016 Omnibus Stock Incentive Plan (as amended from time to time, the "Plan") and the Limited Partnership Agreement (as amended from time to time, including the Partnership Unit Designation for the 2016 LTIP Units, the "LP Agreement") of Douglas Emmett Properties LP, (the "Partnership"), the Company and the Partnership hereby grant to Grantee an Other Stock-Based Award (as defined in the Plan, referred to herein as an "Award") in the amount of the Award LTIP Units.

C. Unless otherwise indicated, capitalized terms used herein but not defined shall have the meanings given to those terms in the LP Agreement and the Plan.

NOW, THEREFORE, the Company, the Partnership, and Grantee agree as follows:

1. Effectiveness of Award

Upon execution of this Agreement by Grantee, the Partnership and the Company, (i) the LP Agreement shall be amended to reflect the issuance to Grantee of the Award LTIP Units, and (ii) Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the Award LTIP Units subject to the restrictions and conditions specified in LP Agreement and this Agreement. If Grantee has not previously been admitted as a partner of the Partnership, by executing and delivering this Agreement, Grantee shall be deemed to have executed and delivered, and thereby become a party to, the LP Agreement as of the Grant Effective Date.

2. Vesting of Award LTIP Units

(i) **General:** Subject to the provisions in this Section 2, the Award LTIP Units scheduled to vest on a Vesting Date shall vest, provided that, in the event of an Interrupted Year, each Vesting Date otherwise scheduled in that year or any subsequent year (including any already postponed) shall be postponed by one calendar year. An "Interrupted Year" shall mean any calendar year (including the calendar year of the Grant Effective Date (the "Grant Calendar Year") during which Grantee did not engage in Active Service for at least 270 days. Notwithstanding the foregoing, if Grantee's Continuous Service began during the Grant Calendar Year then the Grant Calendar Year shall not be an Interrupted

Year if Grantee engaged in Active Service at all times since the beginning of Grantee's Continuous Service. "**Active Service**" shall mean any period during which Grantee is actively engaged in paid service to the Company not including any period of (a) Company approved unpaid time off or (b) unpaid leave of absence from work (including but not limited to unpaid personal leave or short-term disability leave). There shall be no proportionate or partial vesting of Award LTIP Units for any partial period. In addition, there shall be no vesting on any date other than December 31st except due to a Change in Control or death of the Grantee (each as described below) or as specified in the table above.

(ii) **Cessation of Continuous Service and Forfeiture of Unvested Units:** If (a) Grantee's Continuous Service ceases, or (b) Grantee fails to provide any Active Service during a continuous 365 day period, then all Award LTIP Units not then vested shall automatically be terminated and forfeited without notice or consideration. Notwithstanding the foregoing, if Grantee's Continuous Service ceased as a result of the death of Grantee, then any unvested Award LTIP Units not previously forfeited and scheduled to vest during the calendar year of Grantee's death, shall immediately vest as of, and the Transferable Date for such Award LTIP Units shall become, the date of death. "**Continuous Service**" shall mean continuous service to the Company as an employee, consultant or member of the board without termination.

(iii) **Vesting Upon Change in Control:** The vesting of the Award LTIP Units shall not accelerate on a Sale Event except (a) as provided in this Agreement or with the consent of the Committee or (b) if the principal class of securities for which the Award LTIP Units may ultimately be exchanged are no longer publicly traded following a Change of Control, then any unvested Award LTIP Units not previously forfeited shall immediately vest as of, and the Transferable Date for such Award LTIP Units shall become, the date of cessation of trading. "**Change of Control**" shall mean any (x) Sale Event or other event (other than an acquisition of securities by the Company) as a result of which any person (other than an Exempted Holder) increases its ownership and is the beneficial owner (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934), of more than twenty percent (20%) of the total voting power of the surviving entity, or (y) the Board ceasing for any reason to have a majority of directors who were initially elected or nominated by a vote of at least two-thirds of directors who were not elected as a result of an actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation. "**Exempted Holder**" shall mean (a) the Company or any majority-owned Subsidiary; (b) any underwriter temporarily holding securities pursuant to an offering; or (c) Dan Emmett, Jordan Kaplan or Ken Panzer, their immediate family members and family trusts or family-only partnerships and any charitable foundations, any entities in which they and their families beneficially own a majority of the voting interests, and any "group" (as described in Rule 13d-5(b)(i) under the Exchange Act) including them.

(iv) **Company Option to Redeem:** If Grantee's Continuous Service has terminated or ceased and Grantee owns less than an aggregate of 1,000 Units in the Partnership (including both Common Units ("**OP Units**") and vested LTIP Units), the Company shall have the right to redeem all of Grantee's OP Units and vested LTIP Units by paying Grantee the Cash Amount for such OP Units and vested LTIP Units. The Company may exercise its option at any time following the termination or cessation of Grantee's Continuous Service by delivering a notice to Grantee. If any of the Grantee's LTIPs are not booked up at the time of a notice of redemption, the Company may determine not to redeem them at that time, but shall retain (a) the right to redeem all of Grantee's OP Units that have booked up; and (b) the option to redeem the remaining LTIP Units from and after such time as they are booked up. Any redemption under this Section shall be effective as of the date of notice, with payment due within ten (10) Business Days after delivery to the Company by Grantee of (a) appropriate transfer documents and (b) any certificates for the LTIP's or OP Units involved.

(v) **Company Offset Right:** If Grantee's Continuous Service has ceased for any reason and Grantee thereafter owes any amounts to the Company ("**Outstanding Amounts**"), then the Company shall have the right to offset against the Outstanding Amounts any distributions on, amounts payable on redemption of, or other amounts payable with respect to, any LTIP Units or OP Units held by Grantee. In addition, at its option, by notice to Grantee, the Company may elect to redeem OP Units and/or vested LTIP Units held by Grantee and apply the Cash Amount otherwise due (determined and effective as of the date of the notice) against the Outstanding Amounts.

3. Distributions

Distributions on the Award LTIP Units shall be paid to Grantee to the extent provided for in the LP Agreement. The Distribution Participation Date (as defined in the LP Agreement) for the Award LTIP Units shall be the Grant Effective Date.

4. Rights with Respect to Award LTIP Units

Without duplication with the provisions of Section 3 of the Plan, if (i) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or capital stock of the Company or a transaction similar thereto, (ii) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of Common Stock other than ordinary cash dividends, shall occur or (iii) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the terms of the Agreement, then and in that event, the Committee shall take such action as shall be necessary to maintain Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Agreement prior to such event, including, but not limited to, adjustments in the Book-Up Hurdle and/or the number of Award LTIP Units then subject to this Agreement, and/or substitution of other awards under the Plan or otherwise. Grantee shall have the right to vote the Award LTIP Units if voting is allowed under the LP Agreement, regardless of whether vesting has occurred.

5. Book-Up Hurdle for Conversion

The Award LTIP Units may not be converted into OP Units until there is a transaction after the Grant Effective Date in which the Partnership recognizes the Minimum Increase (generally involving a stock price in excess of the Book-Up Hurdle). The date on which the Award LTIP Units become convertible is the "Conversion Date".

6. Forfeiture of Award LTIP Units if not Converted before Termination Date

The Award LTIP Units (even if vested) shall be forfeited, and all rights to the Award LTIP Units hereunder shall terminate and be of no further force or effect, if the Conversion Date has not occurred prior to the Termination Date.

7. Restrictions on Transfer and Redemption

(i) **LTIP Units:** Award LTIP Unit may not be sold, assigned, transferred, pledged, hypothecated, encumbered, given away, or in any manner disposed of, whether voluntarily or by operation of law (each such action a "Transfer"). Any attempted Transfer of Award LTIP Units shall be null and void.

(ii) **OP Units:** With the written consent of the Company, after the Conversion Date vested Award LTIP Units may be converted into OP Units, but until the Transferable Date for such Award LTIP Unit, no such OP Unit may be either (1) submitted for redemption pursuant to Section 15.1 of the LP Agreement or (2) Transferred, except to the spouse, children or grandchildren of Grantee or to entities where the sole beneficiaries/owners are the Grantee and/or one or more such persons where all of the following conditions are met: (w) at least two years has passed since the Grant Effective Date; (x) the Committee approves such Transfer on such terms as it may proscribe; (y) each transferee agrees in writing both to be bound by all the terms and conditions of this Agreement and that subsequent transfers of such OP Units shall be prohibited until the Transferable Date except in accordance with this section and (z) such Transfer is in compliance with all applicable securities laws and the LP Agreement (the Company may require Grantee to provide an opinion of counsel satisfactory to the Partnership to such effect). Any attempted Transfer of OP Units not in accordance with the terms and conditions of this Section 7 shall be null and void.

8. Incorporation of Plan

The Award LTIP Units are equity securities of the Partnership granted as "Other Stock-Based Awards" under the Plan, as is any Stock issued by the Company on redemption of OP Units into which any Award LTIP Units may be converted. Accordingly, this Agreement is subject in all respects to the terms, conditions, limitations and definitions contained in the Plan. In the event of any discrepancy, definitional difference or inconsistency between this Agreement or any written employment or other similar service agreement with the Company (a "Service Agreement") and the Plan, the terms and conditions of the Plan shall control. In the event of any discrepancy, definitional difference, or inconsistency between this

Agreement and any Service Agreement, the terms and conditions of the Service Agreement shall control, it being intended that Grantee have the benefit of any more favorable vesting, definitions, or other provisions of the Service Agreement so long as they are not inconsistent with the Plan.

9. Legend

The records of the Partnership evidencing the Award LTIP Units may bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such Award LTIP Units are subject to restrictions as set forth in this Agreement, the Plan and the LP Agreement.

10. Withholding for Taxes and Cooperation

No later than the date on which an amount first becomes includable in the gross income of Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to the Award LTIP Units granted hereunder, Grantee will pay to the Company or, if appropriate, any of its Subsidiaries, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to Grantee. So long as Grantee holds any LTIP Units, upon request Grantee shall disclose to the Partnership in writing such information with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary or appropriate to ascertain and to establish compliance with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Partnership or to comply with requirements of any other governmental authority.

11. No Obligation to Continue Employment or Other Service Relationship

Neither the Company nor any Subsidiary is obligated by, or as a result of, the Plan or this Agreement to continue to employ or retain the services of Grantee and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment or other service relationship of Grantee at any time for any or no reason.

12. No Limit on Other Compensation Arrangements

Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons. Grantee acknowledges that the Company may make reasonable amendments to any such plans, agreements and arrangements from time to time, and that Grantee remains at all times bound by their most current version which the Company had provided to him. Notwithstanding any other provision of this Agreement, Grantee agrees to the terms of the Company's Clawback Policy and agrees that compensation received by Grantee under this Agreement may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Clawback Policy.

13. Investment Representation and No Registration

Grantee hereby makes the covenants, representations and warranties set forth on Exhibit A attached hereto as of the Grant Effective Date and as of each Vesting Date. All such covenants, warranties and representations shall survive the execution and delivery of this Agreement by Grantee. Grantee shall immediately notify the Partnership if Grantee discovers that any of the representations or warranties set forth on Exhibit A were or have become false. The Partnership has no obligation to register any of the Award LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of the Award LTIP Units under the Securities Act.

14. Section 409A

If any compensation provided by this Agreement might result in any adverse impacts under Section 409A of the Code, the Company may, in consultation with Grantee, modify the Agreement to avoid such impacts while minimizing (to the extent practical) any diminution in the value of the benefits granted hereby to Grantee.

15. Amendment and Modification

This Agreement may only be modified or amended (a) in a writing signed by all of the parties hereto or (b) so long as such action does not impair Grantee's rights under this Agreement, by the Committee for

the purpose of satisfying changes in law or for any other lawful purpose. If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of Award LTIP Units hereunder, such provision shall be stricken and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

16. Arbitration

If the parties have entered into an arbitration or mediation agreement relating to Grantee's employment, the parties agree that any dispute or controversy arising under, out of, in connection with or in relation to this Agreement, and any amendments hereto, or the breach thereof, shall be determined and settled pursuant to the terms of such agreement as if it were set forth herein. Otherwise, any dispute or controversy arising under, out of, in connection with or in relation to this Agreement, and any amendments hereto, or the breach thereof, shall be determined and settled first by mediation wherein each party shall bear their own attorney's fees, mediator fees and costs; and then, if necessary, by binding arbitration to be held in Los Angeles, California, in accordance with the Company's Dispute Resolution Agreement, incorporated herein by reference. There will be no right or authority for any dispute to be brought, heard, or arbitrated as a class or collective action. Arbitration shall follow JAMS arbitration rules and procedures then in effect. Any award rendered therein shall be final and binding upon each and all of the parties, and judgment may be entered thereon in any court having jurisdiction thereof.

17. Complete Agreement

This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

18. General

This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Maryland (without reference to the conflict of laws rules or principles thereof). Section, paragraph, and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof. Notices hereunder shall be mailed or delivered to the Partnership at its principal place of business and shall be mailed or delivered to Grantee at the address on file with the Partnership or, in either case, at such other address as one party may subsequently furnish to the other party in writing. This Agreement may be executed by DocuSign or in two or more separate counterparts, which together shall constitute one and the same agreement. The rights and obligations created hereunder shall be binding on Grantee and his or her heirs and legal representatives and on the successors and assigns of the Partnership.

IN WITNESS WHEREOF, the Company has caused this Award to be executed as of December 27, 2023.

DOUGLAS EMMETT, INC.

By: _____
Jordan L. Kaplan
President and Chief Executive Officer

DOUGLAS EMMETT PROPERTIES LP
By: DOUGLAS EMMETT MANAGEMENT, INC.
Its: General Partner

By: _____
Jordan L. Kaplan
President and Chief Executive Officer

IN WITNESS WHEREOF, the undersigned has caused this Award to be executed as of December 27, 2023. If Grantee has not previously executed the LP Agreement, Grantee's signature below shall also be a counterpart signature to the LP Agreement, and Grantee agrees that this signature page may be attached to any counterpart of the Partnership Agreement to evidence Grantee's agreement to be bound by the LP Agreement.

Grantee:

EXHIBIT A
GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

Grantee hereby represents, warrants, and covenants as follows:

1. **Grantee has Reviewed Documents.** Grantee has received and had an opportunity to review the following documents (the "**Background Documents**"):

- The latest Annual Report to Stockholders provided to the Company's stockholders;
- The Company's Proxy Statement for its most recent Annual Meeting of Stockholders;
- The Company's Report on Form 10-K for the most recent year ended more than 60 days before the date hereof (the "**Form 10K**");
- The Company's Form 10-Q for the most recently ended quarter if one has been filed by the Company with the Securities and Exchange Commission since the filing of the Form 10-K;
- Each of the Company's Current Report(s) on Form 8-K, if any, filed since the end of the year covered by the Form 10-K;
- The Agreement of Limited Partnership of Douglas Emmett Properties LP;
- The Company's 2016 Omnibus Stock Incentive Plan; and
- The Company's Amended and Restated Certificate of Incorporation.

2. **Grantee Has Requisite Knowledge.** Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of Grantee, together with the business and financial experience of those persons, if any, retained by Grantee to represent or advise him or her with respect to the grant to him or her of LTIP Units, the potential conversion of LTIP Units into OP Units and the potential redemption of such Common Units for shares of common stock in the Company ("**Shares**"), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his or her own interest or has engaged representatives or advisors to assist him or her in protecting his or her its interests, and (III) is capable of bearing the economic risk of such investment.

3. **Grantee Responsible for Tax Impacts.** Grantee understands that (A) Grantee is responsible for consulting his or her own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which Grantee is or by reason of the award of LTIP Units may become subject, to his or her particular situation; (B) Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) Grantee provides or will provide services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as Grantee believes to be necessary and appropriate to make an informed decision to accept this Award of LTIP Units; and (D) an investment in the Partnership and/or the Company involves substantial risks. Grantee has been given the opportunity to make a thorough investigation of matters relevant to the LTIP Units and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by Grantee to verify the accuracy of information conveyed to Grantee. Grantee confirms that all documents, records, and books pertaining to his or her receipt of LTIP Units which were requested by Grantee have been made available or delivered to Grantee. Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the LTIP Units. Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to Grantee by the Partnership or the Company. Grantee did not receive any

tax, legal or financial advice from the Partnership or the Company and, to the extent it deemed necessary, has consulted with its own advisors in connection with its evaluation of the Background Documents and this Agreement and Grantee's receipt of LTIP Units.

4. **Grantee Not Acquiring Units with View to Distribution.** The LTIP Units to be issued, the Common Units issuable upon conversion of the LTIP Units and any Shares issued in connection with the redemption of any such Common Units will be acquired for the account of Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to Grantee's right (subject to the terms of the LTIP Units, the Plan and this Agreement) at all times to sell or otherwise dispose of all or any part of his or her LTIP Units, Common Units or Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his or her assets being at all times within his or her control.

5. **LTIP Units Not Registered.** Grantee acknowledges that (A) the LTIP Units to be issued, nor the OP Units issuable upon conversion of the LTIP Units, have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such LTIP Units or OP Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of Grantee contained herein, (C) such LTIP Units, or OP Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such LTIP Units and OP Units and (E) neither the Partnership nor the Company has any obligation or intention to register such LTIP Units or the OP Units issuable upon conversion of the LTIP Units under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the OP Units for Shares, the Company currently intends to issue such Shares under the Plan and pursuant to a Registration Statement on Form S-8 under the Securities Acts. Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such LTIP Units and the OP Units issuable upon conversion of the LTIP Units set forth in the Partnership Agreement and this Agreement, Grantee may have to bear the economic risk of his or her ownership of the LTIP Units and any OP Units issuable upon conversion of the LTIP Units for an indefinite period.

6. **Suitable Investment.** Grantee has determined that the LTIP Units are a suitable investment for Grantee.

7. **No Representations by Company.** No representations or warranties have been made to Grantee by the Partnership or the Company, or any officer, director, shareholder, agent, or affiliate of any of them, and Grantee has received no information relating to an investment in the Partnership or the LTIP Units except the information specified in Paragraph 1.

8. **Residence.** Grantee is a permanent resident residing at the address set forth in the Company's records.

DOUGLAS EMMETT, INC.

ACTIVE ENTITIES

As of December 31, 2023

CORPORATIONS:

Entity Name	State of Formation
Douglas Emmett, Inc.	Maryland (6/28/2005)
	Qualified in: California (10/5/2006)
Douglas Emmett Management, Inc.	Delaware (7/25/2005)
(fka Douglas Emmett, LLC)	Qualified in: California (8/30/2006)
Douglas Emmett Builders	California (10/18/1991)
(fka P.L.E. Builders, Inc.)	
DE Pacific REIT, Inc.	Maryland (7/5/2016)
	Qualified in: California (7/8/2016)
DE Park Avenue REIT, Inc.	Maryland (2/18/2016)
	Qualified in: California (3/4/2016)
DE Ocean Avenue REIT, Inc.	Maryland (2/28/2022)
	Qualified in: California (3/2/2022)

LIMITED LIABILITY COMPANIES:

Entity Name	State of Formation
401 SM, LLC	Delaware (3/17/2023)
	Qualified in: California (3/21/2023)
530 Wilshire, LLC	Delaware (3/17/2023)
	Qualified in: California (3/21/2023)
11633 BSVM, LLC	Delaware (3/17/2023)
	Qualified in: California (3/21/2023)
11726 BEP, LLC	Delaware (3/16/2023)
	Qualified in: California (3/20/2023)
11750 LMLA, LLC	Delaware (3/17/2023)
	Qualified in: California (3/21/2023)
11980 BMP, LLC	Delaware (3/16/2023)
	Qualified in: California (3/20/2023)
11990 Brentwood Court, LLC	Delaware (3/16/2023)
	Qualified in: California (3/21/2023)
12400 Wilshire, LLC	Delaware (3/16/2023)
	Qualified in: California (3/20/2023)
12424 Gateway, LLC	Delaware (3/16/2023)
	Qualified in: California (3/20/2023)

15165 Columbus Center, LLC	Delaware (3/16/2023)
Qualified in:	California (3/20/2023)
15910 Encino Plaza, LLC	Delaware (3/16/2023)
Qualified in:	California (3/20/2023)
Barrington Pacific, LLC	California (5/22/2001)
Brentwood Saltair, LLC	Delaware (3/16/2023)
Qualified in:	California (3/20/2023)
Carthay Campus, LLC	Delaware (3/16/2023)
Qualified in:	California (3/21/2023)
DE 100 Wilshire, LLC	Delaware (6/4/2019)
Qualified in:	California (6/4/2019)
DE 8484 Wilshire, LLC	Delaware (1/28/2019)
(fka DE Owensmouth, LLC)	Qualified in: California (1/29/2019)
DE 11900, LLC	Delaware (3/16/2023)
Qualified in:	California (3/20/2023)
DE 10900 LANDHOLDINGS, LLC	Delaware (10/9/2020)
Qualified in:	California (10/14/2020)
DE 10990 Wilshire, LLC	Delaware (1/28/2019)
(fka DE 201 Santa Monica, LLC)	Qualified in: California (1/29/2019)
DE 1221 Ocean, LLC	Delaware (2/15/2022)
Qualified in:	California (2/16/2022)
DE 16501, LLC	Delaware (6/4/2019)
Qualified in:	California (6/4/2019)
DE 16830, LLC	Delaware (6/4/2019)
Qualified in:	California (6/4/2019)
DE 11777, LLC	Delaware (6/4/2019)
Qualified in:	California (6/4/2019)
DE BHMC, LLC	Delaware (3/23/2021)
Qualified in:	California (3/25/2021)
DE Coral Plaza, LLC	Delaware (7/9/2019)
Qualified in:	California (7/10/2019)
DE Glendon, LLC	Delaware (4/5/2019)
Qualified in:	California (4/9/2019)
DE Glendon Operating Company, LLC	Delaware (5/6/2019)
Qualified in:	California (5/7/2019)

DE Lincoln Wilshire, LLC	Delaware (7/9/2019)
Qualified in:	California (7/10/2019)
DE MBP, LLC	Delaware (9/19/2019)
Qualified in:	California (9/20/2019)
DE Ocean Avenue Manager, LLC	Delaware (2/15/2022)
Qualified in:	California (2/16/2022)
DE Ocean Avenue Member, LLC	Delaware (2/15/2022)
	California (2/16/2022)
DE Ocean Avenue Venture, LLC	Delaware (2/8/2022)
	California (2/9/2022)
DE Pacific 429, LLC	Delaware (3/20/2017)
Qualified in:	California (3/21/2017)
DE Pacific 1299, LLC	Delaware (3/20/2017)
Qualified in:	California (3/21/2017)
DE Pacific 233, LLC	Delaware (7/25/2016)
Qualified in:	California 10/6/2016
DE Pacific 12100, LLC	Delaware (6/15/2016)
Qualified in:	California (6/29/2016)
DE Pacific 9665, LLC	Delaware (6/6/2017)
Qualified in:	California (6/14/2017)
DE Pacific Manager, LLC	Delaware (6/15/2016)
Qualified in:	California (6/29/2016)
DE Pacific Member, LLC	Delaware (6/15/2016)
Qualified in:	California (6/29/2016)
DE Pacific Venture, LLC	Delaware (6/15/2016)
Qualified in:	California (6/29/2016)
DE Pacific Operating Company, LLC	Delaware (6/15/2016)
Qualified in:	California (6/29/2016)
DE Palisades Promenade, LLC	Delaware (3/23/2021)
Qualified in:	California (4/16/2021)
DE Park Avenue Manager, LLC	Delaware (12/18/2015)
Qualified in:	California (1/14/2016)
DE Park Avenue Member, LLC	Delaware (12/18/2015)
Qualified in:	California (1/14/2016)
DE Park Avenue Operating Company, LLC	Delaware (12/18/2015)
Qualified in:	California (1/14/2016)

DE Park Avenue Venture, LLC	Delaware (12/18/2015)
Qualified in:	California (1/14/2016)
DE Park Avenue 1100, LLC	Delaware (1/6/2016)
Qualified in:	California (1/14/2016)
DE Park Avenue 10880, LLC	Delaware (1/6/2016)
Qualified in:	California (1/14/2016)
DE Park Avenue 10940, LLC	Delaware (1/6/2016)
Qualified in:	California (1/14/2016)
DE Park Avenue 10960, LLC	Delaware (1/6/2016)
Qualified in:	California (1/14/2016)
DE Saltair SV, LLC	Delaware (6/4/2019)
Qualified in:	California (6/4/2019)
DE SM Square, LLC	Delaware (7/9/2019)
Qualified in:	California (7/10/2019)
DE VOP, LLC	Delaware (7/9/2019)
Qualified in:	California (7/10/2019)
DE Wilshire Canon, LLC	Delaware (9/13/2017)
Qualified in:	California (9/13/2017)
DEG, LLC	Delaware (7/28/2004)
Qualified in:	Hawaii (8/4/2004)
DEG Residential, LLC	Delaware (1/3/2005)
Qualified in:	Hawaii (1/5/05)
DEGA, LLC	Delaware (1/3/2005)
Qualified in:	Hawaii (1/5/2005)
DEI X Partnership GP, LLC	Delaware (1/27/2010)
Qualified in:	California (1/28/2010)
DEIX, LLC	Delaware (7/14/2008)
Qualified in:	California (7/24/2008)
Douglas Emmett 1993, LLC	Delaware (6/10/2004)
Qualified in:	California (6/23/2004)
Douglas Emmett 1995, LLC	Delaware (5/26/2004)
Qualified in:	California (5/28/2004)
Douglas Emmett 1996, LLC	Delaware (11/9/2004)
Qualified in:	California (11/12/2004)
Douglas Emmett 1997, LLC	Delaware (6/7/2005)
Qualified in:	California (7/1/2005)

Douglas Emmett 1998, LLC	Delaware (6/7/2005)
Qualified in:	California (7/1/2005)
Douglas Emmett 2000, LLC	Delaware (6/7/2005)
Qualified in:	California (7/1/2005)
Douglas Emmett 2007, LLC	Delaware (3/19/2007)
Qualified in:	California (3/20/2007)
Douglas Emmett 2008, LLC	Delaware (3/10/2008)
Qualified in:	California (3/10/2008)
Douglas Emmett 2010, LLC	Delaware (5/18/2010)
Qualified in:	Hawaii (5/19/2010)
	California (7/2/2010)
Douglas Emmett 2011, LLC	Delaware (11/30/2011)
Qualified in:	California (12/1/2011)
Douglas Emmett 2013, LLC (fka Owensmouth/Warner, LLC)	California (3/23/2004)
Douglas Emmett 2014, LLC	Delaware (7/9/2015)
Qualified in:	California (7/13/2015)
Douglas Emmett 2015, LLC	Delaware (2/5/2015)
Qualified in:	California (2/6/2015)
Douglas Emmett 2016, LLC	Delaware (10/5/2016)
Qualified in:	California (10/6/2016)
Douglas Emmett Builders Hawaii, LLC	Delaware (3/1/2011)
Qualified in:	Hawaii (4/8/2011)
Douglas Emmett Fund X, LLC	Delaware (6/20/2008)
Qualified in:	California (7/24/2008)
Douglas Emmett Joint Venture, LLC	Delaware (8/17/2010)
Douglas Emmett Management, LLC	Delaware (8/25/2006)
Qualified in:	California (8/30/2006)
	North Carolina (8/31/2020)
Douglas Emmett Management Hawaii, LLC	Delaware (1/17/2007)
Qualified in:	Hawaii (1/24/2007)
Douglas Emmett Realty Fund, LLC (fka Douglas Emmett Realty Fund, a CA limited partnership)	Delaware (8/17/2010)
Douglas Emmett Realty Fund 1995, LLC (fka Douglas Emmett Realty Fund 1995, a CA limited partnership)	Delaware (8/17/2010)

Douglas Emmett Realty Fund 1996, LLC (fka Douglas Emmett Realty Fund 1996, a CA limited partnership)	Delaware (8/17/2010)
	Qualified in: California (12/12/2014)
Douglas Emmett Realty Fund 1997, LLC (fka Douglas Emmett Realty Fund 1997, a CA limited partnership)	Delaware (8/17/2010)
	Qualified in: California (8/19/2010)
Douglas Emmett Realty Fund 1998, LLC (fka Douglas Emmett Realty Fund 1998, a CA limited partnership)	Delaware (8/17/2010)
Douglas Emmett Realty Fund 2000, LLC (fka Douglas Emmett Realty Fund 2000, a CA limited partnership)	Delaware (8/17/2010)
Douglas Emmett Realty Fund 2002, LLC (fka Douglas Emmett Realty Fund 2002, a CA limited partnership)	Delaware (8/17/2010)
	Qualified in: California (8/19/2010)
Douglas Emmett Residential 2005, LLC	Delaware (5/31/2005)
	Qualified in: California (6/1/2005)
	Qualified in: Hawaii (2/1/2006)
Douglas Emmett Residential 2006, LLC	Delaware (11/16/2006)
	Qualified in: California (11/20/2005)
Douglas Emmett Residential 2014, LLC	Delaware (9/30/2014)
	Qualified in: Hawaii (10/7/2014)
Douglas Emmett Studio Plaza, LLC	Delaware (12/2/2016)
	Qualified in: California (12/5/2016)
Encino Gateway, LLC	Delaware (3/16/2023)
	Qualified in: California (3/20/2023)
Harbor Court, LLC	Delaware (4/25/2023)
	Qualified in: California (4/26/2023)
Landmark Park, LLC	Delaware (3/29/2023)
	Qualified in: California (4/5/2023)
San Vicente Plaza , LLC	Delaware (3/16/2023)
	Qualified in: California (3/21/2023)
Shores Barrington, LLC	Delaware (10/18/2004)
	Qualified in: California (10/25/2004)
Westwood Place Investors, LLC	Delaware (3/11/1999)
	Qualified in: California (3/16/1999)

LIMITED PARTNERSHIPS:

Entity Name	State of Formation
Douglas Emmett Properties, LP	Delaware (7/25/2005)
Qualified in:	California (9/12/2006)
Douglas Emmett Partnership X, LP	Delaware (1/27/2010)
Qualified in:	California (1/28/2010)
DEI X Partnership REIT, LP	Delaware (4/21/2010)
Qualified in:	California (6/23/2010)
DE 12121 Wilshire, LP	Delaware (5/10/2010)
Qualified in:	California (10/6/2010)
DE Landholdings, LP	Delaware (5/10/2010)
Qualified in:	California (10/6/2010)

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3ASR No. 333-249409) of Douglas Emmett, Inc.,
- (2) Registration Statement (Form S-3 No. 333-147483) of Douglas Emmett, Inc.,
- (3) Registration Statement (Form S-8 No. 333-212129) pertaining to the Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan,
- (4) Registration Statement (Form S-8 No. 333-239816) pertaining to the Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan, and
- (5) Registration Statement (Form S-8 No. 333-274052) pertaining to the Douglas Emmett, Inc. 2016 Omnibus Stock Incentive Plan;

of our reports dated February 16, 2024, with respect to the consolidated financial statements of Douglas Emmett, Inc. and the effectiveness of internal control over financial reporting of Douglas Emmett, Inc. included in this Annual Report (Form 10-K) of Douglas Emmett, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Los Angeles, California

February 16, 2024

CEO Certification**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jordan L. Kaplan, certify that:

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

Date: February 16, 2024

By: /s/ JORDAN L. KAPLAN

Jordan L. Kaplan

President and CEO

CFO Certification**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Peter D. Seymour, certify that:

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

Date: February 16, 2024

By: /s/ PETER D. SEYMORE

Peter D. Seymour

CFO

OFFICERS' CERTIFICATIONS**CEO Certification**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Douglas Emmett, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 10-K of the Company for the period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 16, 2024

By: /s/ JORDAN L. KAPLAN

Jordan L. Kaplan

President and CEO

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to 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.

OFFICERS' CERTIFICATIONS**CFO Certification**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Douglas Emmett, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying annual report on Form 10-K of the Company for the period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 16, 2024

By: /s/ PETER D. SEYMOUR

Peter D. Seymour

CFO

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to 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.

DOUGLAS EMMETT INC. POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Douglas Emmett Inc. (the “**Company**”) has adopted this Policy for Recovery of Erroneously Awarded Compensation (the “**Policy**”), effective as of December 1, 2023 (the “**Effective Date**”). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current Executive Officers and persons who were formerly Executive Officers during the Three Year Period as of the Effective Date. Each Executive Officer shall be required to sign an Acknowledgment Agreement in the form attached hereto as Exhibit A pursuant to which such Executive Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Executive Officer’s failure to sign any such Acknowledgment Agreement shall not negate the application of this Policy to that Executive Officer.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is “received” shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is “received” in the Company’s fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, any portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Executive Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person’s right to voluntarily terminate employment for “good reason,” or due to a “constructive termination” (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation, Erroneously Awarded Compensation or time-vesting equity awards, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the

extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, this Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the “**Board**”) may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the “Committee” shall be deemed to be references to the Board. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person’s potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the “**Other Recovery Arrangements**”); provided, however, that to the extent that an Executive Officer reimburses the Company other incentive-based compensation pursuant to any Other Recovery Arrangement, the Company may credit such reimbursement against the Executive Officer’s reimbursement obligations pursuant to this Policy (it being the intent that no double recovery should occur as a result of this Policy and Other Recovery Arrangements). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

“Applicable Rules” means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company’s securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company’s securities are listed.

“Committee” means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

“Erroneously Awarded Compensation” means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Executive Officer” means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

“Financial Reporting Measure” means any measure determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

“GAAP” means United States generally accepted accounting principles.

“IFRS” means international financial reporting standards as adopted by the International Accounting Standards Board.

“Impracticable” means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has

(i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

Incentive-Based Compensation means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

Restatement means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Three-Year Period means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

**ACKNOWLEDGMENT AND CONSENT TO
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Douglas Emmett, Inc. (the "Company").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the Policy and agrees that compensation received by the undersigned may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. The undersigned further acknowledges and agrees that the undersigned is not entitled to indemnification in connection with any enforcement of the Policy and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.

To the extent any recovery right under the Policy conflicts with any other contractual rights Executive may have with the Company or any affiliate, Executive understands that the terms of the Policy shall supersede any such contractual rights. Executive agrees that no recovery of compensation under the Policy will be an event that triggers or contributes to any right of Executive to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any affiliate.

Date

Signature

Name

Title