

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

September 17, 2018

PEBBLEBROOK HOTEL TRUST

(Exact name of registrant as specified in its charter)

Maryland

001-34571

27-1055421

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

7315 Wisconsin Avenue, 1100 West, Bethesda,
Maryland

20814

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(240) 507-1300

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

On September 18, 2018, Pebblebrook Hotel Trust (“Pebblebrook”), Pebblebrook Hotel, L.P. (“Parent OP”), Ping Merger Sub, LLC (“Merger Sub”), Ping Merger OP, LP (“Merger OP”), LaSalle Hotel Properties (“LaSalle”), LaSalle Hotel Operating Partnership, L.P. (“LaSalle OP”) entered into an amendment (“Amendment No. 1”) to the Agreement and Plan of Merger, dated as of September 6, 2018 (the “Merger Agreement”), by and among Pebblebrook, Pebblebrook OP, Merger Sub, Merger OP, LaSalle and LaSalle OP.

In connection with the execution of Amendment No. 1, Pebblebrook and LaSalle evaluated the number of common shares of beneficial interest, \$0.01 par value per share, of LaSalle (“LaSalle Common Shares”) that could be earned and vested under LaSalle’s outstanding performance-based share award agreements and reviewed the severance payments that would be payable to senior officers of LaSalle upon completion of the mergers contemplated by the Merger Agreement. In connection therewith, Pebblebrook and LaSalle also reviewed a report prepared by consultants of LaSalle that provided a valuation of the non-compete agreements to which certain senior officers of LaSalle would be subject following termination of their employment with LaSalle upon completion of the mergers. On September 18, 2018 Mr. Michael D. Bamello, President and Chief Executive Officer of LaSalle, and Mr. Alfred L. Young, Jr., Executive Vice President and Chief Operating Officer of LaSalle, entered into side letter agreements with Pebblebrook pursuant to which Messrs. Bamello and Young accepted the valuation of their non-compete agreements which would result in a potential severance cost savings to the combined company following the mergers of approximately \$13 million to \$14 million. In consideration of the senior officers’ agreeing to accept the valuation report and in order to avoid uncertainty, Pebblebrook and LaSalle have agreed, and Amendment No. 1 provides, that, immediately prior to the company merger effective time, each of LaSalle’s outstanding performance awards, including those held by LaSalle’s executive officers, will automatically become earned and vested with respect to 180% of the target number of LaSalle Common Shares subject to such performance awards.

The foregoing summary is qualified in its entirety by reference to Amendment No. 1, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is hereby incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On September 17, 2018, Pebblebrook issued a press release announcing that its Board of Trustees (the “Board”) has declared cash dividends per share of its common and preferred shares of beneficial interest.

On September 18, 2018, Pebblebrook and LaSalle issued a joint press release announcing that Pebblebrook has filed with the United States Securities and Exchange Commission (the “SEC”) a registration statement on Form S-4, which includes preliminary joint proxy statement/prospectus, in connection with the previously announced merger and other transactions contemplated by the Merger Agreement.

Copies of the press releases are furnished as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K and are hereby incorporated by reference herein.

Item 8.01. Other Events.

On September 17, 2018, the Board declared a dividend of \$0.38 per share on Pebblebrook’s common shares of beneficial interest, \$0.01 par value per share (“Pebblebrook Common Shares”), for the quarter ending September 30, 2018 (the “Common Dividend”).

On September 17, 2018, the Board also declared a quarterly dividend of \$0.40625 per share on Pebblebrook’s 6.50% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (“Series C Preferred Shares”), for the quarter ending September 30, 2018 (the “Series C Preferred Dividend”).

On September 17, 2018, the Board also declared a quarterly dividend of \$0.39844 per share on Pebblebrook’s 6.375% Series D Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (“Series D Preferred Shares”), for the quarter ending September 30, 2018 (the “Series D Preferred Dividend”).

The Common Dividend is payable on October 15, 2018 to holders of record of Pebblebrook Common Shares as of the close of business on September 28, 2018 (the “Record Date”).

The Series C Preferred Dividend is payable on October 15, 2018 to holders of record of Series C Preferred Shares as of the Record Date. The Series C Preferred Dividend represents a rate of 6.50% per annum of the \$25 per share liquidation preference (equivalent to \$1.625 per annum per share).

The Series D Preferred Dividend is payable on October 15, 2018 to holders of record of Series D Preferred Shares as of the Record Date. The Series D Preferred Dividend represents a rate of 6.375% per annum of the \$25 per share liquidation preference (equivalent to \$1.59375 per annum per share).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Amendment No.1 to the Agreement and Plan of Merger, by and among Pebblebrook Hotel Trust, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P., dated as of September 18, 2018.
99.1	Press release, dated September 18, 2018, regarding the filing of a registration statement on Form S-4 (which includes a preliminary joint proxy statement/prospectus).
99.2	Press release, dated September 17, 2018, regarding the dividends declaration.

Additional Information about the Proposed Merger Transaction and Where to Find It

This communication relates to the proposed merger transaction pursuant to the terms of the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, by and among Pebblebrook, the Operating Partnership, Merger Sub, Merger OP, LaSalle and LaSalle Hotel OP. In connection with the proposed merger transaction, on September 18, 2018 Pebblebrook filed with the SEC a registration statement on Form S-4 (which has not yet been declared effective) that includes a preliminary joint proxy statement of Pebblebrook and LaSalle that also constitutes a prospectus of Pebblebrook, which preliminary joint proxy statement/prospectus, after being filed in definitive form by Pebblebrook will be mailed or otherwise disseminated to Pebblebrook shareholders and LaSalle shareholders when it becomes available. Pebblebrook and LaSalle also plan to file other relevant documents with the SEC regarding the proposed merger transaction. INVESTORS ARE URGED TO READ THE PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER TRANSACTION. You may obtain a free copy of the preliminary joint proxy statement/prospectus and other relevant documents (if and when they become available) filed by Pebblebrook or LaSalle with the SEC at the SEC's website at www.sec.gov. Copies of the documents filed by Pebblebrook with the SEC will be available free of charge on Pebblebrook's website at www.pebblebrookhotels.com or by contacting Pebblebrook's Investor Relations at (240) 507-1330. Copies of the documents filed by LaSalle with the SEC will be available free of charge on LaSalle's website at www.lasallehotels.com or by contacting LaSalle's Investor Relations at (301) 941-1500.

Certain Information Regarding Participants

Pebblebrook and LaSalle and their respective trustees, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger transaction. You can find information about Pebblebrook's executive officers and trustees in Pebblebrook's definitive proxy statement filed with the SEC on April 27, 2018 in connection with Pebblebrook's 2018 annual meeting of shareholders. You can find information about LaSalle's executive officers and directors in LaSalle's definitive proxy statement filed with the SEC on July 30, 2018 in connection with its 2018 special meeting of shareholders. Additional information regarding the interests of such potential participants is included in the preliminary joint proxy statement/prospectus and will be included in other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents from Pebblebrook or LaSalle using the sources indicated above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended (the "Securities Act").

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this communication that are not in the present or past tense or that discuss the expectations of Pebblebrook and/or LaSalle are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements, which are based on

current expectations, estimates and projections about the industry and markets in which Pebblebrook and LaSalle operate and beliefs of and assumptions made by Pebblebrook management and LaSalle management, involve uncertainties that could significantly affect the financial results of Pebblebrook or LaSalle or the combined company. Pebblebrook and LaSalle intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Words such as “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project” and variations of such words and similar expressions are intended to identify such forward looking statements, which generally are not historical in nature. Such forward-looking statements may include, but are not limited to, statements about the anticipated benefits of the proposed merger transaction, including future financial and operating results, the attractiveness of the value to be received by LaSalle shareholders, the attractiveness of the value to be received by Pebblebrook and the combined company’s plans, objectives, expectations and intentions and descriptions relating to these expectations. Other forward-looking statements relate to the payment of the dividends set forth under Item 8.01 above.

All statements that address operating performance, events or developments that Pebblebrook and LaSalle expect or anticipate will occur in the future - including statements relating to expected synergies, improved liquidity and balance sheet strength - are forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Pebblebrook and LaSalle believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, Pebblebrook and LaSalle can give no assurance that their expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) the outcome of any legal proceedings that may be instituted against the companies and others related to the proposed merger transaction, (ii) unanticipated difficulties or expenditures relating to the proposed merger transaction, the response of business partners and competitors to the announcement of the proposed merger transaction, and/or potential difficulties in employee retention as a result of the announcement and pendency of the proposed merger transaction, (iii) changes affecting the real estate industry and changes in financial markets, interest rates and foreign currency exchange rates, (iv) increased or unanticipated competition for the companies’ properties, (v) risks associated with the hotel industry, including competition for guests and meetings from other hotels and alternative lodging companies, increases in wages, energy costs and other operating costs, potential unionization or union disruption, actual or threatened terrorist attacks, any type of flu or disease-related pandemic and downturns in general and local economic conditions, (vi) the availability and terms of financing and capital and the general volatility of securities markets, (vii) the companies’ respective dependence on third-party managers of their respective hotels, including their inability to implement strategic business decisions directly, (viii) risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act of 1990, as amended, and similar laws, (ix) the possible failure of the companies to maintain their respective qualifications as a REIT and the risk of changes in laws affecting REITs, (x) the possibility of uninsured losses, (xi) risks associated with redevelopment and repositioning projects, including delays and cost overruns, (xii) the risk of a material failure, inadequacy, interruption or security failure of the companies’ or their respective hotel managers’ information technology networks and systems, (xiii) risks associated with achieving expected revenue synergies or cost savings, (xiv) risks associated with the companies’ ability to consummate the proposed merger transaction and the timing of the closing of the proposed merger transaction, and (xv) those additional risks and factors discussed in reports filed with the SEC by Pebblebrook and LaSalle from time to time, including those discussed under the heading “Risk Factors” in their respective most recently filed reports on Forms 10-K and 10-Q. Neither Pebblebrook nor LaSalle undertakes any duty to update any forward-looking statements appearing in this document.

SIGNATURES

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

PEBBLEBROOK HOTEL TRUST

September 19, 2018

By: /s/ Raymond D. Martz

Name: Raymond D. Martz

Title: Executive Vice President, Chief Financial Officer, Treasurer and Secretary

**AMENDMENT NO. 1
TO THE
AGREEMENT AND PLAN OF MERGER**

BY AND AMONG:

**PEBBLEBROOK HOTEL TRUST,
PEBBLEBROOK HOTEL, L.P.,
PING MERGER SUB, LLC,
PING MERGER OP, LP,
LASALLE HOTEL PROPERTIES**

and

LASALLE HOTEL OPERATING PARTNERSHIP, L.P.

DATED AS OF SEPTEMBER 18, 2018

THIS AMENDMENT NO. 1 TO THE AGREEMENT AND PLAN OF MERGER, dated as of September 18, 2018 (this “Amendment”), is entered into by and among Pebblebrook Hotel Trust, a Maryland real estate investment trust (“Parent”); Pebblebrook Hotel, L.P., a Delaware limited partnership (“Parent OP”); Ping Merger Sub, LLC, a Maryland limited liability company (“Merger Sub”); Ping Merger OP, LP, a Delaware limited partnership (“Merger OP” and, collectively with Parent, Parent OP and Merger Sub, the “Parent Parties”); LaSalle Hotel Properties, a Maryland real estate investment trust (the “Company”); and LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership and whose sole general partner is the Company (the “Operating Partnership” and, together with the Company, the “Company Parties”). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Agreement and Plan of Merger, dated as of September 6, 2018, by and among the Parent Parties and the Company Parties (the “Merger Agreement”).

WHEREAS, the Board of Trustees of the Company, on behalf of the Company and on behalf of the Company on behalf of the Operating Partnership, and each of the Parent Parties have approved this Amendment;

WHEREAS, the Board of Trustees of the Company recommends the approval of the Merger Agreement, as amended by this Amendment, and the Company Merger by the Company’s shareholders; and

WHEREAS, the parties have agreed to amend the Merger Agreement as provided in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendment of Section 2.10(b). Section 2.10(b) of the Merger Agreement is hereby amended and restated in its entirety to read as follows:

“(b) Treatment of Performance Shares. Immediately prior to the Company Merger Effective Time, each outstanding award of performance shares with respect to Company Common Shares (each, a “**Performance Award**”) granted pursuant to the Company Equity Incentive Plans shall automatically become earned and vested with respect to 180% of the target number of Company Common Shares subject to such Performance Award and thereafter shall be cancelled and, in exchange therefor, each holder of any such cancelled vested Performance Award shall cease to have any rights with respect thereto, except the right to receive, in consideration for the cancellation of such vested Performance Award, such number of earned and vested Company Common Shares, which shall be considered outstanding as of such time for all purposes of this Agreement, and the holders thereof shall only have the right to submit an Election in accordance with the applicable procedures set forth in Section 2.6 and to receive the Merger Consideration with respect to such Company Common Shares pursuant to Section 2.5(a) (less required withholdings as provided in Section 2.13). In addition, on

the Closing Date, the Company shall pay each holder of a Performance Award an amount in cash equal to all accrued and unpaid cash dividends that would have been paid on such earned and vested Performance Awards as if they had been issued and outstanding from the date of grant up to, and including, the Company Merger Effective Time (less required withholdings as provided in Section 2.13).”

2. Amendment of Company Disclosure Schedule. Each of Part 2.10(b) of the Company Disclosure Schedule and Appendix 2.10(b) to the Company Disclosure Schedule is hereby deleted in its entirety.
3. References to the Merger Agreement. After giving effect to this Amendment, each reference in the Merger Agreement to “this Agreement”, “hereof”, “hereunder” or words of like import referring to the Merger Agreement shall refer to the Merger Agreement as amended by this Amendment and all references in the Disclosure Schedules to “the Agreement” and “the Merger Agreement” shall refer to the Merger Agreement as amended by this Amendment.
4. Construction. Except as expressly provided in this Amendment, all references in the Merger Agreement and the Disclosure Schedules to “the date hereof” and “the date of this Agreement” shall refer to September 6, 2018.
5. Other Miscellaneous Terms. The provisions of Article 8 (Miscellaneous Provisions) of the Merger Agreement shall apply *mutatis mutandis* to this Amendment, and to the Merger Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms therein as modified hereby.
6. No Further Amendment. Except as amended hereby, the Merger Agreement, shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

LASALLE HOTEL PROPERTIES

By: /s/ Michael D. Barnello
Name: Michael D. Barnello
Title: *President and Chief Executive Officer*

LASALLE HOTEL OPERATING PARTNERSHIP, L.P., by LASALLE HOTEL PROPERTIES, its general partner

By: /s/ Michael D. Barnello
Name: Michael D. Barnello
Title: *President and Chief Executive Officer*

PEBBLEBROOK HOTEL TRUST

By: /s/ Jon E. Bortz
Name: Jon E. Bortz
Title: *Chairman of the Board, President and Chief Executive Officer*

PEBBLEBROOK HOTEL, L.P., by PEBBLEBROOK HOTEL TRUST, its general partner

By: /s/ Jon E. Bortz
Name: Jon E. Bortz
Title: *Chairman of the Board, President and Chief Executive Officer*

[Signature Page to Amendment No. 1 to Merger Agreement]

PING MERGER SUB, LLC

By: /s/ Jon E. Bortz
Name: Jon E. Bortz
Title: *President and Chief Executive Officer*

PING MERGER OP, LP, by PING MERGER OP GP, LLC, its general partner

By: /s/ Jon E. Bortz
Name: Jon E. Bortz
Title: *President and Chief Executive Officer*

[Signature Page to Amendment No. 1 to Merger Agreement]



News Release

Pebblebrook Hotel Trust Files Registration Statement on Form S-4 with Preliminary Joint Proxy Statement/Prospectus in Connection with Proposed Merger with LaSalle Hotel Properties

Bethesda, MD, September 18, 2018 - Pebblebrook Hotel Trust (NYSE: PEB) ("Pebblebrook") and LaSalle Hotel Properties (NYSE: LHO) ("LaSalle") announced today that Pebblebrook has filed a preliminary joint proxy statement/prospectus as part of a registration statement on Form S-4 with the U.S. Securities and Exchange Commission ("SEC") in connection with Pebblebrook's proposed merger with LaSalle.

While the registration statement has not yet become effective and the information contained therein is subject to change, it provides important information about Pebblebrook's proposed merger with LaSalle. Once the registration statement has been declared effective by the SEC, the final joint proxy statement/prospectus will be mailed to shareholders of Pebblebrook and of LaSalle prior to shareholder votes on the proposed merger. Pebblebrook and LaSalle both anticipate holding special meetings in the fourth quarter of 2018.

As previously announced on September 6, 2018, Pebblebrook has entered into a definitive merger agreement to acquire 100% of LaSalle's outstanding common shares. Under the terms of the merger agreement, for each LaSalle common share owned, each LaSalle shareholder may elect to receive either a fixed amount of \$37.80 in cash or a fixed exchange ratio of 0.92 Pebblebrook common share. A maximum of 30% of the outstanding LaSalle common shares may elect to receive cash (and elections of cash will be subject to pro rata cutbacks if holders of more than 30% of the outstanding LaSalle common shares elect cash).

The transaction, which is subject to customary closing conditions, including approval by LaSalle shareholders and Pebblebrook shareholders, is expected to close in the fourth quarter of 2018.

The registration statement on Form S-4, which includes the preliminary joint proxy statement/prospectus, is available on the SEC's EDGAR system on www.sec.gov and in the Investor Relations section of Pebblebrook's website at investor.pebblebrookhotels.com.

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust is a publicly traded real estate investment trust ("REIT") organized to opportunistically acquire and invest primarily in upper upscale, full-service hotels located in urban markets in major gateway cities. The Company owns 28 hotels, with a total of 6,973 guest rooms. The Company owns hotels located in 9 states and the District of Columbia, including: Los Angeles, California (Beverly Hills, Santa Monica and West Hollywood); San Diego, California; San Francisco, California; Washington, DC; Coral Gables, Florida; Naples, Florida; Buckhead, Georgia; Boston, Massachusetts; Minneapolis, Minnesota; Portland, Oregon; Philadelphia, Pennsylvania; Nashville, Tennessee; Columbia River Gorge, Washington; and Seattle, Washington. For more information, please visit us at www.pebblebrookhotels.com and follow us on Twitter at @PebblebrookPEB.

About LaSalle Hotel Properties

LaSalle Hotel Properties is a leading multi-operator real estate investment trust. LaSalle owns 41 properties, which are upscale, full-service hotels, totaling approximately 10,400 guest rooms in 11 markets in seven states and the District of Columbia. LaSalle focuses on owning, redeveloping and repositioning upscale, full service hotels located in urban, resort and convention markets. LaSalle Hotel Properties seeks to grow through strategic relationships with premier lodging groups, including Access Hotels & Resorts, Accor, Benchmark Hospitality, Davidson Hotel Company, Evolution Hospitality, HEI Hotels & Resorts, Highgate Hotels, Hilton, Hyatt Hotels Corporation, IHG, JRK Hotel Group, Inc., Marriott International, Noble House Hotels & Resorts, Outrigger Lodging Services, Provenance Hotels, Two Roads Hospitality, and Viceroy Hotel Group.

Additional Information about the Proposed Merger Transaction and Where to Find It

This communication relates to the proposed merger transaction pursuant to the terms of the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, by and among Pebblebrook Hotel Trust, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P. In connection with the proposed merger transaction, on September 18, 2018, Pebblebrook filed with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that included a preliminary joint proxy statement/prospectus of Pebblebrook and LaSalle that also constitutes a prospectus of Pebblebrook, which joint proxy statement/prospectus will be mailed or otherwise disseminated to Pebblebrook shareholders and LaSalle shareholders when it becomes available. Pebblebrook and LaSalle also plan to file other relevant documents with the SEC regarding the proposed merger transaction. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER TRANSACTION. You may obtain a free copy of the joint proxy statement/prospectus and other relevant documents (if and when they become available) filed by Pebblebrook or LaSalle with the SEC at the SEC's website at www.sec.gov. Copies of the documents filed by Pebblebrook with the SEC will be available free of charge on Pebblebrook's website at www.pebblebrookhotels.com or by contacting Pebblebrook's Investor Relations at (240) 507-1330. Copies of the documents filed by LaSalle with the SEC will be available free of charge on LaSalle's website at www.lasallehotels.com or by contacting LaSalle's Investor Relations at (301) 941-1500.

Certain Information Regarding Participants

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Cautionary Statement Regarding Forward Looking Statements

Certain statements in this communication that are not in the present or past tense or that discuss the expectations of Pebblebrook and/or LaSalle are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Pebblebrook and LaSalle operate and beliefs of and assumptions made by Pebblebrook management and LaSalle management, involve uncertainties that could significantly affect the financial results of Pebblebrook or LaSalle or the combined company. Pebblebrook and LaSalle intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Words such as "believe," "expect," "intend," "anticipate," "estimate," "project" and variations of such words and similar expressions are intended to identify such forward looking

statements, which generally are not historical in nature. Such forward-looking statements may include, but are not limited to, statements about the anticipated benefits of the proposed merger transaction, including future financial and operating results, the attractiveness of the value to be received by LaSalle shareholders, the attractiveness of the value to be received by Pebblebrook and the combined company's plans, objectives, expectations and intentions and descriptions relating to these expectations.

All statements that address operating performance, events or developments that Pebblebrook and LaSalle expect or anticipate will occur in the future -including statements relating to expected synergies, improved liquidity and balance sheet strength -are forward looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Pebblebrook and LaSalle believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, Pebblebrook and LaSalle can give no assurance that their expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) the outcome of any legal proceedings that may be instituted against the companies and others related to the proposed merger transaction, (ii) unanticipated difficulties or expenditures relating to the proposed merger transaction, the response of business partners and competitors to the announcement of the proposed merger transaction, and/or potential difficulties in employee retention as a result of the announcement and pendency of the proposed merger transaction, (iii) changes affecting the real estate industry and changes in financial markets, interest rates and foreign currency exchange rates, (iv) increased or unanticipated competition for the companies' properties, (v) risks associated with the hotel industry, including competition for guests and meetings from other hotels and alternative lodging companies, increases in wages, energy costs and other operating costs, potential unionization or union disruption, actual or threatened terrorist attacks, any type of flu or disease-related pandemic and downturns in general and local economic conditions, (vi) the availability and terms of financing and capital and the general volatility of securities markets, (vii) the companies' respective dependence on third-party managers of their respective hotels, including their inability to implement strategic business decisions directly, (viii) risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act of 1990, as amended, and similar laws, (ix) the possible failure of the companies to maintain their respective qualifications as a REIT and the risk of changes in laws affecting REITs, (x) the possibility of uninsured losses, (xi) risks associated with redevelopment and repositioning projects, including delays and cost overruns, (xii) the risk of a material failure, inadequacy, interruption or security failure of the companies' or their respective hotel managers' information technology networks and systems, (xiii) risks associated with achieving expected revenue synergies or cost savings, (xiv) risks associated with the companies' ability to consummate the proposed merger transaction and the timing of the closing of the proposed merger transaction, and (xv) those additional risks and factors discussed in reports filed with the SEC by Pebblebrook and LaSalle from time to time, including those discussed under the heading "Risk Factors" in their respective most recently filed reports on Forms 10-K and 10-Q. Neither Pebblebrook nor LaSalle undertakes any duty to update any forward-looking statements appearing in this document.

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Pebblebrook Contacts:

Jon E. Bortz, Chairman and Chief Executive Officer, Pebblebrook Hotel Trust - (240) 507-1300

Raymond D. Martz, Executive Vice President and Chief Financial Officer - (240) 507-1330

Liz Zale, Pam Greene or Stephen Pettibone, Sard Verbinen & Co - (212) 687-8080

Pat McHugh or Jon Einsidler, Okapi Partners - (212) 297-0720 or (855) 305-0855

LaSalle Contacts:

Kenneth G. Fuller, EVP and Chief Financial Officer, LaSalle Hotel Properties - (301) 941-1500

Max D. Leinweber, VP, Finance & Asset Management, LaSalle Hotel Properties - (301) 941-1500

Bob Marese, MacKenzie Partners, Inc. - (212) 929-5405

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News Release

Pebblebrook Hotel Trust Declares Dividends for Third Quarter 2018

Bethesda, MD, September 17, 2018 -- Pebblebrook Hotel Trust (NYSE: PEB) (the "Company") today announced that its Board of Trustees has authorized, and the Company has declared, a quarterly cash dividend of \$0.38 per common share of beneficial interest, to be paid on October 15, 2018 to shareholders of record as of September 28, 2018 (the "Record Date"). The common dividend represents an annualized yield of approximately 4.2 percent based on the closing price of the Company's common shares on September 14, 2018.

The Board of Trustees also authorized, and the Company has declared, a regular quarterly cash dividend of \$0.40625 per share of the Company's 6.50% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest and a regular quarterly cash dividend of \$0.39844 per share of the Company's 6.375% Series D Cumulative Redeemable Preferred Shares of Beneficial Interest, each of which will be paid on October 15, 2018 to shareholders of record as of the Record Date.

About Pebblebrook Hotel Trust

Pebblebrook Hotel Trust is a publicly traded real estate investment trust ("REIT") organized to opportunistically acquire and invest primarily in upper upscale, full-service hotels located in urban markets in major gateway cities. The Company owns 28 hotels, with a total of 6,973 guest rooms. The Company owns hotels located in 9 states and the District of Columbia, including: Los Angeles, California (Beverly Hills, Santa Monica and West Hollywood); San Diego, California; San Francisco, California; Washington, DC; Coral Gables, Florida; Naples, Florida; Buckhead, Georgia; Boston, Massachusetts; Minneapolis, Minnesota; Portland, Oregon; Philadelphia, Pennsylvania; Nashville, Tennessee; Columbia River Gorge, Washington; and Seattle, Washington. For more information, please visit us at www.pebblebrookhotels.com and follow us on Twitter at @PebblebrookPEB.

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will" or other similar words or expressions. These forward-looking statements relate to the payment of the dividends. Forward-looking statements are based on certain assumptions and can include future expectations, future plans and strategies, financial and operating projections or other forward-looking information. These forward-looking statements are subject to various risks and uncertainties, not all of which are known to the Company and many of which are beyond the Company's control, which could cause actual results to differ materially from such statements. These risks and uncertainties include, but are not limited to, the state of the U.S. economy, supply and demand in the hotel industry and other factors as are described in greater detail in the Company's filings with the Securities and Exchange Commission ("SEC"), including, without limitation, the Company's Annual Report on Form 10-K for the year ended December 31, 2017. Unless legally required, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

For information about the Company's business and financial results, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company's SEC filings, including, but not limited to, its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, copies of which may be obtained at the Investor Relations section of the Company's website at www.pebblebrookhotels.com and at www.sec.gov.

All information in this release is as of September 17, 2018. The Company undertakes no duty to update the statements in this release to conform the statements to actual results or changes in the Company's expectations.

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For additional information or to receive press releases via email, please visit our website at www.pebblebrookhotels.com