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

FORM 10-Q

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

For the quarterly period ended March 31, 2019

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: 001-34789 (Hudson Pacific Properties, Inc.)
Commission File Number: 333-202799-01 (Hudson Pacific Properties, L.P.)

Hudson Pacific Properties, Inc.
Hudson Pacific Properties, L.P.

(Exact name of registrant as specified in its charter)

Hudson Pacific Properties, Inc.

Maryland

27-1430478

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

Hudson Pacific Properties, L.P.

Maryland

80-0579682

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

11601 Wilshire Blvd., Ninth Floor
Los Angeles, California 90025

(Address of principal executive offices) (Zip Code)

(310) 445-5700

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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.

Hudson Pacific Properties, Inc. Yes ☒ No ☐

Hudson Pacific Properties, L.P. 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).

Hudson Pacific Properties, Inc. Yes ☒ No ☐

Hudson Pacific Properties, L.P. 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 the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Hudson Pacific Properties, Inc.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

Hudson Pacific Properties, L.P.

Large accelerated filer ☐

Non-accelerated filer ☒

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.

Hudson Pacific Properties, Inc. ☐

Hudson Pacific Properties, L.P. ☐

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

Hudson Pacific Properties, Inc. Yes ☐ No ☒

Hudson Pacific Properties, L.P. Yes ☐ No ☒

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

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Hudson Pacific Properties, Inc.	Common Stock, \$0.01 par value	HPP	New York Stock Exchange

The number of shares of common stock of Hudson Pacific Properties, Inc. outstanding at May 1, 2019 was 154,375,000.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended March 31, 2019 of Hudson Pacific Properties, Inc., a Maryland corporation, and Hudson Pacific Properties, L.P., a Maryland limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” or “our Company” refer to Hudson Pacific Properties, Inc. together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to “our operating partnership” or “the operating partnership” refer to Hudson Pacific Properties, L.P. together with its consolidated subsidiaries.

Hudson Pacific Properties, Inc. is a real estate investment trust, or REIT, and the sole general partner of our operating partnership. As of March 31, 2019, Hudson Pacific Properties, Inc. owned approximately 99.2% of the ownership interest in our operating partnership (including unvested restricted units). The remaining approximately 0.8% interest was owned by certain of our executive officers, directors and outside investors, including unvested operating partnership performance units. As the sole general partner of our operating partnership, Hudson Pacific Properties, Inc. has the full, exclusive and complete responsibility for our operating partnership’s day-to-day management and control.

We believe combining the quarterly reports on Form 10-Q of Hudson Pacific Properties, Inc. and the operating partnership into this single report results in the following benefits:

- enhancing investors’ understanding of our Company and our operating partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation because a substantial portion of the disclosures apply to both our Company and our operating partnership; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between our Company and our operating partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between our Company and our operating partnership in the context of how we operate as an interrelated, consolidated company. Hudson Pacific Properties, Inc. is a REIT, the only material assets of which are the units of partnership interest in our operating partnership. As a result, Hudson Pacific Properties, Inc. does not conduct business itself, other than acting as the sole general partner of our operating partnership, issuing equity from time to time and guaranteeing certain debt of our operating partnership. Hudson Pacific Properties, Inc. itself does not issue any indebtedness but guarantees some of the debt of our operating partnership. Our operating partnership, which is structured as a partnership with no publicly traded equity, holds substantially all of the assets of our Company and conducts substantially all of our business. Except for net proceeds from equity issuances by Hudson Pacific Properties, Inc., which are generally contributed to our operating partnership in exchange for units of partnership interest in our operating partnership, our operating partnership generates the capital required by our Company’s business through its operations, its incurrence of indebtedness or through the issuance of units of partnership interest in our operating partnership.

Non-controlling interest, stockholders’ equity and partners’ capital are the main areas of difference between the consolidated financial statements of our Company and those of our operating partnership. The common units in our operating partnership are accounted for as partners’ capital in our operating partnership’s consolidated financial statements and, to the extent not held by our Company, as a non-controlling interest in our Company’s consolidated financial statements. The differences between stockholders’ equity, partners’ capital and non-controlling interest result from the differences in the equity issued by our Company and our operating partnership.

To help investors understand the significant differences between our Company and our operating partnership, this report presents the consolidated financial statements and Note 14—Earnings Per Share separately for our Company and our operating partnership. All other sections of this report, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk,” are presented together for our Company and our operating partnership.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that our Company and our operating partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, or the Exchange Act and 18 U.S.C. §1350, this report also includes separate Part I, Item 4 “Controls and Procedures” sections and separate Exhibit 31 and 32 certifications for each of Hudson Pacific Properties, Inc. and our operating partnership.

HUDSON PACIFIC PROPERTIES, INC. AND HUDSON PACIFIC PROPERTIES, L.P.
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS OF HUDSON PACIFIC PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Investment in real estate, at cost	\$ 6,990,420	\$ 7,059,537
Accumulated depreciation and amortization	(739,334)	(695,631)
Investment in real estate, net	6,251,086	6,363,906
Cash and cash equivalents	52,445	53,740
Restricted cash	13,626	14,451
Accounts receivable, net	17,969	14,004
Straight-line rent receivables, net	159,004	142,369
Deferred leasing costs and lease intangible assets, net	280,193	279,896
U.S. Government securities	144,992	146,880
Operating lease right-of-use asset	272,051	—
Prepaid expenses and other assets, net	82,441	55,633
Assets associated with real estate held for sale	99,821	—
TOTAL ASSETS	\$ 7,373,628	\$ 7,070,879
LIABILITIES AND EQUITY		
Liabilities		
Unsecured and secured debt, net	\$ 2,711,632	\$ 2,623,835
In-substance defeased debt	137,417	138,223
Joint venture partner debt	66,136	66,136
Accounts payable, accrued liabilities and other	208,047	175,300
Operating lease liability	274,626	—
Lease intangible liabilities, net	41,112	45,612
Security deposits and prepaid rent	69,251	68,687
Liabilities associated with real estate held for sale	732	—
Total liabilities	3,508,953	3,117,793
Redeemable preferred units of the operating partnership	9,815	9,815
Redeemable non-controlling interest in consolidated real estate entities	114,616	113,141
Equity		
Hudson Pacific Properties, Inc. stockholders' equity		
Common stock, \$0.01 par value, 490,000,000 authorized, 154,373,581 shares and 154,371,538 shares outstanding at March 31, 2019 and December 31, 2018, respectively	1,543	1,543
Additional paid-in capital	3,485,307	3,524,502
Accumulated other comprehensive income	9,674	17,501
Accumulated deficit	(41,189)	—
Total Hudson Pacific Properties, Inc. stockholders' equity	3,455,335	3,543,546
Non-controlling interest—members in consolidated entities	267,039	268,246
Non-controlling interest—units in the operating partnership	17,870	18,338
Total equity	3,740,244	3,830,130
TOTAL LIABILITIES AND EQUITY	\$ 7,373,628	\$ 7,070,879

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share data)

	Three Months Ended March 31,	
	2019	2018
REVENUES		
Office		
Rental (Note 2)	\$ 170,197	\$ 130,082
Tenant recoveries (Note 2)	—	20,904
Service revenues (Note 2)	5,661	5,546
Total office revenues	175,858	156,532
Studio		
Rental (Note 2)	12,394	10,383
Tenant recoveries (Note 2)	—	354
Service revenues and other (Note 2)	9,137	6,849
Total studio revenues	21,531	17,586
Total revenues	197,389	174,118
OPERATING EXPENSES		
Office operating expenses	60,815	53,240
Studio operating expenses	11,109	9,664
General and administrative	18,094	15,564
Depreciation and amortization	68,505	60,553
Total operating expenses	158,523	139,021
OTHER EXPENSE (INCOME)		
Interest expense	24,350	20,503
Interest income	(1,024)	(9)
Transaction-related expenses	128	118
Other expense (income)	106	(404)
Gains on sale of real estate	—	(37,674)
Impairment loss	52,201	—
Total other expense (income)	75,761	(17,466)
Net (loss) income	(36,895)	52,563
Net income attributable to preferred units	(153)	(159)
Net income attributable to participating securities	(308)	(327)
Net income attributable to non-controlling interest in consolidated real estate entities	(2,821)	(3,323)
Net loss attributable to redeemable non-controlling interest in consolidated real estate entities	600	—
Net loss (income) attributable to non-controlling interest in the operating partnership	185	(177)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (39,392)	\$ 48,577
BASIC AND DILUTED PER SHARE AMOUNTS		
Net (loss) income attributable to common stockholders—basic	\$ (0.26)	\$ 0.31
Net (loss) income attributable to common stockholders—diluted	\$ (0.26)	\$ 0.31
Weighted average shares of common stock outstanding—basic	154,396,159	155,626,055
Weighted average shares of common stock outstanding—diluted	154,396,159	156,714,822

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited, in thousands)

	Three Months Ended March 31,	
	2019	2018
Net (loss) income	\$ (36,895)	\$ 52,563
Other comprehensive (loss) income: change in fair value of derivatives	(7,864)	9,513
Comprehensive (loss) income	(44,759)	62,076
Comprehensive income attributable to preferred units	(153)	(159)
Comprehensive income attributable to participating securities	(308)	(391)
Comprehensive income attributable to non-controlling interest in consolidated entities	(2,821)	(3,323)
Comprehensive loss attributable to redeemable non-controlling interest in consolidated real estate entities	600	—
Comprehensive loss (income) attributable to non-controlling interest in the operating partnership	222	(211)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (47,219)	\$ 57,992

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited, in thousands, except share data)

	Hudson Pacific Properties, Inc. Stockholders' Equity					Non-controlling interest		
	Shares of Common Stock	Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Units in the operating partnership	Members in Consolidated Entities	Total Equity
Balance, December 31, 2017	155,602,508	\$ 1,556	\$ 3,622,988	\$ —	13,227	\$ 14,591	\$ 258,602	\$ 3,910,964
Cumulative adjustment related to adoption of ASU 2017-12	—	—	—	(231)	230	1	—	—
Contributions	—	—	—	—	—	—	2,691	2,691
Distributions	—	—	—	—	—	—	(1,060)	(1,060)
Proceeds from sale of common stock, net of underwriters discount and transaction costs	—	—	(173)	—	—	—	—	(173)
Issuance of unrestricted stock	43,900	—	—	—	—	—	—	—
Shares withheld to satisfy tax withholding	(20,353)	—	(693)	—	—	—	—	(693)
Declared dividend	—	—	—	(39,173)	—	(178)	—	(39,351)
Amortization of stock-based compensation	—	—	3,551	—	—	1,019	—	4,570
Net income	—	—	—	48,904	—	177	3,323	52,404
Change in fair value of derivatives	—	—	—	—	9,479	34	—	9,513
Balance, March 31, 2018	155,626,055	\$ 1,556	\$ 3,625,673	\$ 9,500	22,936	\$ 15,644	\$ 263,556	\$ 3,938,865
Balance at December 31, 2018	154,371,538	\$ 1,543	\$ 3,524,502	\$ —	17,501	\$ 18,338	\$ 268,246	\$ 3,830,130
Cumulative adjustment related to adoption of ASC 842	—	—	—	(2,105)	—	—	—	(2,105)
Distributions	—	—	—	—	—	—	(4,028)	(4,028)
Issuance of unrestricted stock	128,923	1	(1)	—	—	—	—	—
Shares withheld to satisfy tax withholding	(126,880)	(1)	(3,667)	—	—	—	—	(3,668)
Declared dividend	—	—	(39,241)	—	—	(1,186)	—	(40,427)
Amortization of stock-based compensation	—	—	3,714	—	—	1,465	—	5,179
Net (loss) income	—	—	—	(39,084)	—	(185)	2,821	(36,448)
Change in fair value of derivatives	—	—	—	—	(7,827)	(37)	—	(7,864)
Redemption of common units in the operating partnership	—	—	—	—	—	(525)	—	(525)
Balance at March 31, 2019	154,373,581	\$ 1,543	\$ 3,485,307	\$ (41,189)	9,674	\$ 17,870	\$ 267,039	\$ 3,740,244

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Three Months Ended March 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	\$ (36,895)	\$ 52,563
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	68,505	60,553
Non-cash portion of interest expense	1,591	1,658
Amortization of stock-based compensation	5,150	4,338
Straight-line rents	(16,635)	(9,942)
Straight-line rent expenses	366	136
Amortization of above- and below-market leases, net	(4,179)	(3,811)
Amortization of above- and below-market ground lease, net	615	624
Amortization of lease incentive costs	326	303
Other non-cash adjustments	—	256
Impairment loss	52,201	—
Gains on sale of real estate	—	(37,674)
Change in operating assets and liabilities:		
Accounts receivable	(4,263)	(1,782)
Deferred leasing costs and lease intangibles	(13,675)	(6,614)
Prepaid expenses and other assets	2,771	3,313
Accounts payable, accrued liabilities and other	33,004	(33)
Security deposits and prepaid rent	564	559
Net cash provided by operating activities	89,446	64,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment in real estate	(94,615)	(103,512)
Maturities of U.S. Government securities	1,932	—
Proceeds from sale of real estate	—	237,004
Deposits for property acquisitions	(35,584)	—
Net cash (used in) provided by investing activities	(128,267)	133,492
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from unsecured and secured debt	430,001	130,000
Payments of unsecured and secured debt	(335,145)	(308,529)
Payments of in-substance defeased debt	(806)	—
Proceeds from issuance of common stock, net	—	(173)
Repurchase of common units in the operating partnership	(525)	—
Dividends paid to common stock and unit-holders	(40,427)	(39,351)
Dividends paid to preferred unit-holders	(153)	(159)
Contribution of redeemable non-controlling member in consolidated real estate entities	2,075	—
Contribution of non-controlling member in consolidated real estate entities	—	2,691
Distribution to non-controlling member in consolidated real estate entities	(4,028)	(1,060)
Payments to satisfy tax withholding	(3,668)	(693)
Payment of loan costs	(10,623)	(6,965)
Net cash provided by (used in) financing activities	36,701	(224,239)
Net decrease in cash and cash equivalents and restricted cash	(2,120)	(26,300)
Cash and cash equivalents and restricted cash—beginning of period	68,191	101,280
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—END OF PERIOD	\$ 66,071	\$ 74,980

The accompanying notes are an integral part of these consolidated financial statements.

ITEM 1. FINANCIAL STATEMENTS OF HUDSON PACIFIC PROPERTIES, L.P.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

	March 31, 2019 (unaudited)	December 31, 2018
ASSETS		
Investment in real estate, at cost	\$ 6,990,420	\$ 7,059,537
Accumulated depreciation and amortization	(739,334)	(695,631)
Investment in real estate, net	6,251,086	6,363,906
Cash and cash equivalents	52,445	53,740
Restricted cash	13,626	14,451
Accounts receivable, net	17,969	14,004
Straight-line rent receivables, net	159,004	142,369
Deferred leasing costs and lease intangible assets, net	280,193	279,896
U.S. Government securities	144,992	146,880
Operating lease right-of-use asset	272,051	—
Prepaid expenses and other assets, net	82,441	55,633
Assets associated with real estate held for sale	99,821	—
TOTAL ASSETS	\$ 7,373,628	\$ 7,070,879
LIABILITIES AND CAPITAL		
Liabilities		
Unsecured and secured debt, net	\$ 2,711,632	\$ 2,623,835
In-substance defeased debt	137,417	138,223
Joint venture partner debt	66,136	66,136
Accounts payable, accrued liabilities and other	208,047	175,300
Operating lease liability	274,626	—
Lease intangible liabilities, net	41,112	45,612
Security deposits and prepaid rent	69,251	68,687
Liabilities associated with real estate held for sale	732	—
Total liabilities	3,508,953	3,117,793
Capital		
Redeemable preferred units of the operating partnership	9,815	9,815
Redeemable non-controlling interest in consolidated real estate entities	114,616	113,141
Hudson Pacific Properties, L.P. partners' capital		
Common units, 155,094,354 and 154,940,583 issued and outstanding at March 31, 2019 and December 31, 2018, respectively.	3,463,504	3,544,319
Accumulated other comprehensive income	9,701	17,565
Total Hudson Pacific Properties, L.P. partners' capital	3,473,205	3,561,884
Non-controlling interest—members in consolidated entities	267,039	268,246
Total capital	3,740,244	3,830,130
TOTAL LIABILITIES AND CAPITAL	\$ 7,373,628	\$ 7,070,879

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except unit data)

	Three Months Ended March 31,	
	2019	2018
REVENUES		
Office		
Rental (Note 2)	\$ 170,197	\$ 130,082
Tenant recoveries (Note 2)	—	20,904
Service revenues (Note 2)	5,661	5,546
Total office revenues	175,858	156,532
Studio		
Rental (Note 2)	12,394	10,383
Tenant recoveries (Note 2)	—	354
Service revenues and other (Note 2)	9,137	6,849
Total studio revenues	21,531	17,586
Total revenues	197,389	174,118
OPERATING EXPENSES		
Office operating expenses	60,815	53,240
Studio operating expenses	11,109	9,664
General and administrative	18,094	15,564
Depreciation and amortization	68,505	60,553
Total operating expenses	158,523	139,021
OTHER EXPENSE (INCOME)		
Interest expense	24,350	20,503
Interest income	(1,024)	(9)
Transaction-related expenses	128	118
Other expense (income)	106	(404)
Gains on sale of real estate	—	(37,674)
Impairment loss	52,201	—
Total other expense (income)	75,761	(17,466)
Net (loss) income	(36,895)	52,563
Net income attributable to non-controlling interest in consolidated real estate entities	(2,821)	(3,323)
Net loss attributable to redeemable non-controlling interest in consolidated real estate entities	600	—
Net (loss) income attributable to Hudson Pacific Properties, L.P.	(39,116)	49,240
Net income attributable to preferred units	(153)	(159)
Net income attributable to participating securities	(308)	(327)
NET (LOSS) INCOME AVAILABLE TO COMMON UNITHOLDERS	\$ (39,577)	\$ 48,754
BASIC AND DILUTED PER UNIT AMOUNTS		
Net (loss) income attributable to common unitholders—basic	\$ (0.26)	\$ 0.31
Net (loss) income attributable to common unitholders—diluted	\$ (0.26)	\$ 0.31
Weighted average shares of common units outstanding—basic	155,120,144	156,195,100
Weighted average shares of common units outstanding—diluted	155,120,144	157,283,867

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited, in thousands)

	Three Months Ended March 31,	
	2019	2018
Net (loss) income	\$ (36,895)	\$ 52,563
Other comprehensive (loss) income: change in fair value of derivatives	(7,864)	9,513
Comprehensive (loss) income	(44,759)	62,076
Comprehensive income attributable to preferred units	(153)	(159)
Comprehensive income attributable to participating securities	(308)	(391)
Comprehensive income attributable to non-controlling interest in consolidated entities	(2,821)	(3,323)
Comprehensive loss attributable to redeemable non-controlling interest in consolidated real estate entities	600	—
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO PARTNERS' CAPITAL	\$ (47,441)	\$ 58,203

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF CAPITAL
(unaudited, in thousands, except unit data)

	Hudson Pacific Properties, L.P. Partners' Capital					
	Number of Common Units	Common Units	Accumulated Other Comprehensive Income	Total Partners' Capital	Non-controlling Interest —Members in Consolidated Entities	Total Capital
Balance at December 31, 2017	156,171,553	\$ 3,639,086	\$ 13,276	\$ 3,652,362	\$ 258,602	\$ 3,910,964
Cumulative adjustment related to adoption of ASU 2017-12	—	(231)	231	—	—	—
Contributions	—	—	—	—	2,691	2,691
Distributions	—	—	—	—	(1,060)	(1,060)
Proceeds from sale of common units, net of underwriters' discount and transaction costs	—	(173)	—	(173)	—	(173)
Issuance of unrestricted units	43,900	—	—	—	—	—
Units withheld to satisfy tax withholding	(20,353)	(693)	—	(693)	—	(693)
Declared distributions	—	(39,351)	—	(39,351)	—	(39,351)
Amortization of unit-based compensation	—	4,570	—	4,570	—	4,570
Net income	—	49,081	—	49,081	3,323	52,404
Change in fair value of derivatives	—	—	9,513	9,513	—	9,513
Balance at March 31, 2018	156,195,100	\$ 3,652,289	\$ 23,020	\$ 3,675,309	\$ 263,556	\$ 3,938,865
Balance at December 31, 2018	154,940,583	3,544,319	17,565	3,561,884	268,246	3,830,130
Cumulative adjustment related to adoption of ASC 842	—	(2,105)	—	(2,105)	—	(2,105)
Distributions	—	—	—	—	(4,028)	(4,028)
Issuance of unrestricted units	298,727	—	—	—	—	—
Units withheld to satisfy tax withholding	(126,880)	(3,668)	—	(3,668)	—	(3,668)
Declared distributions	—	(40,427)	—	(40,427)	—	(40,427)
Amortization of unit-based compensation	—	5,179	—	5,179	—	5,179
Net (loss) income	—	(39,269)	—	(39,269)	2,821	(36,448)
Change in fair value of derivatives	—	—	(7,864)	(7,864)	—	(7,864)
Redemption of common units	(18,076)	(525)	—	(525)	—	(525)
Balance at March 31, 2019	155,094,354	\$ 3,463,504	\$ 9,701	\$ 3,473,205	\$ 267,039	\$ 3,740,244

The accompanying notes are an integral part of these consolidated financial statements.

HUDSON PACIFIC PROPERTIES, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Three Months Ended March 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	\$ (36,895)	\$ 52,563
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	68,505	60,553
Non-cash portion of interest expense	1,591	1,658
Amortization of unit-based compensation	5,150	4,338
Straight-line rents	(16,635)	(9,942)
Straight-line rent expenses	366	136
Amortization of above- and below-market leases, net	(4,179)	(3,811)
Amortization of above- and below-market ground lease, net	615	624
Amortization of lease incentive costs	326	303
Other non-cash adjustments	—	256
Impairment loss	52,201	—
Gains on sale of real estate	—	(37,674)
Change in operating assets and liabilities:		
Accounts receivable	(4,263)	(1,782)
Deferred leasing costs and lease intangibles	(13,675)	(6,614)
Prepaid expenses and other assets	2,771	3,313
Accounts payable and accrued liabilities and other	33,004	(33)
Security deposits and prepaid rent	564	559
Net cash provided by operating activities	89,446	64,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment in real estate	(94,615)	(103,512)
Maturities of U.S. Government securities	1,932	—
Proceeds from sale of real estate	—	237,004
Deposits for property acquisitions	(35,584)	—
Net cash (used in) provided by investing activities	(128,267)	133,492
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from unsecured and secured debt	430,001	130,000
Payments of unsecured and secured debt	(335,145)	(308,529)
Payments of in-substance defeased debt	(806)	—
Proceeds from issuance of common units, net	—	(173)
Repurchase of common units in the operating partnership	(525)	—
Dividends paid to common stock and unit-holders	(40,427)	(39,351)
Dividends paid to preferred unit-holders	(153)	(159)
Contribution of redeemable non-controlling member in consolidated real estate entities	2,075	—
Contribution of non-controlling member in consolidated real estate entities	—	2,691
Distribution to non-controlling member in consolidated real estate entities	(4,028)	(1,060)
Payments to satisfy tax withholding	(3,668)	(693)
Payment of loan costs	(10,623)	(6,965)
Net cash provided by (used in) financing activities	36,701	(224,239)
Net decrease in cash and cash equivalents and restricted cash	(2,120)	(26,300)
Cash and cash equivalents and restricted cash—beginning of period	68,191	101,280
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH—END OF PERIOD	\$ 66,071	\$ 74,980

The accompanying notes are an integral part of these consolidated financial statements.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

1. Organization

Hudson Pacific Properties, Inc. is a Maryland corporation formed on November 9, 2009 as a fully integrated, self-administered and self-managed real estate investment trust (“REIT”). Through its controlling interest in the operating partnership and its subsidiaries, Hudson Pacific Properties, Inc. owns, manages, leases, acquires and develops real estate, consisting primarily of office and studio properties. Unless otherwise indicated or unless the context requires otherwise, all references in these financial statements to “the Company” refer to Hudson Pacific Properties, Inc. together with its consolidated subsidiaries, including Hudson Pacific Properties, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to “our operating partnership” or “the operating partnership” refer to Hudson Pacific Properties, L.P. together with its consolidated subsidiaries.

The Company’s portfolio consists of properties located throughout Northern and Southern California and the Pacific Northwest. The following table summarizes the Company’s portfolio as of March 31, 2019:

Segments	Number of Properties	Square Feet (unaudited)
Office	52	13,866,793
Studio	3	1,224,403
TOTAL ⁽¹⁾	55	15,091,196

1. Includes redevelopment, development and held for sale properties.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company and the operating partnership are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) applicable to interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to the Securities and Exchange Commission (“SEC”) rules and regulations. Accordingly, the interim financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying interim financial statements reflect all adjustments of a normal and recurring nature that are considered necessary for a fair presentation of the results for the interim periods presented. References to number of properties and square-feet are not covered by the auditor’s review procedures.

The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the year ended December 31, 2019. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements in the 2018 Annual Report on Form 10-K of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. and the notes thereto.

Principles of Consolidation

The unaudited interim consolidated financial statements of the Company include the accounts of the Company, the operating partnership and all wholly owned and controlled subsidiaries. The consolidated financial statements of the operating partnership include the accounts of the operating partnership and all wholly owned and controlled subsidiaries. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Under the consolidation guidance, the Company first evaluates an entity using the variable interest model, then the voting model. The Company ultimately consolidates all entities that the Company controls through either majority ownership or voting rights, including all variable interest entities (“VIEs”) of which the Company is considered the primary beneficiary. The Company accounts for all other unconsolidated joint ventures using the equity method of accounting. In addition, the Company continually evaluates each legal entity that is not wholly owned for reconsideration based on changing circumstances.

VIEs are defined as entities in which equity investors do not have:

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- the characteristics of a controlling financial interest;
- sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties; and/or
- the entity is structured with non-substantive voting rights.

The entity that consolidates a VIE is known as its primary beneficiary and is generally the entity with both the power to direct the activities that most significantly affect the VIE's economic performance and the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE. As of March 31, 2019, the Company has determined its operating partnership and five joint ventures met the definition of a VIE. Four of the joint ventures are consolidated entities and one joint venture is an unconsolidated entity.

Consolidated Entities

As of March 31, 2019, the operating partnership has determined that four of its joint ventures met the definition of a VIE and are consolidated:

Entity	Property	Ownership Interest
Hudson 1455 Market, L.P.	1455 Market	55.0 %
Hudson 1099 Stewart, L.P.	Hill7	55.0 %
HPP-MAC WSP, LLC	One Westside and 10850 Pico	75.0 %
Hudson One Ferry REIT, L.P.	Ferry Building	55.0 %

As of March 31, 2019 and December 31, 2018, the Company has determined that its operating partnership met the definition of a VIE and is consolidated.

Substantially all of the assets and liabilities of the Company are related to these VIEs.

Unconsolidated Entity

As of March 31, 2019, the Company has determined it is not the primary beneficiary of one joint venture. Due to its significant influence over the unconsolidated entity, the Company accounts for it using the equity method of accounting. Under the equity method, the Company initially records the investment at cost and subsequently adjusts for equity in earnings or losses and cash contributions and distributions. The Company's share of net income or loss from the entity is included within other income on the Consolidated Statements of Operations. The Company's net equity investment of the unconsolidated entity of \$86 thousand and \$86 thousand as of March 31, 2019 and December 31, 2018, respectively, is reflected within prepaid expenses and other assets on the Consolidated Balance Sheets, which represents the Company's maximum exposure for loss.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate properties, determining the incremental borrowing rate used in the present value calculations of its new or modified operating lessee agreements, its accrued liabilities and its performance-based equity compensation awards. The Company bases its estimates on historical experience, current market conditions and various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from these estimates.

Lease Accounting

In February 2016, the FASB issued guidance codified in ASC 842, Leases ("ASC 842"), which amends the guidance in former ASC 840, Leases ("ASC 840"). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease agreement (i.e., lessees and lessors). The new standard increases transparency and

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comparability most significantly by requiring the recognition by lessees of right-of-use (“ROU”) assets and lease liabilities on the balance sheet for those leases classified as operating leases. The Company adopted ASC 842 on January 1, 2019 using the modified retrospective transition approach that must be applied for leases that exist or are entered into after January 1, 2019.

ASC 842 requires companies to identify lease and non-lease components of a lease agreement. Lease components relate to the right to use the leased asset whereas non-lease components relate to payments for goods or services that are transferred separately from the right to use the underlying asset.

ASC 842 provides transition practical expedients that must be elected together that allow entities to not (i) reassess whether any expired or existing contracts are considered or contain leases; (ii) reassess the lease classification for any expired or existing leases; and (iii) reassess initial direct costs for any existing leases that are in effect as of the date of adoption. Additionally, the guidance allows an entity to elect a practical expedient to not assess whether an existing or expired land easement that was not previously accounted for as a lease under ASC 840 is considered in a lease under ASC 842. For lessors, the guidance provides for a practical expedient, by class of underlying asset, to elect a combined single lease component presentation if (i) the timing and pattern of the transfer of the combined single lease component is the same, and (ii) the related lease component, if accounted for separately, would be classified as an operating lease.

The Company elected the practical expedients above. The lessor practical expedient to combine lease and non-lease components was elected only for the Company’s leases related to the office properties. For the Company’s studio properties, the timing and pattern of the transfer of the lease components and non-lease components for studio properties are not the same and therefore the Company could not elect this practical expedient for the Company’s studio properties. The standalone selling price related to the studio non-lease components is readily available and does not require estimates.

Lessee Accounting

The Company determines if an arrangement is a lease at inception. The Company’s operating lease agreements relate to ground lease assets and are reflected in operating lease ROU assets and operating lease liabilities on the Consolidated Balance Sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date, or the date of the ASC 842 adoption, in determining the present value of lease payments. The weighted average incremental borrowing rate used to calculate the ROU assets and liabilities was 5.7%. ROU assets also include any lease payments made and exclude lease incentives. Many of the Company’s lessee agreements include options to extend the lease, which we do not include in its minimum lease terms unless they are reasonably certain to be exercised. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term. The weighted average remaining lease term, as of March 31, 2019, was 33 years.

Lessor Accounting

As a lessor, the Company’s recognition of revenue remained consistent with previous guidance, apart from the narrower definition of initial direct costs that can be capitalized. With the election of the lessor practical expedient, the presentation of revenues on the Consolidated Statement of Operations has changed to reflect a single lease component which combines rental, tenant recoveries, and other tenant-related revenues for the office portfolio. For the Company’s rentals at the studio properties, total lease consideration is allocated to lease and non-lease components on a relative standalone basis. The recognition of revenues related to lease components is governed by ASC 842, while revenue related to non-lease components is subject to ASC 606.

The new standard defines initial direct costs as only the incremental costs of signing a lease. Internal direct compensation costs and external legal fees related to the execution of successful lease agreements that no longer meet the definition of initial direct costs under ASC 842 will be accounted for as office operating expense or studio operating expense in the Company’s Consolidated Statements of Operations. Additionally, the Company may elect the practical expedients only for leases that have commenced before the effective date of the adoption of ASC 842. As a result of the adoption, the Company recognized \$1.8

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million as a cumulative adjustment to accumulated deficit for costs associated with leases that have not commenced as of January 1, 2019, that were previously capitalized and no longer meet the definition of initial direct costs in accordance with ASC 842. The Company recognized \$0.3 million as cumulative adjustments to accumulated deficit related to other transition adjustments.

Revenue Recognition

The Company has compiled an inventory of its sources of revenues and has identified the following material revenue streams: (i) rental revenues (ii) tenant recoveries and other tenant-related revenues (iii) ancillary revenues (iv) guest parking revenues and (v) sale of real estate.

Revenue Stream	Components	Financial Statement Location ⁽¹⁾
Rental revenues	Office rentals, stage rentals and storage rentals	Office and studio segments: rental
Tenant recoveries and other tenant-related revenues	Reimbursement of real estate taxes, insurance, repairs and maintenance, other operating expenses and must take parking revenues	Office segment: rental Studio segment: rental and service revenue and other
Ancillary revenues	Revenues derived from tenants' use of lighting, equipment rental, power, HVAC and telecommunications (i.e., telephone and internet)	Studio segment: service revenue and other
Guest parking revenues	Parking revenue that is not associated with lease agreements	Office segment: service revenue Studio segment: service revenue and other
Sale of real estate	Gains on sales derived from cash consideration less cost basis	Gains on sale of real estate

1. The financial statement locations stated above are as of March 31, 2019 after the adoption of ASC 842 and do not reflect the locations as of December 31, 2018.

The Company's 2018 rental revenues are accounted for under ASC 840. The Company continues to recognize rental revenue from tenants on a straight-line basis over the lease term when collectability is probable and the tenant has taken possession of or controls the physical use of the leased asset.

The Company recognizes tenant recoveries related to reimbursement of real estate taxes, insurance, repairs and maintenance, and other operating expenses are recognized as revenue in the period during which the applicable expenses are incurred. The reimbursements are recognized and presented gross, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier and bears the associated credit risk.

Other tenant-related revenues includes parking stipulated in lease agreements as must-take parking rentals. These revenues are recognized over the term of the lease.

Ancillary revenues and guest parking revenues have been accounted for under ASC 606 since the Company adopted this standard on January 1, 2018. These revenues have single performance obligations and are recognized at the point in time when services are rendered.

The following table summarizes the Company's revenue streams that are accounted for under ASC 606:

	March 31, 2019	March 31, 2018
Ancillary revenues	\$ 8,086	\$ 5,320
Guest parking revenues	\$ 6,447	\$ 5,413
Studio related tenant recoveries ⁽¹⁾	\$ 275	N/A

1. Studio related tenant recoveries are accounted for under ASC 606 effective January 1, 2019.

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The following table summarizes the Company's receivables that are accounted for under ASC 606:

	March 31, 2019	December 31, 2018
Ancillary revenues	\$ 5,836	\$ 3,752
Guest parking revenues	\$ 1,393	\$ 959
Studio related tenant recoveries	\$ —	N/A

1. Studio related tenant recoveries are accounted for under ASC 606 effective January 1, 2019.

Sale of real estate has been accounted for under ASC 610, Other Income, since the Company adopted this standard on January 1, 2018. As a result of the adoption, there was no change in respect to the timing and pattern of revenue recognition. This standard requires the Company to apply certain recognition and measurement principles in accordance with ASC 606 when it recognizes nonfinancial assets and in-substance nonfinancial assets, and the counterparty is not a customer. This is the case for the Company's sales of real estate, and as a result the Company is required to evaluate the sales of real estate based on transfer of control. If a real estate sale contract includes ongoing involvement by the seller with the sold property, the seller must evaluate each promised good or service under the contract to determine whether it represents a performance obligation, constitutes a guarantee or prevents the transfer of control. The timing and pattern of revenue recognition might change as it relates to gains of sale of real estate if the sale includes continued involvement that represents a separate performance obligation.

Recently Issued Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (the "FASB") in the form of Accounting Standards Update ("ASU"). The following ASUs were adopted by the Company in 2019:

Standard	Description	Effect on the Financial Statements or Other Significant Matters
ASU 2016-02, Leases (Topic 842)	Issued on February 5, 2016, ASU 2016-02 amends the accounting guidance for leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease agreement (i.e., lessees and lessors).	The Company adopted ASC 842 during the first quarter of 2019 using the modified retrospective transition method with a cumulative adjustment to accumulated deficit. Refer to Lease Accounting section above for details.
ASU 2019-01, Leases (Topic 842): Codification Improvements		
ASU 2018-11, Leases (Topic 842): Targeted Improvements		
ASU 2018-10, Codification Improvements to Topic 842, Leases		
ASU 2018-01, Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842		
ASU 2018-16, Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes	The amendments in this update permit use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815 in addition to the UST, the LIBOR swap rate, the OIS rate based on the Fed Funds Effective Rate, and the SIFMA Municipal Swap Rate.	The Company adopted this guidance during the first quarter of 2019 using the prospective approach. The adoption did not have an impact on the Consolidated Financial Statements since LIBOR is still in use, however, this is expected to have an impact in later periods once SOFR is adopted.
ASU 2018-02, Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income	The amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Cuts and Jobs Act and will improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Cuts and Jobs Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this Update also require certain disclosures about stranded tax effects.	The Company adopted this guidance during the first quarter of 2019 on a prospective basis. The adoption did not have an impact on the Consolidated Financial Statements.

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Other Recently Issued ASUs

The Company considers the applicability and impact of all ASUs. The following table lists the recently issued ASUs that have not been disclosed in the Company's 2018 Annual Report on Form 10-K and have not been adopted by the Company. The list excludes those ASUs that are not expected to have a material impact on the Company's consolidated financial statements.

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	The FASB amended its standards on credit losses, hedging, and recognizing and measuring financial instruments to clarify them and address implementation issues.	Effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.	The Company is currently evaluating the impact of this update.

3. Investment in Real Estate

The following table summarizes the Company's investment in real estate, at cost as of:

	March 31, 2019	December 31, 2018
Land	\$ 1,313,411	\$ 1,372,872
Building and improvements	4,941,701	4,991,770
Tenant improvements	547,427	510,217
Furniture and fixtures	9,451	9,320
Property under development	178,430	175,358
INVESTMENT IN REAL ESTATE, AT COST ⁽¹⁾	\$ 6,990,420	\$ 7,059,537

1. Excludes balances related to properties that have been classified as held for sale.

Acquisitions

The Company had no acquisitions during the three months ended March 31, 2019. On March 26, 2019, the Company entered into an agreement to purchase, through a joint venture with Blackstone Property Partners ("Blackstone"), the 1.45 million-square-foot Bentall Centre property located in Vancouver, Canada. The acquisition is expected to close during the second quarter of 2019.

Dispositions

The Company had no dispositions during the three months ended March 31, 2019.

Held for Sale

The Company had one property, Campus Center, classified as held for sale as of March 31, 2019. The Campus Center property, which includes the office property and developable land, is being sold to two separate, unrelated buyers for a combined amount of approximately \$150 million (before certain credits, prorations and closing costs). Both sales are expected to close during the second quarter of 2019. The Company did not have any properties classified as held for sale as of December 31, 2018.

The following table summarizes the components of assets and liabilities associated with real estate held for sale as of:

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	March 31, 2019
ASSETS	
Investment in real estate, net	\$ 99,703
Deferred leasing costs and lease intangible assets, net	14
Prepaid expenses and other assets, net	104
ASSETS ASSOCIATED WITH REAL ESTATE HELD FOR SALE	\$ 99,821
LIABILITIES	
Accounts payable, accrued liabilities and other	\$ 732
LIABILITIES ASSOCIATED WITH REAL ESTATE HELD FOR SALE	\$ 732

Impairment of Long-Lived Assets

The Company assesses the carrying value of real estate assets and related intangibles whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impairment losses are recorded on real estate assets held for investment when indicators of impairment are present and the future undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. The Company recognizes impairment losses to the extent the carrying amount exceeds the fair value, based on Level 1 or Level 2 inputs, less estimated costs to sell. The Company recorded \$52.2 million of impairment charges related to the Campus Center office property that was held for sale as March 31, 2019. The Company's estimated fair value was based on the sale price. The Company did not recognize impairment losses during the three months ended March 31, 2018.

4. Deferred Leasing Costs and Lease Intangibles, net

The following summarizes the Company's deferred leasing costs and lease intangibles as of:

	March 31, 2019	December 31, 2018
Deferred leasing costs and in-place lease intangibles	\$ 340,634	\$ 336,535
Accumulated amortization	(126,298)	(123,432)
Deferred leasing costs and in-place lease intangibles, net	214,336	213,103
Below-market ground leases	72,916	72,916
Accumulated amortization	(9,558)	(8,932)
Below-market ground leases, net	63,358	63,984
Above-market leases	8,370	8,425
Accumulated amortization	(5,871)	(5,616)
Above-market leases, net	2,499	2,809
DEFERRED LEASING COSTS AND LEASE INTANGIBLE ASSETS, NET ⁽¹⁾	\$ 280,193	\$ 279,896
Below-market leases	\$ 92,623	\$ 101,736
Accumulated amortization	(52,419)	(57,043)
Below-market leases, net	40,204	44,693
Above-market ground leases	1,095	1,095
Accumulated amortization	(187)	(176)
Above-market ground leases, net	908	919
LEASE INTANGIBLE LIABILITIES, NET ⁽¹⁾	\$ 41,112	\$ 45,612

1. Excludes balances related to properties that have been classified as held for sale.

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The Company recognized the following amortization related to deferred leasing costs and lease intangibles:

	Three Months Ended March 31,	
	2019	2018
Deferred leasing costs and in-place lease intangibles ⁽¹⁾	\$ (11,882)	\$ (11,696)
Below-market ground leases ⁽²⁾	\$ (626)	\$ (635)
Above-market leases ⁽³⁾	\$ (310)	\$ (474)
Below-market leases ⁽³⁾	\$ 4,489	\$ 4,285
Above-market ground leases ⁽²⁾	\$ 11	\$ 11

1. Amortization is recorded in depreciation and amortization expenses and office rental revenues in the Consolidated Statements of Operations.
2. Amortization is recorded in office operating expenses in the Consolidated Statements of Operations.
3. Amortization is recorded in rental revenues in the Consolidated Statements of Operations.

5. Receivables

The Company's accounting policy and methodology used to estimate the allowance for doubtful accounts related to service revenues are discussed in the Company's 2018 Annual Report on Form 10-K.

The Company's accounting policy and methodology used to assess collectibility related to rental revenues changed on January 1, 2019 when the Company adopted ASC 842. The guidance requires the Company to assess, at lease commencement and subsequently, collectibility from its tenants of future lease payments. If the Company determines collectibility is not probable, it recognizes an adjustment to lower income from rentals, whereas previously the Company recognized bad debt expense.

Accounts Receivable

As of March 31, 2019, accounts receivable was \$18.3 million and there was an allowance for doubtful accounts of \$362 thousand. As of December 31, 2018, accounts receivable was \$16.5 million and there was an allowance for doubtful accounts of \$2.5 million.

Straight-Line Rent Receivable

As of March 31, 2019, straight-line rent receivable was \$159.0 million and there was no allowance for doubtful accounts. As of December 31, 2018, straight-line rent receivables was \$142.4 million and there was no allowance for doubtful accounts.

6. Prepaid Expenses and Other Assets, net

The following table summarizes the Company's prepaid expenses and other assets, net as of:

	March 31, 2019	December 31, 2018
Derivative assets	\$ 10,463	\$ 16,687
Goodwill	8,754	8,754
Non-real estate investments	3,138	2,713
Investment in unconsolidated joint venture	86	86
Other ⁽¹⁾	60,000	27,393
PREPAID EXPENSES AND OTHER ASSETS, NET ⁽²⁾	\$ 82,441	\$ 55,633

1. Includes deposits of \$35.6 million for future acquisitions as of March 31, 2019 and no deposits for future acquisitions at December 31, 2018.
2. Excludes balances related to properties that have been classified as held for sale.

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Goodwill

No goodwill impairment indicators have been identified during the three months ended March 31, 2019.

Non-Real Estate Investments

The Company holds investments in privately traded companies. The investments require accounting under the equity method unless the interest in the entity is deemed to be so insubstantial such that the Company has virtually no influence over the entity's operating and financial policies.

The Company holds investments in entities that do not report NAV. The Company marks these investments to fair value based on Level 2 inputs, whenever fair value is readily available or observable. Changes in fair value are included in the unrealized gain on non-real estate investment line item on the Consolidated Statements of Operations. In the first quarter of 2019 and 2018, there was no gain or loss recognized due to observable changes in fair value. For one of the investments, the Company is committed to funding up to \$20.0 million in a real estate technology venture capital fund. During the first quarter of 2019, the Company has contributed \$425 thousand to this fund with \$19.6 million remaining to be contributed.

Investment in Unconsolidated Joint Venture

As of March 31, 2019, the Company has determined it is not the primary beneficiary of one joint venture. Due to its significant influence over the unconsolidated entity, the Company accounts for it using the equity method of accounting.

On June 16, 2016, the Company entered into a joint venture to co-originate a loan secured by land in Santa Clara, California. The Company owns 21% of the unconsolidated entity. On July 10, 2018, the Company received a return of capital related to its share of the repayment of the notes receivable.

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7. Debt

The following table sets forth information with respect to the Company's outstanding indebtedness:

	March 31, 2019	December 31, 2018	Interest Rate ⁽¹⁾	Contractual Maturity Date
UNSECURED AND SECURED DEBT				
Unsecured debt				
Unsecured revolving credit facility ⁽²⁾⁽³⁾	\$ 220,000	\$ 400,000	LIBOR + 1.05% to 1.50%	3/13/2022 ⁽⁴⁾
Term loan A ⁽²⁾⁽⁵⁾	300,000	300,000	LIBOR + 1.20% to 1.70%	4/1/2020 ⁽⁶⁾
Term loan B ⁽²⁾⁽⁷⁾	350,000	350,000	LIBOR + 1.20% to 1.70%	4/1/2022
Term loan D ⁽²⁾⁽⁸⁾	125,000	125,000	LIBOR + 1.20% to 1.70%	11/17/2022
Series A notes	110,000	110,000	4.34%	1/2/2023
Series E notes	50,000	50,000	3.66%	9/15/2023
Series B notes	259,000	259,000	4.69%	12/16/2025
Series D notes	150,000	150,000	3.98%	7/6/2026
3.95% Registered senior notes	400,000	400,000	3.95%	11/1/2027
Series C notes	56,000	56,000	4.79%	12/16/2027
4.65% Registered senior notes ⁽⁹⁾	350,000	—	4.65%	4/1/2029
Term loan C	—	75,000	LIBOR + 1.30% to 2.20%	N/A
Total unsecured debt	2,370,000	2,275,000		
Secured debt				
Met Park North ⁽¹⁰⁾	64,500	64,500	LIBOR + 1.55%	8/1/2020
10950 Washington ⁽¹¹⁾	26,736	26,880	5.32%	3/11/2022
Sunset Bronson Studios/ICON/CUE ⁽¹²⁾	5,001	—	LIBOR + 1.35%	3/1/2024
Element LA	168,000	168,000	4.59%	11/6/2025
Hill7 ⁽¹³⁾	101,000	101,000	3.38%	11/6/2028
Sunset Gower Studios/Sunset Bronson Studios	—	5,001	LIBOR + 2.25%	N/A
Total secured debt	365,237	365,381		
Total unsecured and secured debt	2,735,237	2,640,381		
Unamortized deferred financing costs and loan discounts ⁽¹⁴⁾	(23,605)	(16,546)		
TOTAL UNSECURED AND SECURED DEBT, NET	\$ 2,711,632	\$ 2,623,835		
IN-SUBSTANCE DEFEASED DEBT ⁽¹⁵⁾	\$ 137,417	\$ 138,223	4.47%	10/1/2022
JOINT VENTURE PARTNER DEBT ⁽¹⁶⁾	\$ 66,136	\$ 66,136	4.50%	10/9/2028

- Interest rate with respect to indebtedness is calculated on the basis of a 360-day year for the actual days elapsed. Interest rates are as of March 31, 2019, which may be different than the interest rates as of December 31, 2018 for corresponding indebtedness.
- The Company has an option to make an irrevocable election to change the interest rate depending on the Company's credit rating or a specified base rate plus an applicable margin. As of March 31, 2019, no such election had been made.
- The Company has a total capacity of \$600.0 million under its unsecured revolving credit facility.
- The maturity date may be extended once for an additional one-year term.
- The interest rate on the outstanding balance of the term loan was effectively fixed at 2.65% to 3.06% per annum through the use of two interest rate swaps. See Note 8 for details.
- The maturity date may be extended twice, each time for an additional one-year term.
- The interest rate on the outstanding balance of the term loan was effectively fixed at 2.96% to 3.46% per annum through the use of two interest rate swaps. See Note 8 for details.
- The interest rate on the outstanding balance of the term loan was effectively fixed at 2.63% to 3.13% per annum through the use of an interest rate swap. See Note 8 for details.
- On February 27, 2019, the Company completed an underwritten public offering of \$350.0 million of senior notes, which were issued at 98.663% of par.
- Interest on the full loan amount has been effectively fixed at 3.71% per annum through the use of an interest rate swap. See Note 8 for details.
- Monthly debt service includes annual debt amortization payments based on a 30-year amortization schedule with a balloon payment at maturity.
- The Company has a total capacity of \$235.0 million under the Sunset Bronson Studios/ICON/CUE revolving credit facility. This loan is secured by the Company's Sunset Bronson Studios, ICON and CUE properties.

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13. The Company owns 55% of the ownership interest in the consolidated joint venture that owns the Hill7 property. The full amount of the loan is shown. This loan bears interest only at 3.38% until November 6, 2026, at which time the interest rate will increase and monthly debt service will include principal payments with a balloon payment at maturity.
14. Excludes deferred financing costs related to establishing the Company's unsecured revolving credit facility and Sunset Bronson Studios/ICON/CUE revolving credit facility, which are reflected in prepaid and other assets, net line item in the Consolidated Balance Sheets. See Note 6 for details.
15. The Company owns 75% of the ownership interest in the joint venture that owns the One Westside and 10850 Pico properties. The full amount of the loan is shown. Monthly debt service includes annual debt amortization payments based on a 10-year amortization schedule with a balloon payment at maturity.
16. This amount relates to debt attributable to Allianz U.S. Private REIT LP ("Allianz"), the Company's partner in the joint venture that owns the Ferry Building property. The maturity date may be extended twice for an additional two-year term each.

Current Year Activity

During the three months ended March 31, 2019, the outstanding borrowings on the unsecured revolving credit facility decreased by \$180.0 million, net of draws. The Company uses the unsecured revolving credit facility to finance the acquisition of other properties, to provide funds for tenant improvements and capital expenditures and to provide for working capital and other corporate purposes.

On February 27, 2019, the operating partnership completed an underwritten public offering of \$350.0 million in senior notes due April 1, 2029. The notes are fully and unconditionally guaranteed by the Company. The net proceeds from the offering, after deducting the underwriting discount, were approximately \$343.0 million and were used to repay outstanding borrowings under its unsecured revolving credit facility and \$75.0 million of its five-year term loan due November 17, 2020.

On March 1, 2019, the Company entered into a loan agreement to borrow up to \$235.0 million on a revolving basis, maturing on March 1, 2024. The Company drew \$5.0 million to pay down the Sunset Gower Studios/Sunset Bronson Studios construction loan that matured on March 4, 2019. The unused fee rate related to Sunset Bronson Studios/ICON/CUE is 0.20%.

Indebtedness

The Company presents its financial statements on a consolidated basis. Notwithstanding such presentation, except to the extent expressly indicated, the Company's separate property-owning subsidiaries are not obligors of or under the debt of their respective affiliates and each property-owning subsidiary's separate liabilities do not constitute obligations of its respective affiliates.

Loan agreements include events of default that the Company believes are usual for loans and transactions of this type. As of the date of this filing, there have been no events of default associated with the Company's loans.

The following table provides information regarding the Company's minimum future principal payments due on the Company's debt (before the impact of extension options, if applicable) as of March 31, 2019:

Year	Unsecured and Secured Debt	In-substance Defeased Debt	Joint Venture Partner Debt
Remaining 2019	\$ 424	\$ 2,387	\$ —
2020	365,095	3,323	—
2021	632	3,494	—
2022	720,085	128,213	—
2023	160,000	—	—
Thereafter	1,489,001	—	66,136
TOTAL	\$ 2,735,237	\$ 137,417	\$ 66,136

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Unsecured Debt

Registered Senior Notes

On February 27, 2019, the operating partnership completed an underwritten public offering of \$350.0 million in senior notes due April 1, 2029. The notes were issued at 98.663% of par, with a coupon of 4.65% and an effective interest rate of 4.82%. The notes are fully and unconditionally guaranteed by the Company.

On October 2, 2017, the operating partnership completed an underwritten public offering of \$400.0 million in senior notes due November 1, 2027. The notes were issued at 99.815% of par, with a coupon of 3.95% and an effective interest rate of 3.97%. The notes are fully and unconditionally guaranteed by the Company.

Term Loan and Credit Facility

On March 13, 2018, the operating partnership entered into a third amended and restated credit agreement (the “Amended and Restated Credit Agreement”) with various financial institutions. The Amended and Restated Credit Agreement amends and restates and replaces (i) the operating partnership’s existing second amended and restated credit agreement, entered into on March 31, 2015, which governed its \$400.0 million unsecured revolving credit facility, \$300.0 million unsecured 5-year term loan facility and \$350.0 million unsecured 7-year term loan facility, and (ii) the operating partnership’s Term Loan Credit Agreement, entered into on November 17, 2015, which governed its \$75.0 million unsecured 5-year term loan facility and \$125.0 million unsecured 7-year term loan facility.

The Amended and Restated Credit Agreement provides for (i) the increase of the operating partnership’s unsecured revolving credit facility to \$600.0 million and the extension of the term to March 13, 2022 and (ii) term loans in amount and tenor equal to the term loans outstanding under the previous agreements (\$300.0 million term loan A maturing April 1, 2020, \$350.0 million term loan B maturing April 1, 2022, \$75.0 million term loan C maturing November 17, 2020 and \$125.0 million term loan D maturing November 17, 2022). The \$75.0 million term loan was repaid with proceeds from the Company’s 4.65% registered senior notes.

The following table summarizes the balance and key terms of the unsecured revolving credit facility as of:

	March 31, 2019	December 31, 2018
Outstanding borrowings	\$ 220,000	\$ 400,000
Remaining borrowing capacity	380,000	200,000
TOTAL BORROWING CAPACITY	\$ 600,000	\$ 600,000
Interest rate ⁽¹⁾⁽²⁾	LIBOR + 1.05% to 1.50%	
Annual facility fee rate ⁽¹⁾	0.15% or 0.30%	
Contractual maturity date ⁽³⁾	3/13/2022	

- The rate is based on the operating partnership’s leverage ratio. The Company has the option to make an irrevocable election to change the interest rate depending on the Company’s credit rating. As of March 31, 2019, no such election had been made.
- The Company has the option to make an irrevocable election to change the interest rate depending on the Company’s specified base rate plus an applicable margin. As of March 31, 2019, no such election had been made.
- The maturity date may be extended once for an additional one-year term.

Debt Covenants

The operating partnership’s ability to borrow under its unsecured loan arrangements remains subject to ongoing compliance with financial and other covenants as defined in the respective agreements. Certain financial covenant ratios are subject to change in the occurrence of material acquisitions as defined in the respective agreements. Other covenants include certain limitations on dividend payouts and distributions, limits on certain types of investments outside of the operating partnership’s primary business and other customary affirmative and negative covenants.

The following table summarizes existing covenants and their covenant levels related to the unsecured revolving credit facility, term loans, and note purchase agreements, when considering the most restrictive terms:

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Covenant Ratio	Covenant Level
Total liabilities to total asset value	≤ 60%
Unsecured indebtedness to unencumbered asset value	≤ 60%
Adjusted EBITDA to fixed charges	≥ 1.5x
Secured indebtedness to total asset value	≤ 45%
Unencumbered NOI to unsecured interest expense	≥ 2.0x

The following table summarizes existing covenants and their covenant levels related to the registered senior notes:

Covenant Ratio	Covenant Level
Debt to total assets	≤ 60%
Total unencumbered assets to unsecured debt	≥ 150%
Consolidated income available for debt service to annual debt service charge	≥ 1.5x
Secured debt to total assets	≤ 45%

The operating partnership was in compliance with its financial covenants as of March 31, 2019.

Repayment Guarantees

Registered Senior Notes

The Company has fully and unconditionally guaranteed the operating partnership's 3.95% registered senior notes and 4.65% registered senior notes.

Other Loans

Although the rest of the operating partnership's loans are secured and non-recourse, the operating partnership provides limited customary secured debt guarantees for items such as voluntary bankruptcy, fraud, misapplication of payments and environmental liabilities.

Interest Expense

The following table represents a reconciliation from gross interest expense to the interest expense line item in the Consolidated Statements of Operations:

	Three Months Ended March 31,	
	2019	2018
Gross interest expense ⁽¹⁾	\$ 27,465	\$ 22,431
Capitalized interest	(4,706)	(3,586)
Amortization of deferred financing costs and loan discounts	1,591	1,658
INTEREST EXPENSE	\$ 24,350	\$ 20,503

1. Includes interest on the Company's debt and hedging activities and extinguishment costs related to paydowns in the term loans.

8. Derivatives

The Company enters into derivatives in order to hedge interest rate risk. The Company had six interest rate swaps with aggregate notional amounts of \$839.5 million as of March 31, 2019 and December 31, 2018. These derivatives were designated as effective cash flow hedges for accounting purposes.

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The Company has agreements with its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

The Company's derivatives are classified as Level 2 and their fair values are derived from estimated values obtained from observable market data for similar instruments.

The fair market value of derivatives is presented on a gross basis on the Consolidated Balance Sheets. The following table summarizes the Company's derivative instruments as of March 31, 2019 and December 31, 2018:

Underlying Debt Instrument	Number of Hedges	Notional Amount	Effective Date	Maturity Date	Interest Rate Range ⁽¹⁾		Fair Value Asset	
					Low	High	March 31, 2019	December 31, 2018
Met Park North	1	\$ 64,500	August 2013	August 2020	3.71%	3.71%	\$ 141	\$ 350
Term loan A ⁽²⁾	2	300,000	July 2016	April 2020	2.65%	3.06%	2,813	4,038
Term loan B ⁽²⁾	2	350,000	April 2015	April 2022	2.96%	3.46%	4,264	7,543
Term loan D ⁽²⁾	1	125,000	June 2016	November 2022	2.63%	3.13%	3,245	4,756
TOTAL	6	\$ 839,500					\$ 10,463	\$ 16,687

1. The rate is based on the fixed rate from the swap and the spread based on the operating partnership's leverage ratio.

2. Interest rate with respect to indebtedness is calculated on the basis of a 360-day year for the actual days elapsed. Interest rates are as of March 31, 2019, which may be different than the interest rates in prior periods for corresponding indebtedness.

In January 2019, the Company entered into a forward interest rate swap designated hedge. In February 2019, it was terminated, which resulted in a cash payment of approximately \$1.6 million that was recorded in accumulated other comprehensive (loss) income on the Consolidated Balance Sheets and will be recognized over the life of the 4.65% registered senior notes entered into in February 2019 as an adjustment to interest expense. The cash payment is included in the payment of loan costs paid line item of the Consolidated Statements of Cash Flows.

On January 1, 2018, the Company early adopted ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12"). As a result of the adoption, the Company is no longer recognizing unrealized gains or losses related to ineffective portions of its derivatives. In 2018, the Company recognized a \$231 thousand cumulative-effect adjustment to other comprehensive income, with a corresponding adjustment to the opening balance of retained earnings (accumulated deficit).

The Company reclassifies into earnings in the same period during which the hedged forecasted transaction affects earnings. As of March 31, 2019, the Company expects \$6.5 million of unrealized gain included in accumulated other comprehensive income will be reclassified as a reduction to interest expense in the next 12 months.

9. U.S. Government Securities

The Company has U.S. Government securities of \$145.0 million and \$146.9 million as of March 31, 2019 and December 31, 2018. The One Westside and 10850 Pico properties acquisition in 2018 included the assumption of debt which was, in-substance, defeased through the purchase of U.S. Government-backed securities. The securities are investments held to maturity and are carried at amortized cost on the Consolidated Balance Sheets. As of March 31, 2019, the Company had \$2.9 million of gross unrealized gains and no gross unrealized losses.

The following table summarizes the carrying value and fair value of the Company's securities by the contractual maturity date March 31, 2019:

	Carrying Value		Fair Value	
Due in 1 year	\$	4,274	\$	4,281
Due in 1 year through 5 years		140,718		143,632
TOTAL	\$	144,992	\$	147,913

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10. Income Taxes

Hudson Pacific Properties, Inc. has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”), commencing with its taxable year ended December 31, 2010. Provided it continues to qualify for taxation as a REIT, Hudson Pacific Properties, Inc. is generally not subject to corporate level income tax on the earnings distributed currently to its stockholders. The Company has elected, together with one of its subsidiaries, to treat such subsidiary as a taxable REIT subsidiary (“TRS”) for federal income tax purposes.

The Company’s property-owning subsidiaries are limited liability companies and are treated as pass-through entities or disregarded entities (or, in the case of the entities that own the 1455 Market, Hill7 and Ferry Building properties, REITs) for federal income tax purposes. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements for the activities of these entities.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of March 31, 2019, the Company has not established a liability for uncertain tax positions.

The Company and its TRS file income tax returns with the U.S. federal government and various state and local jurisdictions. The Company and its TRS are no longer subject to tax examinations by tax authorities for years prior to 2014. The Company has assessed its tax positions for all open years, which include 2014 to 2017, and concluded that there are no material uncertainties to be recognized.

11. Future Minimum Rents and Lease Payments

The following table summarizes the future minimum base rents (excluding tenant reimbursements for operating expenses and termination fees related to tenants exercising early termination options) for properties as of March 31, 2019:

Year Ended	Non-Cancellable	Subject to Early Termination Options	Total ⁽¹⁾
Remaining 2019	\$ 410,310	\$ 2,728	\$ 413,038
2020	530,493	14,245	544,738
2021	496,431	34,147	530,578
2022	453,315	39,098	492,413
2023	421,940	37,598	459,538
Thereafter	2,052,986	86,069	2,139,055
TOTAL	\$ 4,365,475	\$ 213,885	\$ 4,579,360

3. Excludes rents under leases at the Company’s studio properties with terms of one year or less.

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The following table summarizes the Company's ground lease terms related to properties that are held subject to long-term non-cancellable ground lease obligations as of March 31, 2019:

Property	Expiration Date	Notes
3400 Hillview	10/31/2040	The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent until October 31, 2017 is the lesser of 10% of Fair Market Value ("FMV") of the land or \$1.0 million grown at 75% of the cumulative increases in consumer price index ("CPI") from October 1989. Thereafter, minimum annual rent, which resets annually, is the lesser of 10% of FMV of the land or the minimum annual rent as calculated as of November 1, 2017 plus 75% of subsequent cumulative CPI changes. The minimum annual rent cannot be less than a set amount. Percentage annual rent is gross income multiplied by 24.125%.
Clocktower Square	9/26/2056	The ground rent is minimum annual rent (adjusted every 10 years) plus 25% of adjusted gross income ("AGI"). Minimum rent adjustments adds 60% of the average annual participation rent payable over five years. Annual participation is the excess of 25% of AGI over the minimum annual rent for a given lease year.
Del Amo	6/30/2049	Rent under the ground sublease is \$1.00 per year, with the sublessee being responsible for all impositions, insurance premiums, operating charges, maintenance charges, construction costs and other charges, costs and expenses that arise or may be contemplated under any provisions of the ground sublease.
Ferry Building	Various	The land on which the building is situated is subject to a ground lease agreement that expires on April 1, 2067. The minimum annual rent (adjusted every 5 years) is the prior year's minimum annual rent plus cumulative increase in CPI with a floor of 10% and a cap of 20%. Additionally, the parking lot is subject to a separate ground lease agreement that expires on April 1, 2023. The minimum annual rent adjusts each year for changes in CPI with a floor of 2% and a cap of 4%. The parking lot is subject to automatic renewals for 10-year periods at market.
Foothill Research Center	6/30/2039	The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent, which resets annually, is the lesser of 10% of FMV of the land or the previous year's minimum annual rent plus 75% of CPI increase. The minimum annual rent cannot be less than a set amount. Percentage annual rent is gross income multiplied by 24.125%.
3176 Porter	7/31/2040	The ground rent is the greater of the minimum annual rent or percentage annual rent. The minimum annual rent, which resets annually, is the lesser of 10% of FMV of the land or the previous year's minimum annual rent plus 75% of CPI increase. Percentage annual rent is Lockheed's base rent multiplied by 24.125%. The minimum annual rent cannot be less than a set amount.
Metro Center	4/29/2054	Every 10 years rent adjusts to 7.233% of FMV of the land (since 2008) and adjusts to reflect the change in CPI from the preceding FMV adjustment date (since 2013). The CPI adjustment has a floor of the previous minimum rent. The Company has an option to extend the ground lease for four additional periods of 11 years each.
Page Mill Center	11/30/2041	The ground rent is minimum annual rent (adjusted on January 1, 2019 and January 1, 2029) plus 25% of AGI, less minimum annual rent. Minimum rent adjustments adds 60% of the average annual participation rent payable over five years. Annual participation is the excess of 25% of AGI over the minimum annual rent for a given lease year.
Page Mill Hill	11/17/2049	The ground rent is minimum annual rent (adjusted every 10 years) plus 60% of the average of the percentage annual rent for the previous 7 lease years. Minimum rent adjustments add 60% of the average annual percentage rent for the previous 7 years.
Palo Alto Square	11/30/2045	The ground rent is minimum annual rent (adjusted every 10 years starting January 1, 2022) plus 25% of AGI less minimum annual rent. The minimum annual rent adjustments add 50% of the average annual percentage rent from the previous 5 years.
Sunset Gower Studios	3/31/2060	Every 7 years rent adjusts to 7.5% of FMV of the land.
Techmart	5/31/2053	Rent subject to a 10% increase every 5 years. The Company has an option to extend the ground lease for two additional periods of 10 years each. This extension option was not included in the calculation of the right of use asset and lease liability.

Contingent rental expense is recorded in the period in which the contingent event becomes probable. The following table summarizes rental expense for ground leases as follows:

	Three Months Ended March 31,			
	2019		2018	
Contingent rental expense	\$	2,514	\$	3,095
Minimum rental expense	\$	4,603	\$	3,337

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The following table provides information regarding the Company's future minimum lease payments for its ground leases (before the impact of extension options, if applicable) as of March 31, 2019:

Year	Lease Payments ⁽¹⁾
Remaining 2019	\$ 13,808
2020	18,411
2021	18,411
2022	18,411
2023	18,489
Thereafter	501,924
TOTAL	\$ 589,454

1. In situations where ground lease obligation adjustments are based on third-party appraisals of fair market land value, CPI adjustments and/or percentage of gross income that exceeds the minimum annual rent, the future minimum lease amounts above include the lease rental obligations in effect as of March 31, 2019.

On March 26, 2019, the Company entered into a joint venture with Blackstone to purchase the Bentall Centre property located in Vancouver, Canada. The land on which the Bentall Centre is located is subject to long-term non-cancellable ground lease agreements. The future minimum lease payments are excluded from the table above. See Note 3 for details.

12. Fair Value of Financial Instruments

The GAAP fair value framework uses a three-tiered approach. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1: unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;
- Level 2: quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3: prices or valuation techniques where little or no market data is available that require inputs that are both significant to the fair value measurement and unobservable.

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The Company's financial assets and liabilities measured and reported at fair value on a recurring basis include the following as of:

	March 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative assets ⁽¹⁾	\$ —	\$ 10,463	\$ —	\$ 10,463	\$ —	\$ 16,687	\$ —	\$ 16,687
Non-real estate investments ⁽¹⁾	\$ —	\$ 3,138	\$ —	\$ 3,138	\$ —	\$ 2,713	\$ —	\$ 2,713

1. Included in the prepaid expenses and other assets, net line item on the Consolidated Balance Sheets.

Other Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities are reasonable estimates of fair value, using Level 1 inputs, because of the short-term nature of these instruments. Fair value for investment in U.S. Government securities are estimates based on Level 1 inputs. Fair values for debt are estimated based on rates currently prevailing for similar instruments of similar maturities using Level 2 inputs.

The table below represents the carrying value and fair value of the Company's investment in securities and debt as of:

	March 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
U.S. Government securities	\$ 144,992	\$ 147,913	\$ 146,880	\$ 147,686
Liabilities				
Unsecured debt ⁽¹⁾⁽²⁾	\$ 2,364,728	\$ 2,354,445	\$ 2,274,352	\$ 2,227,265
Secured debt ⁽¹⁾	\$ 365,237	\$ 357,572	\$ 365,381	\$ 354,109
In-substance defeased debt	\$ 137,417	\$ 136,287	\$ 138,223	\$ 135,894
Joint venture partner debt	\$ 66,136	\$ 68,259	\$ 66,136	\$ 66,136

1. Amounts represent debt excluding net deferred financing costs.

2. The 3.95% registered senior notes and the 4.65% registered senior notes were issued at a discount. The discount, net of amortization, was \$5.3 million and \$0.6 million at March 31, 2019 and December 31, 2018, respectively, and is included within unsecured debt.

13. Stock-Based Compensation

The Company has various stock compensation arrangements, which are more fully described in the 2018 Annual Report on Form 10-K. Under the 2010 Incentive Plan, as amended (the "2010 Plan"), the Company's board of directors (the "Board") has the ability to grant, among other things, restricted stock, restricted stock units, operating partnership performance units and performance-based awards.

The Board awards restricted shares to non-employee Board members on an annual basis as part of such Board members' annual compensation and to newly elected non-employee Board members in accordance with the Non-Employee Director Compensation Program. The time-based awards are generally issued in the second quarter, in conjunction with the director's election to the Board, and the individual share awards vest in equal annual installments over the applicable service vesting period, which is three years.

The Board awards time-based restricted shares or time-based operating partnership performance units to certain employees on an annual basis as part of the employees' annual compensation. These time-based awards are generally issued in the fourth quarter and vest in equal annual installments over the applicable service vesting period, which is generally three years. Additionally, certain awards are subject to a mandatory holding period upon vesting if the grantee is a named executive officer.

In December 2015, the compensation committee of the Board (the "Compensation Committee") awarded a one-time special retention award to certain executives. The grants consist of time-based awards and performance-based awards. The time-based awards vest in equal 25% installments over a four-year period, subject to the participant's continued employment. The performance-based awards vest over a four-year period, subject to the achievement of applicable performance goals and the participant's continued employment.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The Compensation Committee annually adopts a Hudson Pacific Properties, Inc. Outperformance Program (“OPP Plan”) under the 2010 Plan. With respect to OPP Plan awards granted through 2016, to the extent an award is earned following the completion of a three-year performance period, 50% of the earned award will vest in full at the end of the three-year performance period and 50% of the earned award will vest in equal annual installments over the two years thereafter, subject to the participant’s continued employment. OPP Plan awards are settled in common stock and, in the case of certain executives, in operating partnership performance units. Commencing with the 2017 OPP Plan, the two-year post-performance vesting period was replaced with a two-year mandatory holding period upon vesting. In February 2019, the Compensation Committee adopted the 2019 OPP Plan. The 2019 OPP Plan is substantially similar to the 2018 OPP Plan except for (i) the performance period beginning on January 1, 2019 and ending on December 31, 2021 and (ii) the maximum bonus pool is \$28.0 million.

The per unit fair value of the grants from the 2019 OPP Plan was estimated on the date of grant using the following assumptions in the Monte Carlo valuation:

	Assumption
Expected price volatility for the Company	22.00%
Expected price volatility for the particular REIT index	18.00%
Risk-free rate	2.57%
Dividend yield	3.00%

The following table presents the classification and amount recognized for stock-based compensation related to the Company’s awards:

	Three Months Ended March 31,	
	2019	2018
Expensed stock compensation ⁽¹⁾	\$ 5,150	\$ 4,338
Capitalized stock compensation ⁽²⁾	29	232
TOTAL STOCK COMPENSATION ⁽³⁾	\$ 5,179	\$ 4,570

1. Amounts are recorded in general and administrative expenses in the Consolidated Statements of Operations.
2. Amounts are recorded in deferred leasing costs and lease intangible assets, net and investment in real estate, at cost in the Consolidated Balance Sheets.
3. Amounts are recorded in additional paid-in capital and non-controlling interest—units in the operating partnership in the Consolidated Balance Sheets.

14. Earnings Per Share

Hudson Pacific Properties, Inc.

The Company calculates basic earnings per share by dividing the net income (loss) available to common stockholders for the period by the weighted average number of common shares outstanding during the period. The Company calculates diluted earnings per share by dividing the diluted net income (loss) available to common stockholders for the period by the weighted average number of common shares and dilutive instruments outstanding during the period using the treasury stock method or the if-converted method, whichever is more dilutive. Unvested time-based restricted stock awards, unvested time-based performance unit awards and unvested restricted stock units (“RSUs”) that contain nonforfeitable rights to dividends are participating securities and are included in the computation of earnings per share pursuant to the two-class method.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The following table reconciles the numerator and denominator in computing the Company's basic and diluted earnings per share for net (loss) income available to common stockholders:

	Three Months Ended March 31,	
	2019	2018
Numerator:		
Basic and diluted net (loss) income available to common stockholders	\$ (39,392)	\$ 48,577
Denominator:		
Basic weighted average common shares outstanding	154,396,159	155,626,055
Effect of dilutive instruments ⁽¹⁾	—	1,088,767
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	154,396,159	156,714,822
Basic (loss) earnings per common share	\$ (0.26)	\$ 0.31
Diluted (loss) earnings per common share	\$ (0.26)	\$ 0.31

1. The Company includes unvested awards and convertible common and participating units as contingently issuable shares in the computation of diluted earnings per share once the market criteria are met, assuming that the end of the reporting period is the end of the contingency period. Any anti-dilutive securities are excluded from the diluted earnings per share calculation.

Hudson Pacific Properties, L.P.

The Company calculates basic earnings per share by dividing the net income (loss) available to common unitholders for the period by the weighted average number of common units outstanding during the period. The Company calculates diluted earnings per share by dividing the diluted net income (loss) available to common unitholders for the period by the weighted average number of common units and dilutive instruments outstanding during the period using the treasury stock method or the if-converted method, whichever is more dilutive. Unvested time-based restricted stock awards, unvested time-based performance unit awards and unvested RSUs that contain nonforfeitable rights to dividends are participating securities and are included in the computation of earnings per unit pursuant to the two-class method.

The following table reconciles the numerator and denominator in computing the Company's basic and diluted earnings per unit for net (loss) income available to common unitholders:

	Three Months Ended March 31,	
	2019	2018
Numerator:		
Basic and diluted net (loss) income available to common unitholders	\$ (39,577)	\$ 48,754
Denominator:		
Basic weighted average common units outstanding	155,120,144	156,195,100
Effect of dilutive instruments ⁽¹⁾	—	1,088,767
DILUTED WEIGHTED AVERAGE COMMON UNITS OUTSTANDING	155,120,144	157,283,867
Basic (loss) earnings per common unit	\$ (0.26)	\$ 0.31
Diluted (loss) earnings per common unit	\$ (0.26)	\$ 0.31

1. The operating partnership includes unvested awards as contingently issuable units in the computation of diluted earnings per unit once the market criteria are met, assuming that the end of the reporting period is the end of the contingency period. Any anti-dilutive securities are excluded from the diluted earnings per unit calculation.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

15. Redeemable Non-Controlling Interest

Redeemable Preferred Units of the Operating Partnership

As of March 31, 2019 and December 31, 2018, there were 392,598 series A preferred units of partnership interest in the operating partnership, or series A preferred units, issued and outstanding, which are not owned by the Company. On April 16, 2018, 14,468 series A preferred units of partnership interest were redeemed for cash at a redemption price of \$25.00 per share, plus accrued and unpaid dividends to, but not including, the date of redemption.

These series A preferred units are entitled to preferential distributions at a rate of 6.25% per annum on the liquidation preference of \$25.00 per unit and became convertible at the option of the holder into common units or redeemable into cash or, at the Company's election, exchangeable for registered shares of common stock.

Redeemable Non-Controlling Interest in Consolidated Real Estate Entities

On March 1, 2018, the Company entered into a joint venture agreement with Macerich WSP, LLC ("Macerich") to form HPP-MAC WSP, LLC ("HPP-MAC JV"). On August 31, 2018, Macerich contributed Westside Pavilion to the HPP-MAC JV. The Company has a 75% interest in the joint venture that owns the One Westside and 10850 Pico properties. The Company has a put right, after a specified time, to sell its interest at fair market value. Macerich has a put right, after a specified time, to sell its interest at fair market value, which is a redemption right that is not solely within the control of the Company. The put right is not currently redeemable. Therefore, the non-controlling interest related to this joint venture is included as temporary equity. Once the redemption is probable, the carrying amount will be marked to market with the change in value reflected in additional paid-in capital.

On October 9, 2018, the Company entered into a joint venture with Allianz to purchase the Ferry Building property. The Company has a 55% interest in the joint venture that owns the Ferry Building property. The Company has a put right, if certain events occur, to sell its interest at fair market value. Allianz has a put right, if certain events occur, to sell its interest at fair market value, which is a redemption right that is not solely within the control of the Company. The put right is not currently redeemable. Therefore, the non-controlling interest related to this joint venture is included as temporary equity. Once the redemption is probable, the carrying amount will be marked to market with the change in value reflected in additional paid-in capital.

The following table reconciles the beginning and ending balances of redeemable non-controlling interests:

	Series A Redeemable Preferred Units	Consolidated Entities
Balance at December 31, 2018	\$ 9,815	\$ 113,141
Contributions	—	2,075
Declared dividend	(153)	—
Net income (loss)	153	(600)
BALANCE AT MARCH 31, 2019	\$ 9,815	\$ 114,616

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

16. Equity

The table below presents the effect of the Company's derivatives on accumulated other comprehensive income ("OCI"):

	Hudson Pacific Properties, Inc. Stockholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2018	\$ 17,501	\$ 64	\$ 17,565
Unrealized loss recognized in OCI due to change in fair value	(5,926)	(28)	(5,954)
Gain reclassified from OCI into income (as interest expense) ⁽¹⁾	(1,901)	(9)	(1,910)
Net change in OCI	(7,827)	(37)	(7,864)
BALANCE AT MARCH 31, 2019	\$ 9,674	\$ 27	\$ 9,701

1. The gains and losses on the Company's derivatives are reported in the interest expense line item on the Consolidated Statements of Operations. Interest expense was \$24.4 million for the three months ended March 31, 2019.

Non-Controlling Interests

Common Units in the Operating Partnership

Common units of the operating partnership and shares of common stock of the Company have essentially the same economic characteristics, as they share equally in the total net income or loss distributions of the operating partnership. Investors who own common units have the right to cause the operating partnership to repurchase any or all of their common units for cash equal to the then-current market value of one share of common stock or, at the Company's election, issue shares of the Company's common stock in exchange for common units on a one-for-one basis.

Performance Units in the Operating Partnership

Performance units are partnership interests in the operating partnership. Each performance unit awarded will be deemed equivalent to an award of one share of common stock under the 2010 Plan, reducing the availability for other equity awards on a one-for-one basis. Under the terms of the performance units, the operating partnership will revalue its assets for tax purposes upon the occurrence of certain specified events and any increase in valuation from the time of grant until such event will be allocated first to the holders of performance units to equalize the capital accounts of such holders with the capital accounts of common unitholders. Subject to any agreed upon exceptions, once vested and having achieved parity with common unitholders, performance units are convertible into common units in the operating partnership on a one-for-one basis.

Current Year Activity

The following table summarizes the ownership interest in the operating partnership, excluding unvested restricted units and unvested restricted performance units as of:

	March 31, 2019	December 31, 2018
Company-owned common units in the operating partnership	154,373,581	154,371,538
Company's ownership interest percentage	99.5 %	99.6 %
Non-controlling units in the operating partnership ⁽¹⁾	720,773	569,045
Non-controlling ownership interest percentage ⁽¹⁾	0.5 %	0.4 %

1. Represents units held by certain of the Company's executive officers, directors and outside investors. As of March 31, 2019, this amount represents both common units and performance units of 550,969 and 169,804, respectively.

On January 17, 2019, a common unitholder requested the operating partnership repurchase 18,076 common units and the Company elected, in accordance with the limited partnership agreement of the operating partnership, to settle in cash to satisfy the redemption. On March 11, 2019, 169,804 performance units were granted and vested related to the completion of the 2016 OPP performance period.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

Common Stock Activity

The Company has not completed any common stock offerings in 2019.

The Company's at-the-market, or ATM, program permits sales of up to \$125.0 million of common stock. The Company did not utilize the ATM program during the three months ended March 31, 2019. A cumulative total of \$20.1 million has been sold as of March 31, 2019.

Share Repurchase Program

There have been no repurchases in 2019. On March 8, 2018, the Board increased the amount authorized under its share repurchase program to a total of \$250.0 million. A cumulative total of \$50.0 million has been repurchased as of March 31, 2019. The Company may make repurchases under the program at any time in its discretion, subject to market conditions, applicable legal requirements and other factors.

Dividends

The Board declared dividends on a quarterly basis and the Company paid the dividends during the quarters in which the dividends were declared. The following table summarizes dividends declared and paid for the periods presented:

	Three Months Ended March 31,	
	2019	2018
Common stock ⁽¹⁾	\$ 0.25	\$ 0.25
Common units ⁽¹⁾	\$ 0.25	\$ 0.25
Series A preferred units ⁽¹⁾	\$ 0.3906	\$ 0.3906
Performance units	\$ 0.25	\$ 0.25

1. The first quarter of 2019 dividends were paid on March 28, 2019 to shareholders and unitholders of record on March 18, 2019.

Taxability of Dividends

Earnings and profits, which determine the taxability of distributions to stockholders, may differ from income reported for financial reporting purposes due to the differences for federal income tax purposes in the treatment of loss on extinguishment of debt, revenue recognition, compensation expense and the basis of depreciable assets and estimated useful lives used to compute depreciation.

17. Segment Reporting

The Company's reporting segments are based on the Company's method of internal reporting, which classifies its operations into two reporting segments: (i) office properties and (ii) studio properties. The Company evaluates performance based upon net operating income of the combined properties in each segment. General and administrative expenses and interest expense are not included in segment profit as its internal reporting addresses these items on a corporate level. Asset information by segment is not reported because the Company does not use this measure to assess performance or make decisions to allocate resources, therefore, depreciation and amortization expense is not allocated among segments.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

The table below presents the operating activity of the Company's reportable segments:

	Three Months Ended March 31,	
	2019	2018
Office segment		
Office revenues	\$ 175,858	\$ 156,532
Office expenses	(60,815)	(53,240)
Office segment profit	115,043	103,292
Studio segment		
Studio revenues	21,531	17,586
Studio expenses	(11,109)	(9,664)
Studio segment profit	10,422	7,922
TOTAL SEGMENT PROFIT	\$ 125,465	\$ 111,214
Segment revenues	\$ 197,389	\$ 174,118
Segment expenses	(71,924)	(62,904)
TOTAL SEGMENT PROFIT	\$ 125,465	\$ 111,214

The table below is a reconciliation of the total profit from all segments to net (loss) income:

	Three Months Ended March 31,	
	2019	2018
Total profit from all segments	\$ 125,465	\$ 111,214
General and administrative	(18,094)	(15,564)
Depreciation and amortization	(68,505)	(60,553)
Interest expense	(24,350)	(20,503)
Interest income	1,024	9
Transaction-related expenses	(128)	(118)
Other (loss) income	(106)	404
Gains on sale of real estate	—	37,674
Impairment loss	(52,201)	—
NET (LOSS) INCOME	\$ (36,895)	\$ 52,563

18. Related Party Transactions

Employment Agreements

The Company has entered into employment agreements with certain executive officers, effective January 1, 2016, that provide for various severance and change in control benefits and other terms and conditions of employment.

Ferry Building Acquisition from an Affiliate of Blackstone

On October 9, 2018, the Company entered into a joint venture with Allianz to purchase the Ferry Building from certain affiliates of Blackstone for \$291.0 million before prorations, credits and closing costs. At the time of the transaction, Michael Nash, a senior managing director of an affiliate of Blackstone, was a director of the Board. Mr. Nash resigned from the Board on March 14, 2019.

Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P.
Notes to Unaudited Consolidated Financial Statements
(Unaudited, tabular amounts in thousands, except square footage, share and unit data)

19. Commitments and Contingencies**Legal**

From time to time, the Company is party to various lawsuits, claims and other legal proceedings arising out of, or incident to, the ordinary course of business. Management believes, based in part upon consultation with legal counsel, that the ultimate resolution of all such claims will not have a material adverse effect on the Company's results of operations, financial position or cash flows. As of March 31, 2019, the risk of material loss from such legal actions impacting the Company's financial condition or results from operations has been assessed as remote.

Letters of Credit

As of March 31, 2019, the Company has outstanding letters of credit totaling approximately \$2.6 million under the unsecured revolving credit facility. The letters of credit are primarily related to utility company security deposit requirements.

20. Supplemental Cash Flow Information

Supplemental cash flow information is included as follows:

	Three Months Ended March 31,	
	2019	2018
Cash paid for interest, net of capitalized interest	\$ 13,543	\$ 12,915
Non-cash investing and financing activities		
Accounts payable and accrued liabilities for real estate investments	(813)	20,462

Restricted cash primarily consists of amounts held by lenders to fund reserves such as capital improvements, taxes, insurance, debt service and operating expenditures. The following table provides a reconciliation of cash and cash equivalents and restricted cash at the beginning and end of the periods presented:

	Three Months Ended March 31,	
	2019	2018
Beginning of period:		
Cash and cash equivalents	\$ 53,740	\$ 78,922
Restricted cash	14,451	22,358
TOTAL	\$ 68,191	\$ 101,280
End of period:		
Cash and cash equivalents	\$ 52,445	\$ 64,080
Restricted cash	13,626	10,900
TOTAL	\$ 66,071	\$ 74,980

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion relates to our consolidated financial statements and should be read in conjunction with the consolidated financial statements and the related notes, see Part I, Item 1 "Financial Statements of Hudson Pacific Properties, Inc.," "Financial Statements of Hudson Pacific Properties, L.P." and "Notes to Unaudited Consolidated Financial Statements." Statements in this Item 2 contain forward-looking statements. For a discussion of forward-looking statements, important risks related to our business, and related to investing in our securities, including risks that could cause actual results and events to differ materially from results and events refer to the forward-looking statements section in this Item 2.

Forward-looking Statements

Certain written and oral statements made or incorporated by reference from time to time by us or our representatives in this Quarterly Report on Form 10-Q, other filings or reports filed with the SEC, press releases, conferences, or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, as amended, and Section 21E of the Exchange Act). In particular, statements relating to our liquidity and capital resources, portfolio performance and results of operations contain forward-looking statements. Furthermore, all of the statements regarding future financial performance (including anticipated funds from operations, or FFO, market conditions and demographics) are forward-looking statements. We are including this cautionary statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any such forward-looking statements. We caution investors that any forward-looking statements presented in this Quarterly Report on Form 10-Q, or that management may make orally or in writing from time to time, are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which were based on results and trends at the time they were made, to anticipate future results or trends. Additional information concerning these and other risks and uncertainties is contained in our other periodic filings with the SEC.

Some of the risks and uncertainties that may cause our actual results, performance, liquidity or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- adverse economic or real estate developments in our target markets;
- general economic conditions;
- defaults on, early terminations of or non-renewal of leases by tenants;
- fluctuations in interest rates and increased operating costs;
- our failure to obtain necessary outside financing or maintain an investment grade rating;
- our failure to generate sufficient cash flows to service our outstanding indebtedness and maintain dividend payments;
- lack or insufficient amounts of insurance;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying properties to acquire and completing acquisitions;
- our failure to successfully operate acquired properties and operations;

- our failure to maintain our status as a REIT;
- environmental uncertainties and risks related to adverse weather conditions and natural disasters;
- financial market fluctuations;
- risks related to acquisitions generally, including the diversion of management's attention from ongoing business operations and the impact on customers, tenants, lenders, operating results and business;
- the inability to successfully integrate acquired properties, realize the anticipated benefits of acquisitions or capitalize on value creation opportunities;
- the impact of changes in the tax laws as a result of recent federal tax reform legislation and uncertainty as to how some of those changes may be applied;
- changes in real estate and zoning laws and increases in real property tax rates; and
- other factors affecting the real estate industry generally.

Additionally, we operate in a highly competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it 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. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Executive Summary

Through our interest in Hudson Pacific Properties, L.P. (our operating partnership) and its subsidiaries, at March 31, 2019, our consolidated office portfolio consisted of approximately 13.9 million square feet of in-service, redevelopment, development and held for sale properties. Additionally, as of March 31, 2019, our studio and land portfolio consisted of 1.2 million and 2.6 million, respectively, square feet of in-service. Our portfolio consists of 55 properties located in Northern and Southern California and the Pacific Northwest.

As of March 31, 2019, our consolidated in-service office portfolio was 92.9% leased (including leases not yet commenced). Our same-store studio properties were 92.4% leased for the average percent leased for the 12 months ended March 31, 2019.

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The following table summarizes our portfolio as of March 31, 2019:

In-Service Portfolio	Number of Buildings	Rentable Square Feet ⁽¹⁾	Percent Occupied ⁽²⁾	Percent Leased ⁽³⁾	Annualized Base Rent per Square Foot ⁽⁴⁾
Office					
Same-store ⁽⁵⁾	31	7,842,466	94.1 %	94.9 %	\$ 48.61
Stabilized non-same store ⁽⁶⁾	9	2,590,210	95.4 %	96.2 %	\$ 51.94
Total stabilized	40	10,432,676	94.4 %	95.2 %	\$ 49.45
Lease-up ⁽⁶⁾⁽⁷⁾	7	1,871,220	69.9 %	80.4 %	\$ 49.78
Total in-service	47	12,303,896	90.7 %	92.9 %	\$ 49.49
Redevelopment ⁽⁶⁾	2	683,090			
Development ⁽⁶⁾	2	408,227			
Held for sale ⁽⁶⁾	1	471,580			
Total office	52	13,866,793			
Studio					
Same-store ⁽⁸⁾	3	1,171,707		92.4 %	\$ 38.89
Non-same-store ⁽⁶⁾	—	52,696 ⁽⁹⁾		100.0 %	\$ 40.70
Total studio	3	1,224,403			
Land	—	2,639,562 ⁽¹⁰⁾			
TOTAL	55	17,730,758			

1. Determined by management based upon estimated leasable square feet, which may be less or more than the Building Owners and Managers Association (“BOMA”) rentable area. Square footage may change over time due to re-measurement or re-leasing.
2. Calculated as (i) square footage under commenced leases as of March 31, 2019, divided by (ii) total square feet, expressed as a percentage.
3. Calculated as (i) square footage under commenced and uncommenced leases as of March 31, 2019, divided by (ii) total square feet, expressed as a percentage.
4. Calculated as (i) annualized base rent divided by (ii) square footage under commenced leases as of March 31, 2019. Annualized base rent does not reflect tenant reimbursements.
5. Includes office properties owned and included in our stabilized portfolio as of January 1, 2018 and still owned and included in the stabilized portfolio as of March 31, 2019.
6. Included in our non-same-store property group.
7. Includes office properties that have not yet reached 92.0% occupancy since the date they were acquired or placed under redevelopment or development as of March 31, 2019.
8. Includes studio properties owned and included in our portfolio as of January 1, 2018 and still owned and included in our portfolio as of March 31, 2019.
9. This includes 41,496 square feet located at our 6605 Eleanor Avenue and 1034 Seward Street properties and 11,200 square feet located at our 6660 Santa Monica Boulevard property, included as part of Sunset Las Palmas Studios, that have not met the same-store studio threshold.
10. This includes 946,350 square feet of developable land adjacent to our Campus Center office property that was classified as held for sale as of March 31, 2019. The sale is expected to close during the second quarter of 2019.

Current Quarter Highlights

Acquisitions

We had no acquisitions during the three months ended March 31, 2019. On March 26, 2019, we entered into an agreement to purchase, through a joint venture with Blackstone Property Partners, the 1.45 million-square-foot Bentall Centre property located in Vancouver, Canada. The acquisition is expected to close during the second quarter of 2019.

Dispositions

We had no dispositions during the three months ended March 31, 2019.

Redevelopment/Development

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The following table summarizes the properties currently under redevelopment and development as well as future developments as of March 31, 2019:

Location	Submarket	Estimated Square Feet ⁽¹⁾	Estimated Completion Date	Estimated Stabilization Date
Redevelopment:				
Maxwell	Downtown Los Angeles	99,090	Q1-2019	Q4-2019
One Westside	West Los Angeles	584,000	TBD	TBD
Total redevelopment		683,090		
Development:				
EPIC	Hollywood	302,102	Q4-2019	Q3-2021
Harlow	Hollywood	106,125	Q1-2020	Q3-2021
Total development		408,227		
TOTAL REDEVELOPMENT AND DEVELOPMENT		1,091,317		
Future Development:				
Element LA—Development	West Los Angeles	500,000	TBD	TBD
Sunset Bronson Studios Lot D—Development	Hollywood	19,816	TBD	TBD
Sunset Gower Studios—Development	Hollywood	423,396	TBD	TBD
Sunset Las Palmas Studios—Development	Hollywood	400,000	TBD	TBD
Cloud10	North San Jose	350,000	TBD	TBD
TOTAL FUTURE DEVELOPMENT		1,693,212		

1. Determined by management based upon estimated leasable square feet, which may be less or more than the BOMA rentable area. Square footage may change over time due to re-measurement or re-leasing.

Held for Sale

As of March 31, 2019, we had one property that met the criteria to be classified as held for sale. The property was identified as a non-strategic asset to our portfolio. We entered into an agreement on March 28, 2019 to sell our Campus Center property, which includes the office property and developable land, to two separate, unrelated buyers for a combined amount of approximately \$150 million (before certain credits, proration and closing costs). We recorded \$52.2 million of impairment charges related to the Campus Center office property that was held for sale as of March 31, 2019. Both sales are expected to close during the second quarter of 2019.

Lease Expirations

The following table summarizes the lease expirations for leases in place as of March 31, 2019 plus available space, for each of the nine full calendar years beginning January 1, 2019 at the properties in our office portfolio. Unless otherwise stated in the footnotes, the information set forth in the table assumes that tenants exercise no renewal options.

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Year of Lease Expiration	Expiring Leases	Square Footage of Expiring Leases	Percentage of Office Portfolio Square Feet	Annualized Base Rent ⁽¹⁾	Percentage of Office Portfolio Annualized Base Rent	Annualized Base Rent Per Leased Square Foot ⁽²⁾
Vacant	N/A	1,446,701	10.5 %	N/A	N/A	N/A
2019 ⁽³⁾	128	894,971	6.5	\$ 43,808,363	7.1 %	\$ 48.95
2020	145	938,298	6.8	47,353,172	7.6	50.47
2021	130	1,244,058	9.0	56,442,039	9.0	45.37
2022	117	1,183,158	8.6	55,768,863	8.9	47.14
2023	82	1,526,551	11.0	67,981,672	10.9	44.53
2024	88	1,455,604	10.5	72,366,297	11.6	49.72
2025	30	1,081,971	7.8	56,296,162	9.0	52.03
2026	17	326,691	2.4	17,688,631	2.8	54.14
2027	15	405,078	2.9	21,596,067	3.5	53.31
2028	17	555,792	4.0	34,527,781	5.5	62.12
Thereafter	26	1,408,629	10.2	78,675,514	12.6	55.85
Building management use	21	146,361	1.1	—	—	—
Signed leases not commenced ⁽⁴⁾	23	1,205,757	8.7	71,611,797	11.5	59.39
TOTAL/WEIGHTED AVERAGE ⁽⁵⁾	839	13,819,620	100.0 %	\$ 624,116,358	100.0 %	\$ 50.44

- Rent data for our office properties is presented on an annualized basis without regard to cancellation options. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) as of March 31, 2019, by (ii) 12. Annualized base rent does not reflect tenant reimbursements.
- Annualized base rent per square foot for all lease expiration years is calculated as (i) base rental payments (defined as cash base rents (before abatements)) under commenced leases, divided by (ii) square footage under commenced leases as of March 31, 2019.
- Excludes 22,553 -square-foot management office occupied by Hudson Pacific Properties, Inc. The management office is being reflected under building management use in the table above.
- Annualized base rent per leased square foot and annualized base rent per square foot at expiration for signed leases not commenced reflects uncommenced leases for space not occupied as of March 31, 2019 and is calculated as (i) base rental payments (defined as cash base rents (before abatements)) under uncommenced leases for vacant space as of March 31, 2019, divided by (ii) square footage under uncommenced leases as of March 31, 2019.
- Total expiring square footage does not include 47,173 square feet of month-to-month leases.

Historical Tenant Improvements and Leasing Commissions

The following table summarizes historical information regarding tenant improvement and leasing commission costs for tenants at our office properties:

	Three Months Ended March 31,	
	2019	2018
Renewals ⁽¹⁾		
Number of leases	16	19
Square feet	97,123	302,401
Tenant improvement costs per square foot ⁽²⁾⁽³⁾	\$ 8.26	\$ 44.31
Leasing commission costs per square foot ⁽²⁾	7.92	14.12
Total tenant improvement and leasing commission costs ⁽²⁾	\$ 16.18	\$ 58.43
New leases ⁽⁴⁾		
Number of leases	29	36
Square feet	947,013	253,855
Tenant improvement costs per square foot ⁽²⁾⁽³⁾	\$ 92.57	\$ 46.95
Leasing commission costs per square foot ⁽²⁾	33.58	14.53
Total tenant improvement and leasing commission costs ⁽²⁾	\$ 126.15	\$ 61.48
TOTAL		
Number of leases	45	55
Square feet	1,044,136	556,256
Tenant improvement costs per square foot ⁽²⁾⁽³⁾	\$ 84.73	\$ 45.52
Leasing commission costs per square foot ⁽²⁾	31.19	14.30
TOTAL TENANT IMPROVEMENT AND LEASING COMMISSION COSTS ⁽²⁾	\$ 115.92	\$ 59.82

1. Excludes retained tenants that have relocated or expanded into new space within our portfolio.
2. Assumes all tenant improvement and leasing commissions are paid in the calendar year in which the lease is executed, which may be different than the year in which they were actually paid.
3. Tenant improvement costs are based on negotiated tenant improvement allowances set forth in leases, or, for any lease in which a tenant improvement allowance was not specified, the aggregate cost originally budgeted at the time the lease commenced.
4. Includes retained tenants that have relocated or expanded into new space within our portfolio.

Financings

During the three months ended March 31, 2019, the outstanding borrowings on the unsecured revolving credit facility decreased by \$180.0 million, net of draws. We use the unsecured revolving credit facility to finance the acquisition of other properties, to provide funds for tenant improvements and capital expenditures and to provide for working capital and other corporate purposes.

On February 27, 2019, our operating partnership completed an underwritten public offering of \$350.0 million in senior notes due April 1, 2029 that are fully and unconditionally guaranteed by Hudson Pacific Properties, Inc. The net proceeds from the offering, after deducting the underwriting discount, were approximately \$343.0 million and were used to repay outstanding borrowings under our unsecured revolving credit facility and \$75.0 million of its five-year term loan due November 17, 2020.

On March 1, 2019, we entered into a loan agreement to borrow up to \$235.0 million on a revolving basis, maturing on March 1, 2024. We drew \$5.0 million to pay down the Sunset Gower Studios/Sunset Bronson Studios construction loan that matured on March 4, 2019. The unused fee rate related to Sunset Bronson Studios/ICON/CUE is 0.20%.

Historical Results of Operations

This Quarterly Report on Form 10-Q of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. represents an update to the more detailed and comprehensive disclosures included in the 2018 Annual Report on Form 10-K of Hudson Pacific Properties, Inc. and Hudson Pacific Properties, L.P. Accordingly, you should read the following discussion in conjunction with the information included in our 2018 Annual Report on Form 10-K, as well as the unaudited financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition, some of the statements and assumptions in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the quarter and beyond. See “Forward-looking Statements.”

All amounts and percentages used in this discussion of our results of operations are calculated using the numbers presented in the financial statements contained in Part I, Item 1 of this Quarterly Report rather than the rounded numbers appearing in this discussion. The dollar amounts included in the tables in this discussion of our results of operations are presented in thousands.

Comparison of the Three Months Ended March 31, 2019 to the Three Months Ended March 31, 2018

Net Operating Income

We evaluate performance based upon property net operating income (“NOI”). NOI is not a measure of operating results or cash flows from operating activities or cash flows as measured by GAAP and should not be considered an alternative to net income, as an indication of our performance, or as an alternative to cash flows as a measure of liquidity, or our ability to make distributions. All companies may not calculate NOI in the same manner. We consider NOI to be a useful performance measure to investors and management because when compared across periods, NOI reflects the revenues and expenses directly associated with owning and operating our properties and the impact to operations from trends in occupancy rates, rental rates and operating costs, providing a perspective not immediately apparent from net income. We calculate NOI as net income (loss) excluding corporate general and administrative expenses, depreciation and amortization, impairments, gains/losses on sales of real estate, interest expense, transaction-related expenses and other non-operating items. We define NOI as operating revenues (including rental revenues, other property-related revenue, tenant recoveries and other operating revenues), less property-level operating expenses (which includes external management fees, if any, and property-level general and administrative expenses). NOI on a cash basis is NOI adjusted to exclude the effect of straight-line rent and other non-cash adjustments required by GAAP. We believe that NOI on a cash basis is helpful to investors as an additional measure of operating performance because it eliminates straight-line rent and other non-cash adjustments to revenue and expenses.

Management further analyzes NOI by evaluating the performance from the following property groups:

- Same-store properties, which includes all of the properties owned and included in our stabilized portfolio as of January 1, 2018 and still owned and included in the stabilized portfolio as of March 31, 2019; and
- Non-same-store properties include:
 - Stabilized non-same -store properties
 - Lease-up properties
 - Development properties
 - Redevelopment properties
 - Held for sale properties

The following table reconciles net (loss) income to NOI:

	Three Months Ended March 31,		Dollar Change	Percent Change
	2019	2018		
Net (loss) income	\$ (36,895)	\$ 52,563	\$ (89,458)	(170.2)%
Adjustments:				
Interest expense	24,350	20,503	3,847	18.8
Interest income	(1,024)	(9)	(1,015)	11,277.8
Transaction-related expenses	128	118	10	8.5
Other expense (income)	106	(404)	510	(126.2)
Gains on sale of real estate	—	(37,674)	37,674	(100.0)
Impairment loss	52,201	—	52,201	100.0
General and administrative	18,094	15,564	2,530	16.3
Depreciation and amortization	68,505	60,553	7,952	13.1
NOI	\$ 125,465	\$ 111,214	\$ 14,251	12.8 %
Same-store NOI	\$ 89,061	\$ 81,707	\$ 7,354	9.0 %
Non-same-store NOI	36,404	29,507	6,897	23.4
NOI	\$ 125,465	\$ 111,214	\$ 14,251	12.8 %

Rental Components

We adopted ASC 842 using the modified retrospective approach as of January 1, 2019 and elected to apply the transition method of the standard at the beginning of the period of adoption. As such, the prior period amounts presented under ASC 840 were not restated to conform with the 2019 presentation. As we elected the practical expedient in ASC 842, which allows us to avoid separating lease and non-lease rental income, all office rental income earned pursuant to tenant leases in 2019 is reflected as one line, “Rental,” in the 2019 Consolidated Statement of Operations and as a result we do not disclose tenant recoveries as a separate GAAP revenue measure. However, we believe that tenant recoveries are useful to investors as a supplemental measure of our ability to recover operating expenses, property taxes, insurance and other expenses. For our studio leases, we did not elect the lessor practical expedient to combine lease and non-lease components. Therefore, studio rentals includes property tax and insurance recoveries and all other recoveries are included in service revenues and other. The following table presents our revenues in accordance with GAAP:

	Three Months Ended March 31,	
	2019	2018
Revenues		
Office		
Rental	\$ 170,197	\$ 130,082
Tenant recoveries	—	20,904
Service revenues	5,661	5,546
Total office revenues	175,858	156,532
Studio		
Rental	12,394	10,383
Tenant recoveries	—	354
Service revenues and other	9,137	6,849
Total studio revenues	21,531	17,586
TOTAL REVENUES	\$ 197,389	\$ 174,118

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We evaluate rental and tenant recoveries separately. Tenant recoveries are not a measure of revenues as allowed by GAAP and should not be considered an alternative to our GAAP measures included in our Consolidated Statement of Operations. The following table reports the breakdown of the 2019 rental income based on the 2018 presentation:

	Three Months Ended March 31,	
	2019	2018
Revenues		
Office		
Rental	\$ 145,460	\$ 130,082
Tenant recoveries	24,737	20,904
Service revenues	5,661	5,546
Total office revenues	175,858	156,532
Studio		
Rental	11,930	10,383
Tenant recoveries	464	354
Service revenues and other	9,137	6,849
Total studio revenues	21,531	17,586
TOTAL REVENUES	\$ 197,389	\$ 174,118

The following table summarizes certain statistics of our same-store office and studio properties:

	Three Months Ended March 31,	
	2019	2018
Same-store office		
Number of properties	31	31
Rentable square feet	7,842,466	7,842,466
Ending % leased	94.9 %	94.3 %
Ending % occupied	94.1 %	93.2 %
Average % occupied for the period	93.0 %	92.8 %
Average annual rental rate per square foot	\$ 48.61	\$ 45.77
Same-store studio		
Number of properties	3	3
Rentable square feet	1,171,707	1,171,707
Average % occupied for the period ⁽¹⁾	92.4 %	N/A

1. Percent occupied for same-store studio is the average percent occupied for the 12-months ended March 31, 2019. Trailing 12-month occupancy for March 31, 2018 is not applicable as the Sunset Las Palmas Studio property was acquired in May 2017.

The following table gives further detail on our NOI:

	Three Months Ended March 31,					
	2019			2018		
	Same-Store	Non-Same-Store	Total	Same-Store	Non-Same-Store	Total
Revenues						
Office						
Rental	\$ 93,020	\$ 52,440	\$ 145,460	\$ 86,675	\$ 43,407	\$ 130,082
Tenant recoveries	17,344	7,393	24,737	16,445	4,459	20,904
Service revenues	4,166	1,495	5,661	4,104	1,442	5,546
Total office revenues	114,530	61,328	175,858	107,224	49,308	156,532
Studio						
Rental	11,417	513	11,930	10,383	—	10,383
Tenant recoveries	146	318	464	354	—	354
Service revenues and other	9,348	(211)	9,137	6,849	—	6,849
Total studio revenues	20,911	620	21,531	17,586	—	17,586
Total revenues	135,441	61,948	197,389	124,810	49,308	174,118
Operating expenses						
Office operating expenses	35,397	25,418	60,815	33,439	19,801	53,240
Studio operating expenses	10,983	126	11,109	9,664	—	9,664
Total operating expenses	46,380	25,544	71,924	43,103	19,801	62,904
Office NOI	79,133	35,910	115,043	73,785	29,507	103,292
Studio NOI	9,928	494	10,422	7,922	—	7,922
NOI	\$ 89,061	\$ 36,404	\$ 125,465	\$ 81,707	\$ 29,507	\$ 111,214

The following table gives further detail on our change in NOI:

Three Months Ended March 31, 2019 as compared to Three Months Ended March 31, 2018						
	Same-Store		Non-Same-Store		Total	
	Dollar Change	Percent Change	Dollar Change	Percent Change	Dollar Change	Percent Change
Revenues						
Office						
Rental	\$ 6,345	7.3 %	\$ 9,033	20.8 %	\$ 15,378	11.8 %
Tenant recoveries	899	5.5	2,934	65.8	3,833	18.3
Service revenues	62	1.5	53	3.7	115	2.1
Total office revenues	7,306	6.8	12,020	24.4	19,326	12.3
Studio						
Rental	1,034	10.0	513	100.0	1,547	14.9
Tenant recoveries	(208)	(58.8)	318	100.0	110	31.1
Service revenues and other	2,499	36.5	(211)	(100.0)	2,288	33.4
Total studio revenues	3,325	18.9	620	100.0	3,945	22.4
Total revenues	10,631	8.5	12,640	25.6	23,271	13.4
Operating expenses						
Office operating expenses	1,958	5.9	5,617	28.4	7,575	14.2
Studio operating expenses	1,319	13.6	126	100.0	1,445	15.0
Total operating expenses	3,277	7.6	5,743	29.0	9,020	14.3
Office NOI	5,348	7.2	6,403	21.7	11,751	11.4
Studio NOI	2,006	25.3	494	100.0	2,500	31.6
NOI	\$ 7,354	9.0 %	\$ 6,897	23.4 %	\$ 14,251	12.8 %

NOI increased \$14.3 million, or 12.8%, for the three months ended March 31, 2019 as compared to the three months ended March 31, 2018, primarily resulting from:

- \$7.4 million increase in NOI from our same-store properties driven by:
 - An increase in office NOI of \$5.3 million primarily due to:
 - \$6.3 million increase in rental revenues primarily relating to Salesforce.com subleasing to Twilio Inc. at our Rincon Center property and leases signed at our 1455 Market (Square, Inc. and WeWork Companies Inc.), Clocktower (Baker McKenzie) and Concourse (Nutanix, Inc. and Vital Connect, Inc.) properties at a higher rate than expiring leases;
 - \$0.9 million increase in tenant recoveries primarily relating to the commercial rents tax in San Francisco effective in 2019;
 - \$0.1 million increase in service revenues primarily relating to parking at our ICON property; partially offset by
 - \$2.0 million increase in operating expenses primarily relating to the commercial rents tax in San Francisco effective in 2019 and overall increased occupancy.
 - An increase in studio NOI of \$2.0 million primarily due to:
 - \$2.5 million increase in service revenues and other primarily relating to lighting and grip revenues; partially offset by
 - \$1.3 million increase in operating expenses relating to increase in production activity at our Studios.
 - Rental revenues and tenant recoveries of \$11.4 million and \$0.1 million, respectively, for the three months ended March 31, 2019 remained relatively flat as compared to \$10.4 million and \$0.4 million, respectively, for the three months ended March 31, 2018.
- \$6.9 million increase in NOI from our non-same-store properties driven by:
 - Overall increase in office NOI of \$6.4 million primarily due to:

- Our acquisition of 10850 Pico (August 2018) and Ferry Building (October 2018) properties, partially offset by the sale of our Embarcadero Place (January 2018), 2180 Sand Hill (March 2018), 9300 Wilshire (April 2018) and Peninsula Office Park (July 2018) properties; in addition to
- \$9.0 million increase in rental revenues primarily relating to our acquisition of 10850 Pico (August 2018) and Ferry Building (October 2018) properties, leases signed at our Gateway (Lumenis, Inc. and Santa Clara Valley Transportation Authority), Palo Alto Square (Orbital Insight, Inc) and Metro Plaza (Nutanix, Inc.) properties at a higher rate than expiring leases, higher occupancy due to lease-up of our 450 Alaskan (Nestle USA, Inc. and Regus) property and CUE (Netflix, Inc.);
- \$2.9 million increase in tenant recoveries primarily relating to our acquisition of Ferry Building (October 2018); and
- Service revenues of \$1.5 million for the three months ended March 31, 2019 remained relatively flat as compared to \$1.4 million for the three months ended March 31, 2018; partially offset by
- \$5.6 million increase in operating expenses primarily relating to our acquisition of Ferry Building (October 2018); and
- the sale of our Embarcadero Place (January 2018), 2180 Sand Hill (March 2018), 9300 Wilshire (April 2018) and Peninsula Office Park (July 2018) properties .
- An increase in studio NOI of \$0.5 million resulting from our acquisition of 6605 Eleanor Avenue (June 2018), 1034 Seward Street (June 2018) and 6660 Santa Monica (October 2018) properties.

Other Expenses (Income)

Interest Expense

The following table represents a reconciliation from the gross interest expense to the amount on the interest expense line item in the Consolidated Statements of Operations:

	Three Months Ended March 31,			
	2019	2018	Dollar Change	Percent Change
Gross interest expense	\$ 27,465	\$ 22,431	\$ 5,034	22.4 %
Capitalized interest	(4,706)	(3,586)	(1,120)	31.2
Amortization of deferred financing costs/loan discounts	1,591	1,658	(67)	(4.0)
TOTAL	\$ 24,350	\$ 20,503	\$ 3,847	18.8 %

Gross interest expense increased by \$5.0 million, or 22.4%, to \$27.5 million for the quarter ended March 31, 2019 compared to \$22.4 million for the quarter ended March 31, 2018. The increase is primarily driven by assumed debt associated with One Westside and 10850 Pico (August 2018) properties and joint venture partner debt related to our Ferry Building (October 2018) property and our 4.65% registered senior notes (February 2019) at higher interest rate than debt repaid with the proceeds.

Capitalized interest increased \$1.1 million, or 31.2%, to \$4.7 million for the quarter ended March 31, 2019 compared to \$3.6 million for the quarter ended March 31, 2018. The increase was primarily driven by our One Westside redevelopment property and our EPIC and Harlow development properties, partially offset by recently completed redevelopment and development properties.

Gains on Sale of Real Estate

We generated no gains on sale of real estate for three months ended March 31, 2019 compared to \$37.7 million during the three months ended March 31, 2018, which resulted from the sale of our Embarcadero Place (January 2018), 2600 Campus Drive (January 2018) and 2180 Sand Hill (March 2018) properties.

General and Administrative Expenses

General and administrative expenses include wages and salaries for corporate-level employees, accounting, legal and other professional services, office supplies, entertainment, travel and automobile expenses, telecommunications and computer-related expenses and other miscellaneous items. General and administrative expenses increased \$2.5 million, or 16.3%, to \$18.1 million for the three months ended March 31, 2019 compared to \$15.6 million for the three months ended March 31, 2018. The change was primarily attributable to adoption of the 2019 Hudson Pacific Properties, Inc. Outperformance Program and an increase in staffing to meet operational needs. Additionally, we adopted ASC 842 on January 1, 2019, which resulted in more payroll being expensed rather than capitalized to deferred leasing costs.

Depreciation and Amortization Expense

Depreciation and amortization expense increased \$8.0 million, or 13.1%, to \$68.5 million for the three months ended March 31, 2019 compared to \$60.6 million for the three months ended March 31, 2018. The increase was primarily related to our acquisition of the Ferry Building (October 2018) and recently completed redevelopment properties. The increase was partially offset by the sale of our Embarcadero Place (January 2018), 2180 Sand Hill (March 2018), 9300 Wilshire (April 2018) and Peninsula Office Park (July 2018) properties.

Impairment Loss

We recorded \$52.2 million of impairment charges related to our Campus Center office property that was held for sale as March 31, 2019. Our estimated fair value was based on the sale price. We did not recognize impairment losses during the three months ended March 31, 2018.

Liquidity and Capital Resources

We have remained capitalized since our initial public offering through public offerings, private placements and continuous offerings under our ATM program. We currently expect that our principal sources of funds to meet our short-term and long-term liquidity requirements for working capital, strategic acquisitions, capital expenditures, tenant improvements, leasing costs, dividends and distributions, share repurchases and repayments of outstanding debt financing will include:

- Cash on hand, cash reserves and net cash provided by operations;
- Proceeds from additional equity securities;
- Our ATM program;
- Borrowings under the operating partnership's unsecured revolving credit facility and Sunset Bronson Studios/ICON/CUE revolving credit facility; and
- Proceeds from additional secured, unsecured debt financings or offerings.

Liquidity Sources

We had \$52.4 million of cash and cash equivalents at March 31, 2019. Our principal source of operating cash flow is related to leasing and operating the properties in our portfolio. Our properties provide a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service and fund quarterly dividend and distribution requirements.

Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about us.

We have an ATM program that allows us to sell up to \$125.0 million of common stock, \$20.1 million of which has been sold through March 31, 2019. Any future sales will depend on several factors, including, but not limited to, market conditions, the trading price of our common stock and our capital needs. We have no obligation to sell the remaining shares available for sale under this program.

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As of March 31, 2019, we had total borrowing capacity of \$600.0 million under our unsecured revolving credit facility, \$220.0 million of which had been drawn. As of March 31, 2019, we had total borrowing capacity of \$235.0 million secured by our Sunset Bronson Studios/ICON/CUE properties, \$5.0 million of which had been drawn.

Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase.

The following table sets forth our ratio of debt to total market capitalization (counting series A preferred units as debt) as of March 31, 2019.

	March 31, 2019
Debt ⁽¹⁾	\$ 2,735,237
Series A preferred units	9,815
Common equity capitalization ⁽²⁾	5,406,531
TOTAL MARKET CAPITALIZATION	8,151,583
Series A preferred units & debt/total market capitalization	33.7 %

1. Excludes in-substance defeased debt, joint venture partner debt and unamortized deferred financing costs and loan discounts.

2. Common equity capitalization represents the shares of common stock (including unvested restricted shares), OP units outstanding, restricted performance units and dilutive shares multiplied by the closing price of our stock, as reported by the NYSE, as of March 31, 2019.

Outstanding Indebtedness

The following table sets forth information as of March 31, 2019 and December 31, 2018 with respect to our outstanding indebtedness (excluding unamortized deferred financing costs and loan discounts):

	March 31, 2019	December 31, 2018
Unsecured debt	\$ 2,370,000	\$ 2,275,000
Secured debt	\$ 365,237	\$ 365,381
In-substance defeased debt	\$ 137,417	\$ 138,223
Joint venture partner debt	\$ 66,136	\$ 66,136

The operating partnership was in compliance with its financial covenants as of March 31, 2019.

Liquidity Uses

Contractual Obligations

During the three months ended March 31, 2019, there were no material changes outside the ordinary course of business in the information regarding specified contractual obligations contained in our 2018 Annual Report on Form 10-K. See Part I, Item 1 “Note 7 to our Consolidated Financial Statements—Debt,” for information regarding our minimum future principal payments due on our outstanding debt. See Part I, Item 1 “Note 11 to our Consolidated Financial Statements—Future Minimum Rents and Lease Payments” for information regarding our future minimum ground lease payments.

Cash Flows

A comparison of our cash flow activity is as follows:

	Three Months Ended March 31,		Dollar Change	Percent Change
	2019	2018		
Net cash provided by operating activities	\$ 89,446	\$ 64,447	\$ 24,999	38.8 %
Net cash (used in) provided by investing activities	\$ (128,267)	\$ 133,492	\$ (261,759)	(196.1)%
Net cash provided by (used in) financing activities	\$ 36,701	\$ (224,239)	\$ 260,940	(116.4)%

Cash and cash equivalents and restricted cash were \$66.1 million and \$68.2 million at March 31, 2019 and December 31, 2018, respectively.

Operating Activities

Net cash provided by operating activities increased by \$25.0 million, or 38.8%, to \$89.4 million for the three months ended March 31, 2019 compared to \$64.4 million for the three months ended March 31, 2018. The change resulted primarily from an increase in cash rents from our office and studio properties related to our 10850 Pico and Ferry Building acquisitions in 2019 and lease-up related to our CUE (Netflix, Inc.) and 450 Alaskan (Nestle USA, Inc. and Regus) properties, partially offset by higher general and administrative expenses, interest expense and lower cash rents due to the sale of our Embarcadero Place (January 2018), 2180 Sand Hill (March 2018), 9300 Wilshire (April 2018) and Peninsula Office Park (July 2018) properties.

Investing Activities

Net cash used in investing activities increased by \$261.8 million, or 196.1%, to \$128.3 million for the three months ended March 31, 2019 compared to net cash provided by investing activities of \$133.5 million for the three months ended March 31, 2018. The increase resulted primarily from no sales of real estate properties in 2019 compared to \$237.0 million of proceeds from sales in 2018. In addition, cash used for deposits for future real estate acquisitions increased in 2019. The increase was offset by lower cash used for additions to investment in real estate.

Financing Activities

Net cash provided by financing activities increased by \$260.9 million, or 116.4%, to \$36.7 million for the three months ended March 31, 2019 compared to net cash used in financing activities of \$224.2 million for the three months ended March 31, 2018. The change resulted primarily from an increase in proceeds from debt, partially offset by increase in paydowns of debt.

Off-Balance Sheet Arrangements

We currently do not have any off-balance sheet arrangements.

Critical Accounting Policies

Our discussion and analysis of our historical financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires us to make estimates of certain items and judgments as to certain future events, for example with respect to the assignment of the purchase price of an acquired property among land, buildings, improvements, equipment and any related intangible assets and liabilities, or the effect of a property tax reassessment of our properties. These determinations, even though inherently subjective and prone to change, affect the reported amounts of our assets, liabilities, revenues and expenses. While we believe that our estimates are based on reasonable assumptions and judgments at the time they are made, some of our assumptions, estimates and judgments will inevitably prove to be incorrect. As a result, actual outcomes will likely differ from our accruals and those differences—positive or negative—could be material. Some of our accruals are subject to adjustment, as we believe appropriate based on revised estimates and reconciliation to the actual results when available.

Effective January 1, 2019, we adopted ASC 842 which resulted in changes to our critical accounting policy relating to lease accounting. Refer to Part I, Item 1 “Note 2 to our Consolidated Financial Statements—Summary of Significant Accounting Policies,” for information regarding our updated policies as a result of the adoption of ASC 842.

Non-GAAP Supplemental Financial Measure: Funds From Operations

We calculate FFO in accordance with the White Paper issued in December 2018 on FFO approved by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”). The White Paper defines FFO as net income or loss calculated in accordance with GAAP, excluding gains and losses from sales of depreciable real estate, gains and losses from sale of certain real estate assets and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets) and after adjustment for unconsolidated partnerships and joint ventures. The calculation of FFO includes the amortization of deferred revenue related to tenant-funded tenant improvements and excludes the depreciation of the related tenant improvement assets. In the December 2018 White Paper, NAREIT, provided an option to include value changes in mark-to-market equity securities in the calculation of FFO. We elected this option, retroactively during the fourth quarter of 2018. We believe that FFO is a useful supplemental measure of our operating performance. The exclusion from FFO of gains and losses from the sale of operating real estate assets allows investors and analysts to readily identify the operating results of the assets that form the core of our activity and assists in comparing those operating results between periods. Also, because FFO is generally recognized as the industry standard for reporting the operations of REITs, it facilitates comparisons of operating performance to other REITs. However, other REITs may use different methodologies to calculate FFO, and accordingly, our FFO may not be comparable to all other REITs.

Implicit in historical cost accounting for real estate assets in accordance with GAAP is the assumption that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies using historical cost accounting alone to be insufficient. Because FFO excludes depreciation and amortization of real estate assets, we believe that FFO along with the required GAAP presentations provides a more complete measurement of our performance relative to our competitors and a more appropriate basis on which to make decisions involving operating, financing and investing activities than the required GAAP presentations alone would provide. We use FFO per share to calculate annual cash bonuses for certain employees.

However, FFO should not be viewed as an alternative measure of our operating performance because it does not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, which are significant economic costs and could materially impact our results from operations.

The following table presents a reconciliation of net (loss) income to FFO:

	Three Months Ended March 31,	
	2019	2018
Net (loss) income	\$ (36,895)	\$ 52,563
Adjustments:		
Depreciation and amortization	68,505	60,553
Corporate-related depreciation and amortization	(523)	(484)
Gains on sale of real estate	—	(37,674)
Impairment loss	52,201	—
FFO attributable to non-controlling interests	(6,738)	(5,331)
FFO attributable to preferred units	(153)	(159)
FFO TO COMMON STOCKHOLDERS AND UNITHOLDERS	\$ 76,397	\$ 69,468

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information about our market risk is disclosed in Part II, Item 7A, of our 2018 Annual Report on Form 10-K and is incorporated herein by reference. There have been no material changes for the three months ended March 31, 2019 to the information provided in Part II, Item 7A, of our 2018 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures (Hudson Pacific Properties, Inc.)

Hudson Pacific Properties, Inc. maintains disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Hudson Pacific Properties, Inc.'s reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, Hudson Pacific Properties, Inc. carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures as of the end of the period covered by this report.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded, as of that time, that Hudson Pacific Properties, Inc.'s disclosure controls and procedures were effective in providing a reasonable level of assurance that information Hudson Pacific Properties, Inc. is required to disclose in reports that Hudson Pacific Properties, Inc. files under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Disclosure Controls and Procedures (Hudson Pacific Properties, L.P.)

Hudson Pacific Properties, L.P. maintains disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in Hudson Pacific Properties, L.P.'s reports under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, Hudson Pacific Properties, L.P. carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), of the effectiveness of the design and operation of the disclosure controls and procedures as of the end of the period covered by this report.

Based on the foregoing, the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.) concluded, as of that time, that Hudson Pacific Properties, L.P.'s disclosure controls and procedures were effective in providing a reasonable level of assurance that information Hudson Pacific Properties, L.P. is required to disclose in reports that Hudson Pacific Properties, L.P. files under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the sole general partner of Hudson Pacific Properties, L.P.), as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting (Hudson Pacific Properties, Inc.)

There have been no changes that occurred during the first quarter of the year covered by this report in Hudson Pacific Properties, Inc.'s internal control over financial reporting identified in connection with the evaluation referenced above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting (Hudson Pacific Properties, L.P.)

There have been no changes that occurred during the first quarter of the year covered by this report in Hudson Pacific Properties, L.P.'s internal control over financial reporting identified in connection with the evaluation referenced above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to various lawsuits, claims and other legal proceedings arising out of, or incident to, our ordinary course of business. We are not currently a party, as plaintiff or defendant, to any legal proceedings that we believe to be material or that, individually or in the aggregate, would be expected to have a material adverse effect on our business, financial condition, results of operations or cash flows if determined adversely to us.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors included in the section entitled “Risk Factors” in our 2018 Annual Report on Form 10-K. Please review the Risk Factors set forth in our 2018 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Recent Sales of Unregistered Securities:

During the first quarter of 2019, our operating partnership issued partnership units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the first quarter of 2019, the Company issued an aggregate of 128,923 shares of its common stock in connection with restricted stock awards for no cash consideration, out of which 126,880 shares of common stock were forfeited to the Company in connection with restricted stock awards for a net issuance of 2,043 shares of common stock. For each share of common stock issued by the Company in connection with such an award, our operating partnership issued a restricted common unit to the Company as provided in our operating partnership’s partnership agreement. During the first quarter of 2019, our operating partnership issued an aggregate of 128,923 common units to the Company. Additionally, during the first quarter of 2019 our operating partnership issued 169,804 operating partnership performance units pursuant to the 2016 OPP Plan.

All other issuances of unregistered equity securities of our operating partnership during the first quarter of 2019 have previously been disclosed in filings with the SEC. For all issuances of units to the Company, our operating partnership relied on the Company’s status as a publicly traded NYSE-listed company with over \$7.37 billion in total consolidated assets and as our operating partnership’s majority owner and sole general partner as the basis for the exemption under Section 4(a)(2) of the Securities Act.

(b) Use of Proceeds from Registered Securities: None

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers:

During the three months ended March 31, 2019, certain employees surrendered common shares owned by them to satisfy their statutory federal income tax obligation associated with the vesting of restricted common shares of beneficial interest issued under our 2010 Incentive Award Plan.

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The following table summarizes all of the repurchases of the Company equity securities during the first quarter of 2019:

Period	Total Number of Shares Purchased	Average Price Paid Per Share ⁽¹⁾	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number (or Dollar Value) That May Yet Be Purchased Under The Plans or Programs ⁽²⁾
January 1 - January 31, 2019	98,620	\$ 27.95	N/A	N/A
February 1 - February 28, 2019	—	—	N/A	N/A
March 1 - March 31, 2019	28,260	28.33	N/A	N/A
TOTAL	126,880	\$ 28.04	—	\$ 200,000,000

1. The price paid per share is based on the closing price of our common stock, as reported by the NYSE, as of the date of the determination of the statutory federal tax income.
2. On January 20, 2016, our board of directors authorized a share repurchase program to buy up to \$100.0 million of the outstanding common stock of Hudson Pacific Properties, Inc., which our board of directors increased to a total of \$250.0 million on March 8, 2018. The program does not have a termination date, and repurchases may be discontinued at any time.

The following table summarizes all of the repurchases of operating partnership equity securities during the first quarter of 2019:

Period	Total Number of Units Purchased	Average Price Paid Per Unit ⁽¹⁾	Total Number of Units Purchased As Part of Publicly Announced Plans or Programs	Maximum Number (or Dollar Value) That May Yet Be Purchased Under The Plans or Programs ⁽²⁾
January 1 - January 31, 2019	98,620	\$ 27.95	N/A	N/A
February 1 - February 28, 2019	—	—	N/A	N/A
March 1 - March 31, 2019	28,260	28.33	N/A	N/A
TOTAL	126,880	\$ 28.04	—	\$ 200,000,000

1. The price paid per unit is based on the closing price of our common stock, as reported by the NYSE, as of the date of the determination of the statutory federal tax income.
2. On January 20, 2016, our board of directors authorized a share repurchase program to buy up to \$100.0 million of the outstanding common stock of Hudson Pacific Properties, Inc., which our board of directors increased to a total of \$250.0 million on March 8, 2018. The program does not have a termination date, and repurchases may be discontinued at any time. For each share of common stock repurchased pursuant to the program, the operating partnership redeems one common unit from Hudson Pacific Properties, Inc.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description	Incorporated by Reference			
		Form	File No.	Exhibit No.	Filing Date
3.1	Articles of Amendment and Restatement of Hudson Pacific Properties, Inc.	S-11/A	333-164916	3.1	May 12, 2010
3.2	Second Amended and Restated Bylaws of Hudson Pacific Properties, Inc.	8-K	001-34789	3.1	January 12, 2015
3.3	Fourth Amended and Restated Agreement of Limited Partnership of Hudson Pacific Properties, L.P.	10-K	001-34789	10.1	February 26, 2016
3.4	Certificate of Limited Partnership of Hudson Pacific Properties, L.P.	10-Q	001-34789	3.4	November 4, 2016
10.1	Supplemental Indenture No. 2, dated as of February 27, 2019, among Hudson Pacific Properties, L.P., as issuer, Hudson Pacific Properties, Inc., as guarantor, and U.S. Bank National Association, as trustee, including the form of 4.650% Senior Notes due 2029 and the guarantee.	8-K	001-34789	4.2	February 27, 2019
10.2	Indemnification Agreement, dated March 14, 2019, by and between Hudson Pacific Properties, Inc. and Christy Haubegger*			4	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.				
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.				
31.3	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, L.P.				
31.4	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Hudson Pacific Properties, L.P.				
32.1	Certifications by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, Inc.				
32.2	Certifications by Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Hudson Pacific Properties, L.P.				
101	The following financial information from Hudson Pacific Properties, Inc.'s and Hudson Pacific Properties, L.P.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets (unaudited), (ii) Consolidated Statements of Operations (unaudited), (iii) Consolidated Statements of Comprehensive (Loss) Income (unaudited), (iv) Consolidated Statements of Equity (unaudited), (v) Consolidated Statements of Capital (unaudited), (vi) Consolidated Statements of Cash Flows (unaudited) and (vii) Notes to Unaudited Consolidated Financial Statements**				

* Denotes a management contract or compensatory plan or arrangement.

** Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 6, 2019

HUDSON PACIFIC PROPERTIES, INC.

/S/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer (Principal Executive Officer)

Date: May 6, 2019

HUDSON PACIFIC PROPERTIES, INC.

/S/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer
(Principal Financial Officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 6, 2019

HUDSON PACIFIC PROPERTIES, L.P.

/S/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer (Principal Executive Officer)

Date: May 6, 2019

HUDSON PACIFIC PROPERTIES, L.P.

/S/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer
(Principal Financial Officer)

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (“Agreement”) is made and entered into as of the 14th day of March, 2019, by and between Hudson Pacific Properties, Inc., a Maryland corporation (the “Company”), and Christy Haubegger (“Indemnitee”).

WHEREAS, at the request of the Company, Indemnitee currently serves as a director of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of her service; and

WHEREAS, as an inducement to Indemnitee to continue to serve as such director, the Company has agreed to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law; and

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

(a) “Adjudged” shall mean adjudged finally by a court or arbitral or other authority of competent jurisdiction.

(b) “Change in Control” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if, after the Effective Date (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of all of the Company’s then-outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person’s attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board of Directors then in office, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) at any time, a majority of the members of the Board of Directors are not comprised of (A) individuals who were directors as of the Effective Date and/or (B) individuals whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by the affirmative vote of at least two-thirds of the directors

then in office who were directors as of the Effective Date or whose election for nomination for election was previously so approved.

(c) “Corporate Status” means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any Enterprise.

(d) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advance of Expenses is sought by Indemnitee.

(e) “Effective Date” means the date set forth in the first paragraph of this Agreement.

(f) “Enterprise” means any foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise in which Indemnitee is or was serving as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent at the request of the Company. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (i) of which a majority of the voting power or equity interest is owned directly or indirectly by the Company or (ii) the management of which is controlled directly or indirectly by the Company.

(g) “Expenses” means any and all disbursements or expenses incurred by Indemnitee in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding, including, without limitation, reasonable attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and any ERISA excise taxes and penalties. Expenses shall also include (i) expenses incurred in connection with any appeal resulting from any Proceeding including, without limitation, the premium, security for and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent, (ii) expenses incurred in connection with recovery under any directors’ and officers’ liability insurance policies maintained by the Company, regardless of whether the Indemnitee is ultimately determined to be entitled to such indemnification, advancement or expenses or insurance recovery, as the case may be, and (iii) expenses incurred by Indemnitee in establishing or enforcing her right to indemnification or reimbursement under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines or penalties against Indemnitee (other than ERISA excise tax penalties).

(h) “Independent Counsel” means a law firm, or a member of a law firm, that is of outstanding reputation, experienced in matters of corporation law and neither is, nor in the past five years preceding the date of selection has been, retained to represent: (i) the Company or Indemnitee in

any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advance of Expenses hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel.

(i) “Proceeding” means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution procedure, investigation, inquiry, administrative hearing or any other proceeding, whether brought by or in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is, will or might be involved as a party or otherwise, by reason of any action taken by or omission by Indemnitee, or of any action or omission on Indemnitee’s part, in each case in or in connection with Indemnitee’s Corporate Status and whether or not acting or serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement or advancement of Expenses can be provided under this Agreement, except one pending or completed on or before the Effective Date, unless otherwise specifically agreed in writing by the Company and Indemnitee. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding. The term “Proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration or appeal of, and the giving of testimony in or related to, any threatened, pending or completed claim, action, suit or other proceeding, whether of a civil, criminal, administrative or investigative nature.

Section 2. Services by Indemnitee. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce the Indemnitee to serve or continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director. However, this Agreement shall not impose any independent obligation on Indemnitee or the Company to continue Indemnitee’s service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. General. The Company shall indemnify, hold harmless and exonerate, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent not prohibited by (and not merely to the extent affirmatively permitted by) Maryland law in effect on the Effective Date and as amended from time to time; provided, however, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnitee provided in this Section 3 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by Section 2-418(g) of the Maryland General Corporation Law (the “MGCL”).

Section 4. Indemnification. If Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify, hold harmless and exonerate Indemnitee against all judgments, penalties, fines and amounts paid in settlement and all Expenses actually and reasonably incurred by him or on her behalf in connection with any such Proceeding unless (and only to the extent) it is established that (a) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) Indemnitee actually received an improper personal benefit in money, property or services or (c) in the case of any criminal Proceeding, Indemnitee had reasonable cause to believe that the act or omission was unlawful.

Section 5. Certain Limits on Indemnification. Notwithstanding any other provision of this Agreement (other than Section 6), Indemnitee shall not be entitled to:

- (a) indemnification hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is Adjudged to be liable to the Company;
- (b) indemnification hereunder if Indemnitee is Adjudged to be liable on the basis that personal benefit was improperly received in any Proceeding charging improper personal benefit to Indemnitee; or
- (c) indemnification or advance of Expenses hereunder if the Proceeding was brought by Indemnitee unless: (i) the Proceeding was brought to establish or enforce indemnification rights under this Agreement, and then only to the extent in accordance with and as authorized by Section 12 of this Agreement, or (ii) the Company's charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement approved by the Board of Directors to which the Company is a party expressly provide otherwise.

Section 6. Court-Ordered Indemnification. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification in the following circumstances:

- (a) if it determines Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or
- (b) if it determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been Adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper. However, indemnification with respect to any Proceeding by or in the right of the Company or in which liability shall have been Adjudged in the circumstances described in Section 2-418(c) of the MGCL shall be limited to Expenses.

Section 7. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the

extent that Indemnatee was or is made a party to (or otherwise becomes a participant in) any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, Indemnatee shall be indemnified for all Expenses actually and reasonably incurred by her or on her behalf in connection therewith. If Indemnatee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnatee under this Section 7 for all Expenses actually and reasonably incurred by her or on her behalf in connection with each such claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 7 and, without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 8. Advance of Expenses for a Party. If Indemnatee was, is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnatee's ultimate entitlement to indemnification hereunder, advance all reasonable Expenses incurred by or on behalf of Indemnatee in connection with such Proceeding within ten days after the receipt by the Company of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee and shall include or be preceded or accompanied by a written affirmation by Indemnatee of Indemnatee's good faith belief that the standard of conduct necessary for indemnification by the Company as authorized by law and by this Agreement has been met and a written undertaking by or on behalf of Indemnatee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof, to reimburse the portion (if any) of any Expenses advanced to Indemnatee relating to claims, issues or matters in the Proceeding as to which it shall ultimately be established that the standard of conduct has not been met by Indemnatee and which have not been successfully resolved as described in Section 7 of this Agreement. Advances shall be interest-free and unsecured. The undertaking required by this Section 8 shall be an unlimited general obligation by or on behalf of Indemnatee and shall be accepted without reference to Indemnatee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 9. Indemnification and Advance of Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnatee was, is or may be made a witness or otherwise asked to participate in any Proceeding, whether instituted by the Company or any other party, and to which Indemnatee is not a party, he shall be advanced all reasonable Expenses and indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by her or on her behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee. Advances shall be interest-free and unsecured.

Section 10. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnatee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnatee and is reasonably necessary to determine whether and to what

extent Indemnatee is entitled to indemnification. Indemnatee may submit one or more such requests from time to time and at such time(s) as Indemnatee deems appropriate in her sole discretion. The officer of the Company receiving any such request from Indemnatee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnatee has requested indemnification.

(b) Upon written request by Indemnatee for indemnification pursuant to Section 10(a) above, a determination, if required by applicable law, with respect to Indemnatee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnatee, which Independent Counsel shall be selected by the Indemnatee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval will not be unreasonably withheld; or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting entirely of Disinterested Directors or, if such a quorum cannot be obtained, then by a majority vote of a duly authorized committee of the Board of Directors consisting solely of one or more Disinterested Directors, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by the Indemnatee, which approval shall not be unreasonably withheld, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnatee or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within ten days after such determination. Indemnatee shall cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 10(b). Any Expenses incurred by Indemnatee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification) and the Company shall indemnify and hold Indemnatee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement if Indemnatee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, upon a plea of nolo contendere or its equivalent, or entry of an order of probation prior to judgment, does not create a presumption that Indemnatee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any Enterprise shall not be imputed to Indemnatee for purposes of determining any other right to indemnification under this Agreement.

(d) For purposes of any determination as to Indemnatee's entitlement of indemnification, Indemnatee shall be presumed to have met the standard of conduct for indemnification if, among other things and without limitation, Indemnatee relied on any information, opinion, report or statement, including any financial statement or other financial data or the records or books of account of the Company or any other Enterprise, prepared or presented by an officer or employee of the Company or any Enterprise whom Indemnatee reasonably believed to be reliable and competent in the matters presented, by a lawyer, certified public accountant, appraiser or other person or expert, as to a matter which Indemnatee reasonably believed to be within the person's professional or expert competence, or, if Indemnatee was serving on the Board of Directors of the Company or as a member of any similar body of any Enterprise, by a committee of the Board of Directors or such other body on which Indemnatee does not serve, as to a matter within its designated authority, if Indemnatee reasonably believes the committee to merit confidence. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnatee meet, or be presumed to have met, the applicable standard of conduct set forth in this Agreement.

(e) For purposes of this Agreement, Indemnatee shall be considered to have been wholly successful with respect to any Proceeding if such Proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnatee, (ii) it being Adjudged that Indemnatee was liable to the Company, (iii) a plea of guilty by Indemnatee, (iv) it being Adjudged that an act or omission of Indemnatee was material to the matter giving rise to the Proceeding and was (A) committed in bad faith or (B) the result of Indemnatee's active and deliberate dishonesty, (v) it being Adjudged that Indemnatee actually received an improper personal benefit in money, property or services or (vi) with respect to any criminal proceeding, it being Adjudged that Indemnatee had reasonable cause to believe the act or omission was unlawful.

Section 12. Remedies of Indemnatee.

(a) If (i) a determination is made pursuant to Section 10(b) of this Agreement that Indemnatee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Section 8 or Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 7 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the charter or Bylaws of the Company is not made within ten days after a determination

has been made that Indemnatee is entitled to indemnification, Indemnatee shall be entitled to an adjudication in an appropriate court located in the State of Maryland, or in any other court of competent jurisdiction, of her entitlement to such indemnification or advance of Expenses. Alternatively, Indemnatee, at her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnatee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnatee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing clause shall not apply to a proceeding brought by Indemnatee to enforce her rights under Section 7 of this Agreement. Except as set forth herein, the provisions of Maryland law (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnatee's right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 12, Indemnatee shall be presumed to be entitled to indemnification or advance of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnatee is not entitled to indemnification or advance of Expenses, as the case may be. If Indemnatee commences a judicial proceeding or arbitration pursuant to this Section 12, Indemnatee shall not be required to reimburse the Company for any advances pursuant to Section 8 of this Agreement until a final determination is made with respect to Indemnatee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). If Indemnatee commences a judicial proceeding or arbitration pursuant to this Section 12, the Company may not refer to or introduce into evidence any determination pursuant to Section 10(b) of this Agreement adverse to Indemnatee for any purpose and any judicial proceeding or arbitration commenced pursuant to this Article 12 shall be conducted in all respects as a de novo trial or arbitration. The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 10(b) of this Agreement that Indemnatee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification.

(d) In the event that Indemnatee, pursuant to this Section 12, seeks a judicial adjudication of or an award in arbitration to enforce her rights under, or to recover damages for breach of, this Agreement, Indemnatee shall be entitled to advancement from the Company, and shall be indemnified and held harmless by the Company for, any and all Expenses actually and reasonably incurred by her in such judicial adjudication or arbitration in accordance with this Agreement.

(e) Interest shall be paid by the Company to Indemnatee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period commencing with

the date on which the Indemnatee requests indemnification or advancement of Expenses in accordance with this Agreement and ending on the date such payment is made to Indemnatee by the Company.

Section 13. Defense of the Underlying Proceeding.

(a) Indemnatee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnatee from the right, or otherwise affect in any manner any right of Indemnatee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 13(b) and of Section 13(c) below, the Company shall have the right to defend Indemnatee in any Proceeding which may give rise to indemnification hereunder using a law firm of the Company's choice, subject to the prior written approval of the Indemnatee, which shall not be unreasonably withheld; provided, however, that the Company shall notify Indemnatee in writing of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 13(a) above. Indemnatee shall have the right to retain a separate law firm in any such Proceeding at Indemnatee's sole expense. The Company shall not, without the prior written consent of Indemnatee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnatee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnatee, (ii) does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnatee or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnatee. This Section 13(b) shall not apply to a Proceeding brought by Indemnatee under Section 12 of this Agreement, a Proceeding by or in the right of the Company or in the case of clause (ii) of Section 13(c).

(c) Notwithstanding the provisions of Section 13(b) above, if in a Proceeding to which Indemnatee is a party (i) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that she may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnatee reasonably concludes that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnatee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnatee shall be entitled to be represented by separate legal counsel of Indemnatee's choice, subject, except in the case of (ii) or (iii) above, to the prior approval of the Company, which shall not be unreasonably withheld, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnatee the benefits intended to be provided to Indemnatee hereunder, Indemnatee shall have the

right to retain counsel of Indemnatee's choice, at the expense of the Company (subject to Section 12(d) of this Agreement), to represent Indemnatee in connection with any such matter.

Section 14. Jointly Indemnifiable Claims.

(a) Given that certain Jointly Indemnifiable Claims may arise, the Company acknowledges and agrees that the Company shall, and to the extent applicable shall cause any Enterprise to (i) be fully and primarily responsible for, and be the indemnitor of first resort with respect to, payment to or payment on behalf of the Indemnatee in respect of indemnification or advancement of Expenses in connection with any such Jointly Indemnifiable Claim, irrespective of any right of recovery the Indemnatee may have from the Third-Party Indemnitors, and (ii) be required to advance the full amount of Expenses incurred by the Indemnatee and shall be liable for the full amount of all Expenses, judgments, fines, penalties and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law and as required by the terms of this Agreement, without regard to any rights the Indemnatee may have against the Third-Party Indemnitors. Under no circumstance shall the Company or any Enterprise be entitled to, and the Company hereby irrevocably waives, relinquishes and releases, any claims against the Third-Party Indemnitors for subrogation, contribution or recovery of any kind and no right of advancement or recovery the Indemnatee may have from the Third-Party Indemnitors shall reduce or otherwise alter the rights of the Indemnatee or the obligations of the Company or any Enterprise. The Company further agrees that no advancement or payment by any Third-Party Indemnitor on behalf of Indemnatee with respect to any Proceeding for which Indemnatee has sought indemnification, exoneration or hold harmless rights from the Company shall affect the foregoing and the Third-Party Indemnitor(s) shall have a right to receive from the Company, contribution and/or be subrogated, to the extent of such advancement or payment to all of the rights of recovery of Indemnatee against the Company. The Company and the Indemnatee agree that each of the Third-Party Indemnitors shall be third-party beneficiaries with respect to this Agreement entitled to enforce this Section 14 as though each such Third-Party Indemnitor were a party to this Agreement.

(b) For purposes of this Agreement "Third-Party Indemnitor" means any person or entity that has or may in the future provide to the Indemnatee any indemnification, exoneration, hold harmless or Expense advancement rights and/or insurance benefits other than (i) the Company, (ii) any Enterprise and (iii) any entity or entities through which the Company maintains liability insurance applicable to the Indemnatee.

(c) For purposes of this Agreement, "Jointly Indemnifiable Claims" shall mean any Proceeding for which the Indemnatee shall be entitled to indemnification, advancement of expenses or insurance from (i) the Company and/or any Enterprise pursuant to this Agreement, the charter or Bylaws or other governing documents of the Company or any Enterprise, any agreement or a resolution of the stockholders of the Company entitled to vote generally in the election of directors or of the Board of Directors, or otherwise, on the one hand, and (ii) any Third-Party Indemnitor pursuant to any agreement between any Third-Party Indemnitor and the Indemnatee pursuant to which the Indemnatee is indemnified, the laws of the jurisdiction of incorporation or organization of any Third-Party Indemnitor and/or the certificate of incorporation, certificate of organization, bylaws, partnership

agreement, operating agreement, certificate of formation, certificate of limited partnership or other organizational or governing documents of any Third-Party Indemnitor, on the other hand.

Section 15. Non-Exclusivity; Survival of Rights; Subrogation.

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the charter or Bylaws or other governing documents of the Company or any Enterprise, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnitee, no amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in or by reason of her Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) Except as set forth in Section 14, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 16. Insurance. The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnitee or any claim made against Indemnitee by reason of her Corporate Status or by reason of alleged actions or omissions by Indemnitee in such capacity and covering the Company for any indemnification or advance of Expenses made by the Company to Indemnitee for any claims made against Indemnitee by reason of her Corporate Status or by reason of alleged actions or omissions by Indemnitee in such capacity. Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnitee for any payment by Indemnitee arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnitee in connection with a Proceeding over the coverage of any insurance referred to in the previous sentence. The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

Section 17. Coordination of Payments. Except as set forth in Section 14, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 18. Reports to Stockholders. To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advance of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advance of Expenses or prior to such meeting.

Section 19. Duration of Agreement; Binding Effect.

(a) This Agreement shall be effective as of the Effective Date and may apply to acts or omissions of Indemnitee taken in or in connection with Indemnitee's Corporate Status which occurred prior to such date if Indemnitee was an officer, director, employee or agent of the Company or was a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any Enterprise at the time such act or omission occurred.

(b) This Agreement shall continue until and terminate on the later of (i) the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any Enterprise and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement).

(c) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any Enterprise, and shall inure to the benefit of Indemnitee and her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance

hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which she may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 20. Section 409A. It is intended that any indemnification payment or advancement of Expenses made hereunder shall be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder (“Section 409A”) pursuant to Treasury Regulation Section 1.409A-1(b)(10). Notwithstanding the foregoing, if any indemnification payment or advancement of Expenses made hereunder shall be determined to be “nonqualified deferred compensation” within the meaning of Section 409A, then (i) the amount of the indemnification payment or advancement of Expenses during one taxable year shall not affect the amount of the indemnification payments or advancement of Expenses during any other taxable year, (ii) the indemnification payments or advancement of Expenses must be made on or before the last day of the Indemnitee’s taxable year following the year in which the expense was incurred, and (iii) the right to indemnification payments or advancement of Expenses hereunder is not subject to liquidation or exchange for another benefit.

Section 21. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 22. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 25. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

- (a) If to Indemnitee, to the address set forth on the signature page hereto.
- (b) If to the Company, to:

Victor J. Coleman, Chief Executive Officer
Hudson Pacific Properties, Inc.
11601 Wilshire Blvd., Ninth Floor
Los Angeles, California 90025

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 26. Governing Law. The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

Section 27. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HUDSON PACIFIC PROPERTIES, INC.:

By: /s/ Victor J. Coleman
Name: Victor J. Coleman
Title: Chief Executive Officer

INDEMNITEE :

_/s/ Christy Haubegger
Name: Christy Haubegger

EXHIBIT A

FORM OF UNDERTAKING TO REPAY EXPENSES ADVANCED

The Board of Directors of Hudson Pacific Properties, Inc.

Re: Undertaking to Repay Expenses Advanced

Ladies and Gentlemen:

This undertaking is being provided pursuant to that certain Indemnification Agreement dated the ____ day of _____, 20____, by and between Hudson Pacific Properties, Inc., a Maryland corporation (the “Company”), and the undersigned Indemnitee (the “Indemnification Agreement”), pursuant to which I am entitled to advance of Expenses in connection with **[Description of Proceeding]** (the “Proceeding”).

Terms used herein and not otherwise defined shall have the meanings specified in the Indemnification Agreement.

I am subject to the Proceeding by reason of my Corporate Status or by reason of alleged actions or omissions by me in such capacity. I hereby affirm my good belief that at all times, insofar as I was involved as a director of the Company, in any of the facts or events giving rise to the Proceeding, I (1) did not act with bad faith or active or deliberate dishonesty, (2) did not receive any improper personal benefit in money, property or services and (3) in the case of any criminal proceeding, had no reasonable cause to believe that any act or omission by me was unlawful.

In consideration of the advance of Expenses by the Company for reasonable attorneys’ fees and related Expenses incurred by me in connection with the Proceeding (the “Advanced Expenses”), I hereby agree that if, in connection with the Proceeding, it is established that (1) an act or omission by me was material to the matter giving rise to the Proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty or (2) I actually received an improper personal benefit in money, property or services or (3) in the case of any criminal proceeding, I had reasonable cause to believe that the act or omission was unlawful, then I shall promptly reimburse the portion of the Advanced Expenses relating to the claims, issues or matters in the Proceeding as to which the foregoing findings have been established.

IN WITNESS WHEREOF, I have executed this Affirmation and Undertaking on this ____ day of _____, 20____.

Name:

Address:

CERTIFICATION

I, Victor J. Coleman, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, 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: May 6, 2019

/s/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer

CERTIFICATION

I, Mark T. Lammas, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, 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: May 6, 2019

/s/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer

CERTIFICATION

I, Victor J. Coleman, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;
- 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: May 6, 2019

/s/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer

CERTIFICATION

I, Mark T. Lammas, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Hudson Pacific Properties, L.P.;
- 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: May 6, 2019

/s/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Victor J. Coleman, Chief Executive Officer, and Mark T. Lammas, Chief Operating Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) the Quarterly Report on Form 10-Q for the period ended March 31, 2019 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: May 6, 2019

/s/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer

Date: May 6, 2019

/s/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document.

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Victor J. Coleman, Chief Executive Officer, and Mark T. Lammas, Chief Operating Officer and Chief Financial Officer of Hudson Pacific Properties, Inc. in its capacity as sole general partner of Hudson Pacific Properties, L.P. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) the Quarterly Report on Form 10-Q for the period ended March 31, 2019 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: May 6, 2019

/s/ VICTOR J. COLEMAN

Victor J. Coleman
Chief Executive Officer
Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.

Date: May 6, 2019

/s/ MARK T. LAMMAS

Mark T. Lammas
Chief Operating Officer, Chief Financial Officer and Treasurer
Hudson Pacific Properties, Inc., sole general partner of Hudson Pacific Properties, L.P.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document.