

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See attachment

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Blank lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature ▶ *Rmj* Date ▶ 1/15/19
 Print your name ▶ RAYMOND D. MARTZ Title ▶ EVP + CHIEF FINANCIAL OFFICER

Paid Preparer Use Only	Print/Type preparer's name Stephen Lawrence	Preparer's signature <i>Stephen Lawrence</i>	Date 01/15/2019	Check <input type="checkbox"/> if self-employed	PTIN P01255335
	Firm's name ▶ Biegel & Waller LLC			Firm's EIN ▶ 52-2078228	
	Firm's address ▶ 10211 Wincopin Circle Columbia, MD 21044			Phone no. 410-997-0335	

Pebblebrook Hotel Trust

EIN: 27-1055421

Attachment to IRS Form 8937 – Part II

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Merger. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. Holders of LaSalle Hotel Properties common stock are encouraged to consult their independent tax advisors regarding the particular consequences of the Merger to them (including the applicability and effect of all federal, state, local and non-U.S. laws) and should carefully read the Proxy Statement, dated September 18, 2018, and filed with the Securities and Exchange Commission, noting especially the discussion under the heading “U.S. Federal Income Tax Consequences”. The information provided herein is subject to such discussion in all respects. The Proxy Statement may be accessed at www.sec.gov.

Item 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

On November 30, 2018, pursuant to the terms and conditions of the previously-announced Agreement and Plan of Merger, dated September 6, 2018, as amended on September 18, 2018 (The “Merger Agreement”), by and among Pebblebrook Hotel Trust (“PEB”), Ping Merger Sub, LLC., a Maryland limited liability company (“Merger Sub”), Ping Merger OP, LP, a Delaware limited partnership (“Merger OP”), LaSalle Hotel Properties (“LHO”), and LaSalle Hotel Operating Partnership, L.P. (“LHO OP”). LHO merged with Merger Sub (the “Company Merger”), with Merger Sub surviving the merger. The combined company after the mergers (the “Combined Company”) will retain the name Pebblebrook Hotel Trust.

In the Merger, each share of LaSalle Hotel Properties common stock issued and outstanding immediately prior to the effective time of the Merger, converted into the right to receive, at the election of the holder (a) 0.92 common shares of PEB (“Share Consideration”) and cash, without interest, in lieu of fractional shares of PEB common stock, or (b) \$37.80 in cash, without interest (“Cash Consideration”); provided that the maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration was limited to 30% of the aggregate number of LaSalle

common shares issued and outstanding immediately prior to the effective time of the mergers and the Cash Consideration was prorated among electing shareholders.

Item 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Company Merger is treated as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences to U.S. holders of LaSalle common shares who receive Pebblebrook common shares and/or cash in connection with the company merger generally will be as follows:

U.S. Holders Who Receive Solely Pebblebrook Common Shares

A U.S. holder will have an aggregate tax basis in the Pebblebrook common shares it receives (including any fractional shares deemed received and exchanged for cash) equal to the U.S. holder's aggregate tax basis in its LaSalle common shares surrendered. The holding period of the Pebblebrook common shares received (including any fractional shares deemed received and exchanged for cash) by a U.S. holder will include the U.S. holder's holding period of the LaSalle common shares surrendered.

If a U.S. holder acquired any of its LaSalle common shares at different prices and/or at different times, such U.S. holder should consult its tax advisors as to the determination of its tax bases and holding periods of the Pebblebrook common shares received.

U.S. Holders Who Receive a Combination of Pebblebrook Common Shares and Cash

A U.S. holder of LaSalle common shares who receives a combination of Pebblebrook common shares and cash (other than cash in lieu of a fractional share of Pebblebrook common shares) pursuant to the Company Merger generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the amount of cash (other than cash received in lieu of a fractional share of Pebblebrook common shares) and the fair market value of the Pebblebrook common shares received, less the adjusted tax basis of the LaSalle common shares surrendered, and (2) the amount of cash received by the U.S. holder (other than cash received in lieu of a fractional share of Pebblebrook common shares).

There are several possible methods for determining the fair market values of PEB common shares. One possible approach is to use the average of the high and low trading prices on the merger date as an indication of the fair market value. Other approaches to determine fair market value may also be possible. A U.S. holder is not bound by the approach mentioned above and may, in consultation with its tax advisor, use another approach in determining fair market value for PEB common shares.

Item 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

For U.S. federal income tax purposes, the aggregate tax basis of the Pebblebrook common stock received in the Merger generally will equal the tax basis of the LHO common stock surrendered as of the completion of the merger, adjusted for gain recognized and reduced by any cash received. See item 15, above, for additional discussion.

Item 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

In general, the U.S. federal income tax treatment described above is based on Sections 356, 358, 368, 1001, 1012 and 1221 of the Code.

Item 18 – Can any resulting loss be recognized?

N/A and No

Item 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Merger was completed on November 30, 2018. For a LaSalle shareholder whose taxable year is the calendar year, the reportable year is 2018.

Part II Organizational Action (continued)

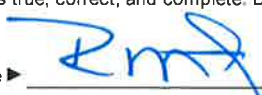
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18 Can any resulting loss be recognized? ▶ See attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1/15/19

Print your name ▶ RAYMOND D. MARTZ Title ▶ EMP + CHIEF FINANCIAL OFFICER

Paid Preparer Use Only

Print/Type preparer's name Stephen Lawrence	Preparer's signature <i>Stephen Lawrence</i>	Date 01/15/2019	Check <input type="checkbox"/> if self-employed	PTIN P01255335
Firm's name ▶ Biegel & Waller LLP			Firm's EIN ▶ 52-2078228	
Firm's address ▶ 10211 Wincopin Circle Columbia, MD 21044			Phone no. 410-997-0335	

Pebblebrook Hotel Trust

EIN: 27-1055421

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Item 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

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In the Merger, each 6.375% Series I Cumulative Redeemable Preferred Share of Beneficial Interest, \$0.01 par value per share (“LaSalle Series I Preferred Shares”), issued and outstanding immediately prior to the effective time of the Merger, converted into the right to receive one share of a newly designated class of preferred shares of Pebblebrook, the 6.375% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (“Pebblebrook Series E Preferred

Shares”), with the same rights, privileges and preferences as the LaSalle Series I Preferred Shares.

Item 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Company Merger is treated as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences to U.S. holders of LaSalle Series I Preferred Shares who receive Pebblebrook Series E Preferred Shares in connection with the company merger generally will be as follows:

U.S. Holders Who Receive Solely Pebblebrook Series E Preferred Shares

A U.S. holder will have an aggregate tax basis in the Pebblebrook Series E Preferred Shares it receives equal to the U.S. holder's aggregate tax basis in its LaSalle Series I Preferred Shares surrendered. The holding period of the Pebblebrook Series E Preferred Shares received by a U.S. holder will include the U.S. holder's holding period of the LaSalle Series I Preferred Shares surrendered.

If a U.S. holder acquired any of its LaSalle Series I Preferred Shares at different prices and/or at different times, such U.S. holder should consult its tax advisors as to the determination of its tax bases and holding periods of the Pebblebrook Series E Preferred Shares received.

Item 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

For U.S. federal income tax purposes, the aggregate tax basis of the Pebblebrook Series E Preferred Shares received in the Merger generally will equal the tax basis of the LHO Series I Preferred Shares surrendered as of the completion of the merger. See item 15, above, for additional discussion.

Item 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

In general, the U.S. federal income tax treatment described above is based on Sections 356, 358, 368 and 1012 of the Code.

Item 18 – *Can any resulting loss be recognized?*

N/A

Item 19 – *Provide any other information necessary to implement the adjustment, such as the reportable tax year.*

The Merger was completed on November 30, 2018. For a LaSalle shareholder whose taxable year is the calendar year, the reportable year is 2018.


Part II Organizational Action (continued)

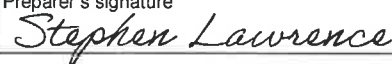
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18 Can any resulting loss be recognized? ▶ See attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 1/15/19
Print your name ▶ RAYMOND D. MARTZ Title ▶ V.P. AND CHIEF FINANCIAL OFFICER

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Stephen Lawrence		01/15/2019		P01255335
	Firm's name ▶ Biegel & Waller LLP	Firm's EIN ▶ 52-2078228		Phone no. 410-997-0335	
Firm's address ▶ 10211 Wincopin Circle Columbia, MD 21044					

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In the Merger, each 6.3% Series J Cumulative Redeemable Preferred Share of Beneficial Interest, \$0.01 par value per share (“LaSalle Series J Preferred Shares”), issued and outstanding immediately prior to the effective time of the Merger, converted into the right to receive one share of a newly designated class of preferred shares of Pebblebrook, the 6.3% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (“Pebblebrook Series F Preferred Shares”), with the same rights, privileges and preferences as the LaSalle Series J Preferred Shares.

Item 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

The Company Merger is treated as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences to U.S. holders of LaSalle Series J Preferred Shares who receive Pebblebrook Series F Preferred Shares in connection with the company merger generally will be as follows:

U.S. Holders Who Receive Solely Pebblebrook Series F Preferred Shares

A U.S. holder will have an aggregate tax basis in the Pebblebrook Series F Preferred Shares it receives equal to the U.S. holder's aggregate tax basis in its LaSalle Series J Preferred Shares surrendered. The holding period of the Pebblebrook Series F Preferred Shares received by a U.S. holder will include the U.S. holder's holding period of the LaSalle Series J Preferred Shares surrendered.

If a U.S. holder acquired any of its LaSalle Series J Preferred Shares at different prices and/or at different times, such U.S. holder should consult its tax advisors as to the determination of its tax bases and holding periods of the Pebblebrook Series F Preferred Shares received.

Item 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

For U.S. federal income tax purposes, the aggregate tax basis of the Pebblebrook Series F Preferred Shares received in the Merger generally will equal the tax basis of the LHO Series J Preferred Shares surrendered as of the completion of the merger. See item 15, above, for additional discussion.

Item 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

In general, the U.S. federal income tax treatment described above is based on Sections 356, 358, 368 and 1012 of the Code.

Item 18 – *Can any resulting loss be recognized?*

N/A

Item 19 – *Provide any other information necessary to implement the adjustment, such as the reportable tax year.*

The Merger was completed on November 30, 2018. For a LaSalle shareholder whose taxable year is the calendar year, the reportable year is 2018.