

Pebblebrook Hotel Trust
Form S-4
September 18, 2018

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As filed with the Securities and Exchange Commission on September 18, 2018

Registration No. 333-

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

**FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Pebblebrook Hotel Trust

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

6798
(Primary Standard Industrial
Classification Code Number)
**7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland, 20814
(240) 507-1300**

27-1055421
(I.R.S. Employer
Identification Number)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jon E. Bortz
Chairman, President and Chief Executive Officer
**7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland, 20814
(240) 507-1300**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

David C. Wright, Esq.
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Goodwin Procter LLP
100 Northern Avenue
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Approximate date of commencement of proposed sale of the securities to the public:

As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the completion of the

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mergers described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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. (Check one):

Large Accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Issuer Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common shares of beneficial interest, \$0.01 par value per share	102,403,096 shares(1)	N/A	\$3,513,962,239(2)	\$437,488
6.375% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share	4,400,000 shares	N/A	\$109,648,000(3)	\$13,651
6.3% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share	6,000,000 shares	N/A	\$147,753,000(4)	\$18,395

(1) Represents the estimated maximum number of common shares of beneficial interest, \$0.01 par value per share, of Pebblebrook Hotel Trust ("Pebblebrook") ("Pebblebrook Common Shares"), to be issued in connection with the mergers described in this registration statement. The number of Pebblebrook Common Shares to be registered is the product of (a) 111,307,713 common shares of beneficial interest, \$.01 par value per share, of LaSalle Hotel Properties ("LaSalle") ("LaSalle Common Shares"), which is the sum of (i) the total number of LaSalle Common Shares issued and outstanding as of September 6, 2018 plus (ii) the maximum number of additional LaSalle Common Shares that may become outstanding immediately prior to the effective time of the mergers pursuant to the merger agreement and the vesting provisions of certain performance-based equity awards plus (iii) the number of common units of LaSalle Hotel Operating Partnership, L.P. ("LaSalle OP") ("LaSalle OP Common Units") that may be cancelled and converted into the right to receive LaSalle Common Shares plus (iv) the number of deferred LaSalle Common Shares subject to equity awards that will vest immediately prior to the effective time of the mergers pursuant to the merger agreement, minus (v) the number of LaSalle Common Shares held by Pebblebrook, which will be cancelled in connection with the mergers; and (b) the exchange ratio of 0.92 (the number of Pebblebrook Common Shares that a holder of LaSalle Common Shares is entitled to receive for each LaSalle Common Share so held).

(2)

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Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended ("Securities Act"), and calculated pursuant to Rules 457(f) and 457(c) under the Securities Act. Calculated based upon the market value of LaSalle Common Shares (the securities to be converted in the mergers) in accordance with Rule 457(c) under the Securities Act as follows: the average of the high and low prices per LaSalle Common Share on September 17, 2018, as quoted on the New York Stock Exchange.

- (3) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f) and 457(c) under the Securities Act. Calculated based upon the market value of 6.375% Series I Cumulative Redeemable Preferred Shares, \$.01 par value per share, of LaSalle ("LaSalle Series I Preferred Shares") (the securities to be converted in the mergers) in accordance with Rule 457(c) under the Securities Act as follows: the average of the high and low prices per LaSalle Series I Preferred Share on September 17, 2018, as quoted on the New York Stock Exchange.
- (4) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f) and 457(c) under the Securities Act. Calculated based upon the market value of 6.3% Series J Cumulative Redeemable Preferred Shares, \$.01 par value per share, of LaSalle ("LaSalle Series J Preferred Shares") (the securities to be converted in the mergers) in accordance with Rule 457(c) under the Securities Act as follows: the average of the high and low prices per LaSalle Series J Preferred Share on September 17, 2018, as quoted on the New York Stock Exchange.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Pebblebrook Hotel Trust may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities nor should it be considered a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED SEPTEMBER 18, 2018

JOINT PROXY STATEMENT/PROSPECTUS

To the shareholders of Pebblebrook Hotel Trust and the shareholders of LaSalle Hotel Properties:

Each of the Board of Trustees of Pebblebrook Hotel Trust and the Board of Trustees of LaSalle Hotel Properties has approved an Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook Hotel Trust, a Maryland real estate investment trust, which we refer to as Pebblebrook; Pebblebrook Hotel, L.P., a Delaware limited partnership, which we refer to as Pebblebrook OP; Ping Merger Sub, LLC, a Maryland limited liability company, which we refer to as Merger Sub; Ping Merger OP, LP, a Delaware limited partnership, which we refer to as Merger OP and, collectively with Pebblebrook, Pebblebrook OP and Merger Sub, the Pebblebrook parties; LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle; and LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership, which we refer to as LaSalle OP and, together with LaSalle, the LaSalle parties. Pursuant to the merger agreement, Pebblebrook and LaSalle will combine through (i) a merger of LaSalle with and into Merger Sub, with Merger Sub surviving the merger, which we refer to as the company merger, and (ii) a merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as the surviving partnership, which we refer to as the partnership merger, and together with the company merger, the mergers. The combined company after the mergers, which we refer to as the combined company, will retain the name "Pebblebrook Hotel Trust" and its common shares will continue to trade on the New York Stock Exchange, or the NYSE, under the symbol "PEB". The obligations of Pebblebrook and LaSalle to complete the mergers are subject to the satisfaction or waiver of certain customary conditions (including the applicable approvals of each company's shareholders), which are set forth in the merger agreement.

If the company merger is completed pursuant to the merger agreement, (i) each of the common shares of beneficial interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle common shares, outstanding immediately prior to the effective time of the company merger, will convert into the right to receive, at the election of the holder (a) 0.92 common shares of beneficial interest, \$.01 par value per share, of Pebblebrook, which we refer to as Pebblebrook common shares, which we refer to as the share consideration, or (b) \$37.80 in cash, which we refer to as the cash consideration and, together with the share consideration, the merger consideration; (ii) each 6.375% Series I Cumulative Redeemable Preferred Share of Beneficial Interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle Series I preferred shares, will convert 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, \$.01 par value per share, which we refer to as the Pebblebrook Series E preferred shares, with the same rights, privileges and preferences as the LaSalle Series I preferred shares; and (iii) each 6.3% Series J Cumulative Redeemable Preferred Share of Beneficial Interest, \$.01 par value per share, of LaSalle, which we refer to as LaSalle Series J preferred shares, will convert 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, \$.01 par value per share, which we refer to as the Pebblebrook Series F preferred shares, with the same rights, privileges and preferences as the LaSalle Series J preferred shares. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger. LaSalle common shares held by Pebblebrook will be cancelled at the effective time of the company merger and are not eligible to be converted into the right to receive the cash consideration.

If the partnership merger is completed pursuant to the merger agreement, each common unit of LaSalle OP outstanding immediately prior to the effective time of the partnership merger will be converted into the right to receive 0.92 common units of Pebblebrook OP, or, in the alternative, each limited partner (excluding LaSalle and its affiliates) holding such LaSalle OP common units may elect to redeem such units and receive the share consideration in exchange for each common unit.

In connection with the mergers, we anticipate that Pebblebrook will issue a total of approximately [•] Pebblebrook common shares, including (i) [•] Pebblebrook common shares in exchange for the LaSalle common shares in the company merger, which assumes that no LaSalle shareholder elects to receive the cash consideration, and (ii) [•] Pebblebrook common shares if all of the limited partners of LaSalle OP (excluding LaSalle and its affiliates) elect to receive Pebblebrook common shares instead of Pebblebrook OP common units in connection with the partnership merger. Upon completion of the mergers, we estimate that continuing Pebblebrook shareholders will own approximately [•]% of the issued and outstanding common shares of the combined company and that former LaSalle security holders will own approximately [•]% of the issued and outstanding common shares of the combined company, assuming that no LaSalle shareholders elect to receive the cash consideration and assuming all of the limited partners of LaSalle OP (excluding LaSalle and its affiliates) elect to receive Pebblebrook common shares instead of Pebblebrook OP common units. However, if LaSalle shareholders elect to receive the maximum cash consideration, we estimate that continuing Pebblebrook shareholders will own approximately [•]% of the issued and outstanding common shares of the combined company and that former LaSalle security holders will own approximately [•]% of the issued and outstanding common shares of the combined company.

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In connection with the proposed mergers, Pebblebrook and LaSalle will each hold a special meeting of its shareholders. At the special meeting of Pebblebrook shareholders, which we refer to as the Pebblebrook special meeting, Pebblebrook shareholders will be asked to vote on (i) a proposal to approve the issuance of Pebblebrook common shares to LaSalle shareholders pursuant to the merger agreement and (ii) a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers. At the special meeting of the LaSalle shareholders, which we refer to as the LaSalle special meeting, LaSalle shareholders will be asked to vote on (i) a proposal to approve the company merger and the other transactions contemplated by the merger agreement, (ii) an advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of LaSalle in connection with the mergers and (iii) a proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

The record date for determining the shareholders entitled to receive notice of, and to vote at, the Pebblebrook special meeting and the LaSalle special meeting is [•], 2018. The mergers cannot be completed unless, among other matters, (i) LaSalle shareholders approve the company merger and the other transactions contemplated by the merger agreement by the affirmative vote of the holders of at least 66²/₃% of the outstanding LaSalle common shares as of the record date and (ii) Pebblebrook shareholders approve the issuance of Pebblebrook common shares in connection with the mergers by the affirmative vote of the holders of a majority of all votes cast on such proposal.

Pebblebrook's Board of Trustees, which we refer to as the Pebblebrook Board, has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of Pebblebrook common shares pursuant to the merger agreement, are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. **The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "FOR" the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers and "FOR" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers.**

LaSalle's Board of Trustees, which we refer to as the LaSalle Board, by a unanimous vote of all the trustees present (with only Stuart L. Scott not in attendance due to his hospitalization) (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and its shareholders, (ii) authorized and approved each of the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement. **The LaSalle Board recommends that LaSalle shareholders vote "FOR" the proposal to approve the company merger and the other transactions contemplated by the merger agreement, "FOR" the advisory (non-binding) proposal to approve certain compensation that may be paid or become payable to the named executive officers of LaSalle in connection with the mergers and "FOR" the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.**

This joint proxy statement/prospectus contains important information about Pebblebrook, LaSalle, the mergers, the merger agreement and the special meetings. This document is also a prospectus relating to the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares that will be issued to LaSalle shareholders pursuant to the merger agreement. **We encourage you to read this joint proxy statement/prospectus carefully before voting, including the section entitled "Risk Factors" beginning on page 50.**

Your vote is very important, regardless of the number of Pebblebrook common shares and/or LaSalle common shares you own. Whether or not you plan to attend the Pebblebrook special meeting or the LaSalle special meeting, as applicable, please submit a proxy to vote your shares as promptly as possible to make sure that your Pebblebrook common shares and/or LaSalle common shares, as applicable, are represented at the applicable special meeting. Please review this joint proxy statement/prospectus for more complete information regarding the mergers, the Pebblebrook special meeting and the LaSalle special meeting.

Sincerely,

Jon E. Bortz
Chairman, President and Chief Executive Officer
Pebblebrook Hotel Trust

Michael D. Barnello
President and Chief Executive Officer
LaSalle Hotel Properties

Neither the Securities and Exchange Commission, nor any state securities regulatory authority has approved or disapproved of the mergers or the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [•], 2018, and is first being mailed to Pebblebrook shareholders and LaSalle shareholders on or about [•], 2018.

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Pebblebrook Hotel Trust

7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland 20814
(240) 507-1300

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [•], 2018**

To the shareholders of Pebblebrook Hotel Trust:

A special meeting of the shareholders of Pebblebrook Hotel Trust, a Maryland real estate investment trust, which we refer to as Pebblebrook, will be held on [•], [•], 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102, for the following purposes:

1. To consider and vote on a proposal to approve the issuance of Pebblebrook common shares to the holders of common shares of LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle and certain holders of common units of LaSalle Hotel Operating Partnership, L.P., which we refer to as LaSalle OP, pursuant to the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle and LaSalle OP (a copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice); and
2. To consider and vote on a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Pebblebrook does not expect to transact any other business at the Pebblebrook special meeting or any adjournment or postponement thereof. Please refer to the attached joint proxy statement/prospectus for further information with respect to the business to be transacted at the Pebblebrook special meeting. Pebblebrook's Board of Trustees, which we refer to as the Pebblebrook Board, has fixed the close of business on [•], 2018 as the record date for determination of Pebblebrook shareholders entitled to receive notice of, and to vote at, the Pebblebrook special meeting and any adjournment thereof. Only holders of record of Pebblebrook common shares as of the close of business on the record date are entitled to receive notice of, and to vote at, the Pebblebrook special meeting.

Approval of each of the proposals to be considered at the Pebblebrook special meeting requires the affirmative vote of at least a majority of all votes cast by the holders of outstanding Pebblebrook common shares entitled to vote on each proposal. If you do not vote on the proposals this will have no effect on the result of the votes on such proposals. **The company merger cannot be completed without the approval by Pebblebrook shareholders of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.**

The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement.

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The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "FOR" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "FOR" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the Pebblebrook special meeting, please submit a proxy to vote your Pebblebrook common shares as promptly as possible to make sure that your Pebblebrook common shares are represented at the Pebblebrook special meeting. If Pebblebrook shareholders of record return properly executed proxies but do not indicate how their Pebblebrook common shares should be voted on a proposal, the Pebblebrook common shares represented by such properly executed proxy will be voted as the Pebblebrook Board recommends and, therefore, **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. Even if you plan to attend the Pebblebrook special meeting in person, we urge you to submit your proxy as promptly as possible by (1) accessing the website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) completing, signing, dating and returning the enclosed proxy card in the accompanying postage-paid envelope prior to the Pebblebrook special meeting to ensure that your Pebblebrook common shares will be represented and voted at the Pebblebrook special meeting.

To submit a proxy, complete, sign, date and mail your proxy card in the postage-paid envelope provided or, if the option is available to you, call the toll-free telephone number listed on your proxy card or use the Internet as described in the instructions on the accompanying proxy card to submit your proxy. Submitting a proxy will assure that your vote is counted at the Pebblebrook special meeting if you do not attend in person. If your Pebblebrook common shares are held in "street name" by your broker or other nominee, only your broker or other nominee can vote your Pebblebrook common shares, but the vote cannot be cast unless (1) you provide instructions to your broker or other nominee on how to vote or (2) you obtain a legal proxy from your broker or other nominee. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to vote your Pebblebrook common shares. You may revoke your proxy at any time before it is voted. Please review the joint proxy statement/prospectus accompanying this notice for more complete information regarding the mergers and the Pebblebrook special meeting.

This notice and the enclosed joint proxy statement/prospectus are first being mailed to Pebblebrook shareholders on or about [•], 2018. If you have any questions or need assistance in submitting a proxy or your voting instructions, please call Pebblebrook's proxy solicitor, Okapi Partners LLC, toll-free at (855) 305-0855.

By Order of the Board of Trustees of
Pebblebrook Hotel Trust

Raymond D. Martz
*Executive Vice President, Chief Financial
Officer, Treasurer and Secretary*

Bethesda, Maryland
[•], 2018

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LaSalle Hotel Properties

7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
(301) 941-1500

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON [•], 2018

To the shareholders of LaSalle Hotel Properties:

Holders of common shares of beneficial interest of LaSalle Hotel Properties, a Maryland real estate investment trust, which we refer to as LaSalle, are cordially invited to attend a special meeting of shareholders of LaSalle to be held on [•], 2018 at [•], local time, at [•]. The LaSalle special meeting is being held for the purpose of acting on the following matters:

1. To consider and vote on a proposal to approve the merger of LaSalle with and into Ping Merger Sub, LLC, which we refer to as the company merger, and the other transactions contemplated by the Agreement and Plan of Merger, dated as of September 6, 2018, as amended on September 18, 2018, and as it may be amended from time to time, which we refer to as the merger agreement, by and among Pebblebrook Hotel Trust, Pebblebrook Hotel, L.P., Ping Merger Sub, LLC, Ping Merger OP, LP, LaSalle and LaSalle Hotel Operating Partnership, L.P., which we refer to as the merger proposal;
2. To consider and vote on a proposal to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to LaSalle's named executive officers that is based on or otherwise relates to the company merger, which we refer to as the LaSalle advisory (non-binding) proposal on specified compensation; and
3. To consider and vote on a proposal to approve any adjournment of the LaSalle special meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the LaSalle special meeting to approve the company merger and the other transactions contemplated by the merger agreement, which we refer to as the LaSalle adjournment proposal.

The foregoing items of business are more fully described in the attached joint proxy statement/prospectus, which forms a part of this notice and is incorporated herein by reference. Pursuant to LaSalle's bylaws, no business may be transacted at the LaSalle special meeting except as specifically designated in this Notice of Special Meeting. The board of trustees of LaSalle, which we refer to as the LaSalle Board, has fixed the close of business on [•], 2018 as the record date for the determination of LaSalle shareholders entitled to notice of and to vote at the LaSalle special meeting or any postponement or adjournment thereof.

The LaSalle Board has (1) approved the merger agreement, the company merger and the other transactions contemplated by the merger agreement, (2) determined and declared that the merger agreement, the company merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle, its shareholders and the limited partners of LaSalle Hotel Operating Partnership, L.P. and (3) resolved to recommend that the LaSalle shareholders approve the company merger and the other transactions contemplated by the merger agreement. The LaSalle Board recommends that you vote "FOR" the merger proposal, "FOR" the LaSalle advisory (non-binding) proposal on specified compensation and "FOR" the LaSalle adjournment proposal.

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All holders of record of LaSalle common shares and LaSalle preferred shares as of the record date, which was the close of business on [•], 2018, are entitled to receive notice of the LaSalle special meeting or any postponement or adjournment of the LaSalle special meeting. However, only holders of LaSalle common shares as of the record date are entitled to attend and to vote at the LaSalle special meeting or any postponement or adjournment of the LaSalle special meeting. Holders of LaSalle preferred shares are entitled to notice of the LaSalle special meeting, but are not entitled to attend or to vote at the LaSalle special meeting, and no vote or proxy is being solicited from the holders of LaSalle preferred shares.

YOUR VOTE IS IMPORTANT

The merger and the other transactions contemplated by the merger agreement must be approved by the affirmative vote of the holders of at least $66\frac{2}{3}\%$ of LaSalle's outstanding common shares as of the record date for the LaSalle special meeting. **Accordingly, your vote is very important regardless of the number of LaSalle common shares that you own.** Whether or not you plan to attend the LaSalle special meeting, LaSalle requests that you authorize your proxy to vote your LaSalle common shares by either marking, signing, dating and promptly returning the enclosed LaSalle proxy card in the postage-paid envelope or authorizing your proxy or voting instructions by telephone or through the Internet. If you attend the LaSalle special meeting, you may continue to have your LaSalle common shares voted as instructed in the proxy, or you may withdraw your proxy at the LaSalle special meeting and vote your LaSalle common shares in person. **If you fail to vote by proxy or in person, or fail to instruct your broker or other nominee on how to vote, the effect will be that your LaSalle common shares will not be counted for purposes of determining whether a quorum is present at the LaSalle special meeting and will have the same effect as a vote "AGAINST" the merger proposal.**

The approval of the LaSalle advisory (non-binding) proposal on specified compensation and the approval of the LaSalle adjournment proposal each requires the affirmative vote of a majority of the votes cast on the proposal. If you fail to vote by proxy or in person, or fail to instruct your broker or other nominee on how to vote, such failure will have no effect on the outcome of such proposals. Abstentions are not considered votes cast and therefore will have no effect on the outcome of such proposals.

Any proxy may be revoked at any time prior to its exercise by delivery of a properly executed, later-dated LaSalle proxy card, by authorizing your proxy or voting instructions by telephone or through the Internet at a later date than your previously authorized proxy, by submitting a written revocation of your proxy to LaSalle's Corporate Secretary, or by voting in person at the LaSalle special meeting. Attendance alone will not be sufficient to revoke a previously authorized proxy.

Under Maryland law, because LaSalle common shares were listed on the New York Stock Exchange at the close of business on the record date, you do not have any appraisal rights, dissenters' rights or the rights of an objecting shareholder in connection with the company merger. In addition, LaSalle common shareholders may not exercise any appraisal rights, dissenters' rights or the rights of an objecting shareholder to receive the fair value of the shareholder's LaSalle common shares in connection with the merger because, as permitted by Maryland law, LaSalle's declaration of trust provides that LaSalle shareholders are not entitled to exercise such rights unless expressly required by the Maryland REIT Law.

LaSalle encourages you to read the accompanying joint proxy statement/prospectus carefully and in its entirety and to submit a proxy or voting instructions so that your LaSalle common shares will be represented and voted even if you do not attend the LaSalle special meeting. If you have any questions or need assistance in submitting a proxy or your voting instructions, please call LaSalle's proxy solicitor, MacKenzie Partners, Inc., toll-free at (800) 322-2885.

By Order of the Board of Trustees of
LaSalle Hotel Properties

Michael D. Barnello
President and Chief Executive Officer

Bethesda, Maryland
[•], 2018

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Pebblebrook and LaSalle from other documents that are not included in or delivered with this joint proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

Documents incorporated by reference into this joint proxy statement/prospectus are also available to Pebblebrook shareholders and LaSalle shareholders without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Pebblebrook Hotel Trust
7315 Wisconsin Avenue, Suite 1100 West,
Bethesda, Maryland 20814
Attention: Investor Relations
(240) 507-1300
www.pebblebrookhotels.com

LaSalle Hotel Properties
7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
Attention: Investor Relations
(301) 941-1500
www.lasallehotels.com

To receive timely delivery of the requested documents in advance of the special meetings, you should make your request before [•], 2018.

ABOUT THIS DOCUMENT

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Pebblebrook (File No. 333-[•]) with the United States Securities and Exchange Commission, which we refer to as the SEC, constitutes a prospectus of Pebblebrook for purposes of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the Pebblebrook common shares, Pebblebrook Series E preferred shares and Pebblebrook Series F preferred shares to be issued to LaSalle shareholders in exchange for LaSalle common shares, LaSalle Series I preferred shares and LaSalle Series J preferred shares as well as any limited partner of LaSalle OP who elects to receive Pebblebrook common shares, as applicable, pursuant to the merger agreement. This joint proxy statement/prospectus also constitutes a proxy statement for each of Pebblebrook and LaSalle for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. In addition, it constitutes a notice of meeting with respect to the Pebblebrook special meeting and a notice of meeting with respect to the LaSalle special meeting.

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from such information. This joint proxy statement/prospectus is dated [•], 2018. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/prospectus is accurate as of any date other than that date or the date of the information incorporated into this joint proxy statement/prospectus, respectively. Neither our mailing of this joint proxy statement/prospectus to Pebblebrook shareholders and LaSalle shareholders nor the issuance of Pebblebrook common shares or Pebblebrook preferred shares to LaSalle shareholders and the limited partners of LaSalle OP (other than LaSalle and its affiliates) pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding Pebblebrook has been provided by Pebblebrook and information contained in this joint proxy statement/prospectus regarding LaSalle has been provided by LaSalle.

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QUESTIONS AND ANSWERS

The following are answers to some questions you may have regarding the proposed transactions between Pebblebrook and LaSalle. Pebblebrook and LaSalle urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless stated otherwise, all references in this joint proxy statement/prospectus to:

"cash consideration" mean \$37.80 in cash per LaSalle common share to be paid by Pebblebrook in the company merger, for up to 30% of the LaSalle common shares outstanding immediately prior to the company merger, subject to the terms and limitations in the merger agreement;

"combined company" are to Pebblebrook and its consolidated subsidiaries after the completion of the mergers;

"company merger" are to the merger of LaSalle with and into Merger Sub, with Merger Sub surviving the merger;

"Exchange Act" are to the Securities Exchange Act of 1934, as amended;

"LaSalle" are to LaSalle Hotel Properties, a Maryland real estate investment trust;

"LaSalle Board" are to the Board of Trustees of LaSalle;

"LaSalle common shares" are to the common shares of beneficial interest, \$.01 par value per share, of LaSalle;

"LaSalle OP" are to LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership, whose sole general partner is LaSalle;

"LaSalle OP common units" are to common units of limited partnership interest in LaSalle OP;

"LaSalle parties" are to both LaSalle and LaSalle OP;

"LaSalle Series I preferred shares" are to the 6.375% Series I Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, of LaSalle;

"LaSalle Series I preferred units" are to units of limited partnership interest in LaSalle OP designated as 6.375% Series I Cumulative Redeemable Preferred Partnership Units;

"LaSalle Series J preferred shares" are to the 6.3% Series J Cumulative Redeemable Preferred Shares of Beneficial Interest, \$.01 par value per share, of LaSalle;

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"LaSalle Series J preferred units" are to units of limited partnership interest in LaSalle OP designated as 6.3% Series J Cumulative Redeemable Preferred Partnership Units;

"merger agreement" are to the Agreement and Plan of Merger, dated as of September 6, 2018, by and among the Pebblebrook parties and the LaSalle parties, as amended on September 18, 2018, and as it may be amended from time to time, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

"merger consideration" mean the right of a holder of a LaSalle common share to receive, at the election of the holder, the share consideration or the cash consideration, subject to certain adjustments and limitations in the merger agreement;

"mergers" are to both the company merger and the partnership merger;

"Merger OP" are to Ping Merger OP, LP, a Delaware limited partnership, whose sole general partner is Merger OP GP;

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"Merger OP GP" are to Ping Merger OP GP, LLC, a Delaware limited liability company, whose sole member is Pebblebrook OP;

"Merger Sub" are to Ping Merger Sub, LLC, a Maryland limited liability company and wholly owned subsidiary of Pebblebrook;

"NYSE" are to the New York Stock Exchange;

"end date" are to March 6, 2019;

"partnership merger" are to the merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as a wholly owned subsidiary of Pebblebrook OP;

"Pebblebrook" are to Pebblebrook Hotel Trust, a Maryland real estate investment trust;

"Pebblebrook Board" are to the Board of Trustees of Pebblebrook;

"Pebblebrook common shares" are to common shares of beneficial interest of Pebblebrook, \$0.01 par value per share;

"Pebblebrook OP common units" are to units of limited partnership interest in Pebblebrook OP;

"Pebblebrook OP" are to Pebblebrook Hotel, L.P., a Delaware limited partnership, whose sole general partner is Pebblebrook;

"Pebblebrook parties" are to, collectively, Pebblebrook, Pebblebrook OP, Merger Sub and Merger OP;

"Pebblebrook preferred shares" are to, together, Pebblebrook Series E preferred shares and Pebblebrook Series F preferred shares;

"Pebblebrook Series E preferred shares" are to 6.375% Series E Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share, of Pebblebrook;

"Pebblebrook Series E preferred units" are to units of limited partnership interest in Pebblebrook OP designated as 6.375% Series E Cumulative Redeemable Preferred Units;

"Pebblebrook Series F preferred shares" are to 6.3% Series F Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share, of Pebblebrook;

"Pebblebrook Series F preferred units" are to units of limited partnership interest in Pebblebrook OP designated as 6.3% Series F Cumulative Redeemable Preferred Units;

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"SEC" are to the United States Securities and Exchange Commission;

"Securities Act" are to the Securities Act of 1933, as amended;

"share consideration" mean 0.92 validly issued, fully paid and nonassessable Pebblebrook common shares;

"surviving entity" are to Merger Sub, a wholly owned subsidiary of Pebblebrook, after the effective time of the company merger; and

"surviving partnership" are to LaSalle OP after the effective time of the partnership merger.

Q:

What is the proposed transaction?

A:

Pebblebrook and LaSalle have entered into the merger agreement, pursuant to which (i) LaSalle will merge with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of Pebblebrook, and (ii) Merger OP will merge with and into LaSalle OP, with LaSalle OP surviving the merger as a wholly owned subsidiary of Pebblebrook OP.

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Q: What will happen in the proposed transaction?

A: At the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each issued and outstanding LaSalle common share will be converted into the right to receive, at the election of the holder: (a) 0.92, which we refer to as the exchange ratio, validly issued, fully paid and nonassessable Pebblebrook common shares or (b) \$37.80 in cash, which we refer to as the cash consideration, subject to certain adjustments and to any applicable withholding tax (ii) each LaSalle Series I preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series E preferred share; and (iii) each LaSalle Series J preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series F preferred share. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the mergers (each LaSalle common share held by Pebblebrook will be cancelled at the effective time of the company merger and will not be eligible to be converted into the right to receive the cash consideration).

Additionally, immediately prior to the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each outstanding restricted LaSalle common share will vest and all restrictions thereon will lapse, and each such share will be converted into the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of deferred LaSalle common shares will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration for the number of LaSalle common shares subject to such award (prior to its cancellation).

At the effective time of the partnership merger, pursuant to the terms of the merger agreement, (i) each unit of general partner interest in LaSalle OP shall be cancelled and no payment shall be made thereon; (ii) all of the LaSalle Series I preferred units shall be converted into the right to receive an equal number of Pebblebrook Series E preferred units; (iii) all of the LaSalle Series J preferred units shall be converted into the right to receive an equal number of Pebblebrook Series F preferred units; and (iv) each LaSalle OP common unit held by limited partners in LaSalle OP (other than LaSalle or its affiliates) shall be cancelled and converted into the right to receive, at the holder's election, either Pebblebrook OP common units in an amount equal to the exchange ratio, without interest, or LaSalle common shares in an amount equal to the exchange ratio, without interest, which shares would then be cancelled in exchange for the right to receive the share consideration.

LaSalle shareholders and LaSalle OP unitholders that receive Pebblebrook common shares will not receive any fractional Pebblebrook common shares or fractional Pebblebrook OP common units in the mergers and instead will be paid cash (without interest) in lieu of any fractional share or unit to which they would otherwise be entitled.

See "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 203 and "The Merger Agreement Treatment of Interests in LaSalle OP" beginning on page 206.

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Q: If I am a LaSalle shareholder, do I need to make an election in order to receive the cash consideration?

A: Each holder of record of LaSalle common shares (other than excluded shares) or of a LaSalle compensatory award issued and outstanding at the close of business on the record date will have the right to submit an election to receive the cash consideration or the common share consideration by delivering an election form to the exchange agent prior to 5:00 p.m., Eastern Time, on [•], 2018, which is the business day immediately prior to the LaSalle special meeting, which we refer to as the election deadline. LaSalle will mail the election form to the holders of LaSalle common shares and LaSalle compensatory awards concurrently with the mailing of this joint proxy statement/prospectus.

An election may be revoked by delivering written notice to the exchange agent prior to the election deadline. If an election is revoked, the LaSalle common shares subject to such revoked election will be deemed to have elected to receive the common share consideration unless a new election is made prior to the election deadline.

For more information about the election procedures, see "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 203.

Q: What happens if I do not make a valid election in accordance with the election form?

A: If you do not return a properly completed and signed election form by the election deadline, your LaSalle common shares will be converted into the right to receive Pebblebrook common shares in accordance with the procedures specified in the merger agreement. For more information about the proration procedures, see "The Merger Agreement Treatment of LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 203.

Q: Are there limits on the number of LaSalle common shares eligible to be converted into the right to receive the cash consideration?

A: Under the terms of the merger agreement, the number of LaSalle common shares that is eligible to receive the cash consideration is subject to proration. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration, which we refer to as the maximum cash shares, is equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger (including LaSalle common shares relating to the LaSalle compensatory awards that become or are deemed to be issued or outstanding). LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum cash shares to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

If the aggregate number of cash election shares exceeds the number of maximum cash shares, the number of cash election shares designated by any holder of LaSalle common shares as a cash election will be subject to pro rata reduction as follows: For each such cash election, the number of such holder's LaSalle common shares that will be converted into the right to receive the cash consideration will be equal to (1) the number of such holder's cash election shares multiplied by (2) the merger cash proration factor, rounded down to the nearest whole LaSalle common share. The merger cash proration factor means a fraction, the numerator of which is the number of maximum cash shares and the denominator of which is the aggregate number of all cash election shares. Any cash election shares that were not converted into the right to receive cash

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consideration in accordance with such calculation will be converted into the right to receive the common share consideration.

Q: How will Pebblebrook shareholders be affected by the mergers and the issuance of Pebblebrook common shares in connection with the mergers?

A: After the mergers, each Pebblebrook shareholder will continue to own the Pebblebrook common shares that such shareholder held immediately prior to the effective time of the mergers. As a result of the merger, each Pebblebrook shareholder will own common shares in the combined company. However, because Pebblebrook will be issuing new Pebblebrook common shares to LaSalle shareholders in exchange for LaSalle common shares in the company merger, each Pebblebrook common share outstanding immediately prior to the effective time of the company merger will represent a smaller percentage of the aggregate number of common shares of the combined company outstanding after the mergers. Upon completion of the mergers, we estimate that ownership of the issued and outstanding common shares of the combined company will be as follows (in each case assuming that all of the limited partners (excluding LaSalle and its affiliates) of LaSalle OP elect to receive Pebblebrook common shares instead of Pebblebrook OP common units):

If all LaSalle shareholders elect to receive the maximum cash amount, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%; and

If all LaSalle shareholders elect to receive Pebblebrook common shares, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%.

Q: What happens if the market prices of Pebblebrook common shares or LaSalle common shares change before completion of the mergers?

A: No change will be made to the exchange ratio or cash consideration if the market prices of Pebblebrook common shares or LaSalle common shares change before completion of the mergers. As a result, the value of the merger consideration to be received by LaSalle shareholders in the mergers will increase or decrease depending on the market price of Pebblebrook common shares at the effective time of the company merger.

Q: Why am I receiving this joint proxy statement/prospectus?

A: The Pebblebrook Board and the LaSalle Board are using this joint proxy statement/prospectus to solicit proxies of Pebblebrook shareholders and LaSalle shareholders, respectively, in connection with approval of the mergers and related transactions. In addition, Pebblebrook is using this joint proxy statement/prospectus as a prospectus for the issuance of Pebblebrook common shares pursuant to the merger agreement. The mergers cannot be completed unless, among other things:

the holders of Pebblebrook common shares vote to approve the issuance of the Pebblebrook common shares in connection with the mergers; and

the holders of LaSalle common shares vote to approve the company merger and the other transactions contemplated by the merger agreement.

Pebblebrook and LaSalle will hold separate meetings of their respective shareholders to obtain these approvals and to consider other proposals as described elsewhere in this joint proxy statement/prospectus.

This joint proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the special meetings and you should read it carefully. The

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enclosed voting materials allow you to vote your Pebblebrook common shares and/or LaSalle common shares, as applicable, without attending the applicable special meeting.

Your vote is important. You are encouraged to submit your proxy as promptly as possible.

Q: Am I being asked to vote on any other proposals at the special meetings in addition to the merger proposals?

A: *Pebblebrook.* At the Pebblebrook special meeting, Pebblebrook shareholders will be asked to consider and vote upon the following additional proposal:

To approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

LaSalle. At the LaSalle special meeting, LaSalle shareholders will be asked to consider and vote upon the following additional proposals:

A non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the other transactions contemplated by the merger agreement; and

To approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

Q: Why are Pebblebrook and LaSalle proposing the mergers?

A: Among other reasons, if completed, the combined company is expected to have a pro forma enterprise value of approximately \$[•] billion and a total market capitalization of approximately \$[•] billion (in each case based on the closing price per share of Pebblebrook common shares on [•], 2018, which is the most recent practical date prior to the date of this joint proxy statement/prospectus). We refer to an entity that qualifies as, and elects to be taxed as, a real estate investment trust for U.S. federal income tax purposes as a REIT. In addition, the combined company is expected to benefit from a lower cost of capital and the creation of synergies resulting from the elimination of duplicative corporate functions. To review in greater detail the reasons the Pebblebrook Board and the LaSalle Board recommended the mergers, see "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121 and "The Mergers Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118.

Q: Will Pebblebrook and LaSalle continue to pay dividends or distributions prior to completion of the mergers?

A: The merger agreement permits the authorization, declaration and payment by Pebblebrook of regular quarterly dividends and by Pebblebrook OP of regular quarterly distributions, payable in accordance with past practice at a quarterly rate not to exceed (i) \$0.38 per Pebblebrook common share and Pebblebrook OP common unit, (ii) \$0.40625 per Pebblebrook Series C preferred share and unit and (iii) \$0.39844 per Pebblebrook Series D preferred share and unit, as well as any distribution that is required to maintain its REIT qualification or to avoid the incurrence of federal income or excise tax.

The merger agreement prohibits the authorization, declaration and payment by LaSalle of regular quarterly dividends on LaSalle common shares and by LaSalle OP of regular quarterly distributions on LaSalle OP common units. However, the merger agreement permits the authorization, declaration and payment by LaSalle of regular quarterly dividends, payable in

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accordance with past practice at a quarterly rate not to exceed (i) \$0.3984375 per LaSalle Series I preferred share and unit and (ii) \$0.39375 per LaSalle Series J preferred share and unit, as well as any distribution that is required to maintain its REIT qualification or to avoid the imposition of federal income or excise tax. The merger agreement also permits, subject to certain conditions, the authorization, declaration and payment by LaSalle of a dividend if the mergers are not complete on or prior to December 31, 2018. The per-share dividend amount of such a dividend shall be payable by LaSalle on LaSalle common shares in an amount equal to \$0.90 per LaSalle common share, multiplied by a fraction, the numerator of which is the number of days after and including January 1, 2019 through and including the date on which the dividend will be paid and the denominator of which is 365.

Q:

When and where will the special meetings be held?

A:

The Pebblebrook special meeting will be held on [•], [•], 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102.

The LaSalle special meeting will be held on [•], [•], 2018, beginning at 9:00 a.m., Eastern Time, at [•].

Q:

Who can vote at the special meetings?

A:

Pebblebrook. All holders of Pebblebrook common shares as of the close of business on [•], 2018, which is the record date for determining the Pebblebrook shareholders entitled to notice of and to vote at the Pebblebrook special meeting, are entitled to receive notice of and to vote at the Pebblebrook special meeting. As of the record date, there were [•] Pebblebrook common shares outstanding and entitled to vote at the Pebblebrook special meeting, held by approximately [•] holders of record. Each Pebblebrook common share is entitled to one vote on each proposal presented at the Pebblebrook special meeting.

LaSalle. All holders of LaSalle common shares of record as of the close of business on [•], 2018, the record date for determining LaSalle shareholders entitled to notice of and to vote at the LaSalle special meeting, are entitled to receive notice of and to vote at the LaSalle special meeting. As of the record date, there were [•] LaSalle common shares outstanding and entitled to vote at the LaSalle special meeting, held by approximately [•] holders of record. Each LaSalle common share is entitled to one vote on each proposal presented at the LaSalle special meeting. Holders of LaSalle preferred shares are entitled to notice of the LaSalle special meeting but are not entitled to attend or vote at the LaSalle special meeting and no vote or proxy is being solicited from the holders of LaSalle preferred shares.

Q:

What constitutes a quorum?

A:

Pebblebrook. Pebblebrook's bylaws provide that the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter will constitute a quorum.

LaSalle. LaSalle's bylaws provide that the presence, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting will constitute a quorum.

Shares that are voted, in person or by proxy, and shares abstaining from voting are treated as present at each of the special meetings for purposes of determining whether a quorum is present.

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Q: **What vote is required to approve the proposals?**

A: *Pebblebrook.*

Approval of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

LaSalle.

Approval of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires the affirmative vote of at least 66²/₃% of all the votes entitled to be cast on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated by the merger agreement requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires, whether or not a quorum is present, the affirmative vote of at least a majority of all votes cast on such proposal.

Q: **How does the Pebblebrook Board recommend that Pebblebrook shareholders vote on the proposals?**

A: The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and Pebblebrook shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "**FOR**" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "**FOR**" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

For a more complete description of the recommendation of the Pebblebrook Board, see "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121.

Q: **How does the LaSalle Board recommend that LaSalle shareholders vote on the proposals?**

A: The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and

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LaSalle shareholders, (ii) authorized and approved the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement. The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), recommends that LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement, **"FOR"** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby and **"FOR"** the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

For a more complete description of the recommendation of the LaSalle Board, see "The Mergers Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118.

Q: Do any of LaSalle's executive officers or trustees have interests in the mergers that may differ from those of other LaSalle shareholders?

A: LaSalle's executive officers and trustees have interests in the mergers that are different from, or in addition to, the interests of other LaSalle shareholders. The LaSalle Board was aware of and considered these interests, among other matters, in evaluating the merger agreement and the mergers, and in recommending that LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement. For a description of these interests, see the section entitled "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 154.

Q: Who will be the trustees and management of the combined company?

A: All seven current members of the Pebblebrook Board will continue to serve as the trustees of the combined company. No members of the LaSalle Board will serve as trustees of the combined company.

The current executive officers of Pebblebrook will continue to serve as the executive officers of the combined company, with Jon E. Bortz continuing to serve as President, Chief Executive Officer and Chairman of the Board of the combined company. See Trustees and Management of the Combined Company After the Mergers beginning on page 233.

Q: Are there any conditions to completion of the mergers that must be satisfied for the mergers to be completed?

A: In addition to the approval of Pebblebrook shareholders of the issuance of Pebblebrook common shares pursuant to the merger agreement and the approval of LaSalle shareholders of the company merger and the other transactions contemplated by the merger agreement, there are a number of customary conditions that must be satisfied or waived for the mergers to be consummated. For a description of all of the conditions to the mergers, see "The Merger Agreement Conditions to the Mergers" beginning on page 226.

Q: Are there risks associated with the mergers that I should consider in deciding how to vote?

A: Yes. There are a number of risks related to the mergers that are discussed in this joint proxy statement/prospectus described in the section entitled "Risk Factors" beginning on page 50.

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Q: **If my Pebblebrook common shares or my LaSalle common shares are held in "street name" by my broker or other nominee, will my broker or other nominee vote my Pebblebrook common shares or my LaSalle common shares for me? What happens if I do not vote for a proposal?**

A: Unless you instruct your broker or other nominee how to vote your Pebblebrook common shares and/or your LaSalle common shares, as applicable, held in street name, your shares will NOT be voted. This is referred to as a "broker non-vote." If you hold your Pebblebrook common shares and/or your LaSalle common shares in a brokerage account or if your shares are held by a broker or other nominee (that is, in street name), in order for your shares to be present and voted at the applicable special meeting, you must provide your broker or other nominee with instructions on how to vote your shares.

If you are a Pebblebrook shareholder, abstentions will be counted in determining the presence of a quorum, but broker non-votes will not be counted in determining the presence of a quorum. Abstentions will have no effect on the outcome of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers. Broker non-votes will not be counted as votes cast on such proposal and therefore will have no effect on the outcome of the proposal as long as a quorum is present. Abstentions will have no effect on the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. Broker non-votes will also have no effect on such proposal as long as a quorum is present.

If you are a LaSalle shareholder, abstentions will be counted in determining the presence of a quorum, but broker non-votes will not be counted in determining the presence of a quorum. **Abstentions and broker non-votes will have the same effect as votes AGAINST the proposal to approve the company merger and the other transactions contemplated by the merger agreement.** Abstentions will have no effect on the outcome of (i) the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby or (ii) the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement. Broker non-votes will also have no effect on such proposals as long as a quorum is present.

Q: **Will my rights as a shareholder of Pebblebrook or LaSalle change as a result of the mergers?**

A: The rights of Pebblebrook shareholders will be unchanged as a result of the mergers. LaSalle shareholders will have different rights following completion of the mergers due to the differences between the governing documents of Pebblebrook and LaSalle. For more information regarding the differences in shareholder rights, see "Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders" beginning on page 244.

Q: **When are the mergers expected to be completed?**

A: Pebblebrook and LaSalle expect to complete the mergers as soon as reasonably practicable following satisfaction of all of the required conditions. If LaSalle shareholders approve the company merger, Pebblebrook shareholders approve the issuance of Pebblebrook common shares in connection with the mergers and the other conditions to completion of the mergers are satisfied or waived, it is currently expected that the mergers will be completed in the fourth quarter of 2018. However, there is no guarantee that the conditions to the mergers will be satisfied or that the mergers will close.

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Q: If I am a LaSalle shareholder and my LaSalle common shares are in certificated form, do I need to do anything with my share certificates now?

A: No. You should not submit your share certificates at this time. After the mergers are completed, if you held LaSalle common shares, the exchange agent for Pebblebrook will send you a letter of transmittal and instructions for exchanging your LaSalle common shares for Pebblebrook common shares or cash, as applicable, pursuant to the terms of the merger agreement. Upon surrender of a certificate or book-entry share for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a LaSalle shareholder will receive Pebblebrook common shares or cash, as applicable, pursuant to the terms of the merger agreement.

Q: What are the anticipated U.S. federal income tax consequences to me of the proposed mergers?

It is intended that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The completion of the mergers is conditioned on the receipt by each of Pebblebrook and LaSalle of an opinion from counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, the tax consequences for U.S. holders (as defined elsewhere in this joint proxy statement/prospectus) of LaSalle common shares who receive Pebblebrook common shares and/or cash in exchange for their shares in connection with the company merger generally will be as follows:

if a LaSalle shareholder receives solely Pebblebrook common shares, such shareholder generally will not recognize any gain or loss, except with respect to cash received in lieu of fractional Pebblebrook common shares;

if a LaSalle shareholder receives solely cash, such shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's tax basis in its LaSalle common shares; and

if a LaSalle shareholder receives a combination of Pebblebrook common shares and cash, such shareholder generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the cash and the fair market value of the Pebblebrook common shares received, minus the shareholder's tax basis in its LaSalle common shares, and (2) the amount of cash received.

Non-U.S. holders (as defined herein) who receive some or all of the merger consideration in cash may be subject to U.S. withholding tax with respect to the cash consideration. Holders of LaSalle common shares should read the discussion under the heading "The Mergers Material U.S. Federal Income Tax Considerations" beginning on page 163 and consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the company merger.

Q: Are LaSalle shareholders entitled to appraisal rights?

A: No. LaSalle shareholders are not entitled to exercise appraisal rights in connection with the mergers. See "The Merger Agreement No Appraisal Rights" beginning on page 208 for more information.

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Q: **What do I need to do now?**

A: **1) Submit your proxy.**

After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed preaddressed postage-paid envelope or, if available, by submitting your proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your Pebblebrook common shares and/or your LaSalle common shares will be represented and voted at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

Please refer to your proxy card or voting instruction card forwarded by your broker or other nominee to see which voting options are available to you.

The method by which you submit a proxy will in no way limit your right to vote at the Pebblebrook special meeting or the LaSalle special meeting, as applicable, if you later decide to attend the meeting in person. However, if your Pebblebrook common shares or your LaSalle common shares are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

2) **Make your merger consideration election.**

See the answer to the question above titled, "If I am a LaSalle shareholder, do I need to make an election in order to receive the cash consideration?".

Q: **How will my proxy be voted?**

A: All Pebblebrook common shares entitled to vote and represented by properly completed proxies received prior to the Pebblebrook special meeting, and not revoked, will be voted at the Pebblebrook special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your Pebblebrook common shares should be voted on a matter, the Pebblebrook common shares represented by your proxy will be voted as the Pebblebrook Board recommends and therefore **"FOR"** the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement, and **"FOR"** the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate in the view of the Pebblebrook Board, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement if there are not sufficient votes at the time of such adjournment to approve such proposal. If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your Pebblebrook common shares will **NOT** be voted at the Pebblebrook special meeting and will be considered broker non-votes.

All LaSalle common shares entitled to vote and represented by properly completed proxies received prior to the LaSalle special meeting, and not revoked, will be voted at the LaSalle special meeting as instructed on the proxies. If you properly sign, date and return a proxy card, but do not indicate how your LaSalle common shares should be voted on a matter, the LaSalle common shares represented by your proxy will be voted as the LaSalle Board recommends and therefore **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement, **"FOR"** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby and **"FOR"** the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement. If you hold

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your shares in street name and do not provide voting instructions to your broker or other nominee, your LaSalle common shares will **NOT** be voted at the LaSalle special meeting and will be considered broker non-votes. *Abstentions and broker non-votes will have the same effect on the outcome of the merger proposal as votes AGAINST such proposal.*

Q:

Can I revoke my proxy or change my vote after I have delivered my proxy?

A:

Yes. You may revoke your proxy or change your vote at any time before your proxy is voted at the Pebblebrook special meeting or the LaSalle special meeting, as applicable. If you are a holder of record, you can do this in any of the following three ways:

by sending a written notice to the corporate secretary of Pebblebrook or the corporate secretary of LaSalle, as applicable, in time to be received before the Pebblebrook special meeting or the LaSalle special meeting, as applicable, stating that you would like to revoke your proxy;

by completing, signing and dating another proxy card and returning it by mail in time to be received before the Pebblebrook special meeting or the LaSalle special meeting, as applicable, or by submitting a later dated proxy by the Internet or telephone in which case your later-submitted proxy will be recorded and your earlier proxy revoked; or

by attending the Pebblebrook special meeting or the LaSalle special meeting, as applicable, and voting in person. Simply attending the Pebblebrook special meeting or the LaSalle special meeting, as applicable, without voting will not revoke your proxy or change your vote.

If your Pebblebrook common shares or your LaSalle common shares are held in an account at a broker or other nominee and you desire to change your vote or vote in person, you should contact your broker or other nominee for instructions on how to do so.

Q:

What does it mean if I receive more than one set of voting materials for the Pebblebrook special meeting or the LaSalle special meeting?

A:

You may receive more than one set of voting materials for the Pebblebrook special meeting and/or the LaSalle special meeting, as applicable, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your Pebblebrook common shares or your LaSalle common shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold your Pebblebrook common shares or your LaSalle common shares. If you are a holder of record and your Pebblebrook common shares or your LaSalle common shares are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone or over the Internet.

Q:

What happens if I am a shareholder of both Pebblebrook and LaSalle?

A:

You will receive separate proxy cards for each entity. Please complete, sign, date and return each proxy card you receive in the appropriate preaddressed postage-paid envelope or, if available, by submitting a proxy by one of the other methods specified in your proxy card or voting instruction card for each entity.

Q:

If I choose to attend the Pebblebrook special meeting or the LaSalle special meeting in person, will I need to bring identification and other documentation?

A:

Yes. Please bring proper identification, together with proof that you are a record owner of Pebblebrook common shares or LaSalle common shares, as the case may be. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker

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or an account statement showing that you beneficially owned Pebblebrook common shares or LaSalle common shares, as applicable, on the record date.

However, if your Pebblebrook common shares or your LaSalle common shares are held in the name of a broker or other nominee, you must obtain a legal proxy, executed in your favor, from your broker or other nominee, to be able to vote in person at the Pebblebrook special meeting or the LaSalle special meeting, as applicable.

Q:
Will a proxy solicitor be used?

A:
Yes. Pebblebrook has engaged Okapi Partners LLC, which we refer to as Okapi, to assist in the solicitation of proxies for the Pebblebrook special meeting, and Pebblebrook estimates it will pay Okapi a fee of approximately \$30,000, plus an additional \$100,000 upon the completion of the mergers. Pebblebrook has also agreed to reimburse Okapi for reasonable expenses incurred in connection with the proxy solicitation and to indemnify Okapi against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, Pebblebrook's trustees, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Pebblebrook's trustees, officers or employees for such services.

LaSalle has engaged MacKenzie Partners, Inc., which we refer to as MacKenzie, to assist in the solicitation of proxies for the LaSalle special meeting and LaSalle estimates it will pay MacKenzie a fee of approximately \$75,000 (\$30,000 of which was previously paid in connection with the solicitation of proxies with respect to the Agreement and Plan of Merger, dated as of May 20, 2018, by and among BRE Landmark L.P., BRE Landmark L.P., BRE Landmark Acquisition L.P., LaSalle and LaSalle OP, which we refer to as the Blackstone merger agreement, which was terminated on September 6, 2018), plus an additional fee of \$100,000 upon the completion of the mergers, plus reimbursement of reasonable expenses. LaSalle has also agreed to indemnify MacKenzie against certain losses, claims, damages, liabilities and expenses. In addition to mailing proxy solicitation material, LaSalle's trustees, officers and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to LaSalle's trustees, officers or employees for such services.

Q:
Who can answer my questions?

A:
If you have any questions about the mergers or how to submit your proxy or need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

If you are a Pebblebrook shareholder:
Okapi Partners LLC
1212 Avenue of the Americas, 24th Floor
New York, NY 10036
(212) 929-5500
Toll free: 855-305-0855
Email: info@okapipartners.com

If you are a LaSalle shareholder:
MacKenzie Partners, Inc.
1407 Broadway, 27th Floor
New York, New York 10018
Toll free: 800-322-2885
Call collect: 212-929-5500
Email: proxy@mackenziepartners.com

If your broker or other nominee holds your shares, you should also contact your broker or other nominee for additional information.

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SUMMARY

The following summary highlights some of the information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the mergers and the other transactions contemplated by the merger agreement, Pebblebrook and LaSalle encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the mergers at the applicable special meeting. See also the section entitled "Where You Can Find More Information and Incorporation by Reference" beginning on page 250. We have included page references to direct you to a more complete description of the topics presented in this summary.

The Companies

Pebblebrook Hotel Trust and Pebblebrook Hotel, L.P. (See page 63)

Pebblebrook Hotel Trust
7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland 20814
(240) 507-1300
www.pebblebrookhotels.com

Pebblebrook Hotel Trust is an internally managed hotel investment company, organized as a Maryland real estate investment trust in October 2009 to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities, with an emphasis on the major gateway coastal markets. As of June 30, 2018, the Company owned 28 hotels with a total of 6,972 guest rooms.

Pebblebrook common shares are listed on the NYSE, trading under the symbol "PEB".

Pebblebrook Hotel, L.P.
7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland 20814
(240) 507-1300

Substantially all of Pebblebrook's assets are held by, and all of its operations are conducted through, Pebblebrook Hotel, L.P., which we refer to as Pebblebrook OP. Pebblebrook is the sole general partner of Pebblebrook OP. At June 30, 2018, Pebblebrook owned 99.7% of the Pebblebrook OP common units issued by Pebblebrook OP. The remaining 0.3% of Pebblebrook OP common units are owned by other limited partners of Pebblebrook OP.

LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P. (See page 63)

LaSalle Hotel Properties
7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
(301) 941-1500
www.lasallehotels.com

LaSalle Hotel Properties was organized as a Maryland real estate investment trust on January 15, 1998, and primarily buys, owns, redevelops and leases upscale and luxury full-service hotels located in convention, resort and major urban business markets. LaSalle is a self-administered REIT.

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LaSalle common shares are listed on the NYSE, trading under the symbol "LHO".

LaSalle Hotel Operating Partnership, L.P.
7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
(301) 941-1500

LaSalle OP was formed as a Delaware limited partnership on January 13, 1998. LaSalle is the general partner of the LaSalle OP, and, as of June 30, 2018, owned through a combination of direct and indirect interests, approximately 99.9% of the common units of LaSalle OP. The remaining 0.1% is held by limited partners who owned 145,223 LaSalle OP common units as of June 30, 2018.

The Combined Company (See page 64)

Following completion of the mergers, the business and assets of the combined company will be owned and operated by Pebblebrook and the surviving partnership. References to the combined company are to Pebblebrook after the effective time of the mergers. Pebblebrook is a Maryland real estate investment trust. The combined company after the completion of the mergers is expected to have a pro forma enterprise value of approximately \$[•] billion (based on the closing price of Pebblebrook common shares on [•], 2018 of \$[•]), and a total market capitalization of approximately \$[•] billion (based on the closing price of Pebblebrook common shares on [•], 2018 of \$[•]). The combined company's hotel portfolio after the completion of the mergers will consist of 66 properties (assuming that the sale of the three LaSalle hotels under contract for sale is completed as expected immediately prior to completion of the mergers), and the combined company will have a large presence in key urban markets in the United States, including significant exposure to major market West Coast cities with strong long-term growth and high barriers to entry.

The business of the combined company will be operated through Pebblebrook OP and its subsidiaries, including the surviving partnership. After giving effect to the mergers, Pebblebrook OP will hold a limited partnership interest in the surviving partnership, and a wholly owned subsidiary of Pebblebrook OP will be the general partner of the surviving partnership. The Pebblebrook parties will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Pebblebrook OP and the surviving partnership.

The common shares of the combined company will continue to be listed on the NYSE, trading under the symbol "PEB".

The combined company's principal executive offices will be located at Pebblebrook's current offices, 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814.

The Mergers

The Merger Agreement (See page 202)

The Pebblebrook parties and the LaSalle parties have entered into the merger agreement attached as Annex A to this joint proxy statement/prospectus, which is incorporated herein by reference. Pebblebrook and LaSalle encourage you to carefully read the merger agreement in its entirety because it is the principal document governing the mergers and related transactions.

The merger agreement provides that the completion of the mergers will take place at 12:00 p.m. Eastern Time at the offices of Goodwin Procter LLP, 620 Eighth Avenue, New York, New York 10018 within three business days following the date on which the last of the conditions to completion of the mergers has been satisfied or waived.

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The Mergers (See page 76)

Subject to the terms and conditions of the merger agreement, at the effective time of the company merger, LaSalle will merge with and into Merger Sub, with Merger Sub surviving the company merger as the surviving entity, which will be a wholly owned subsidiary of Pebblebrook.

The merger agreement also provides for the merger of Merger OP with and into LaSalle OP, with LaSalle OP surviving the merger as the surviving partnership. At the effective time of the partnership merger, Merger OP GP, a wholly owned subsidiary of Pebblebrook OP, will become the general partner of the surviving partnership, and Pebblebrook OP will be the limited partner of the surviving partnership.

The Merger Consideration (See page 188)

At the effective time of the company merger, each issued and outstanding LaSalle common share will be converted into the right to receive, at the election of the holder: (i) 0.92 validly issued, fully paid and nonassessable Pebblebrook common share or (b) \$37.80 in cash subject to certain adjustments and to any applicable withholding tax. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration will be equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger. The LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum number of LaSalle common shares that could receive the cash election price to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger.

At the effective time of the company merger, each LaSalle Series I preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series E preferred share and each LaSalle Series J preferred share will be converted into the right to receive one validly issued, fully paid and nonassessable Pebblebrook Series F preferred share.

Additionally, immediately prior to the effective time of the company merger, pursuant to the terms of the merger agreement, (i) each outstanding restricted LaSalle common share will vest and all restrictions thereon will lapse, and each such share will be cancelled in exchange for the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of deferred LaSalle common shares will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration for the number of LaSalle common shares subject to such award (prior to its cancellation).

At the effective time of the partnership merger, pursuant to the terms of the merger agreement, (i) each unit of general partner interest in LaSalle OP shall be cancelled and no payment shall be made thereon; (ii) all of the LaSalle Series I preferred units shall be converted into the right to receive an equal number of Pebblebrook Series E preferred units; (iii) all of the LaSalle Series J preferred units shall be converted into the right to receive an equal number of Pebblebrook Series F preferred units; and (iv) each LaSalle OP common unit held by limited partners in LaSalle OP (other than LaSalle or its affiliates) shall be cancelled and converted into the right to receive, at the holder's election, either Pebblebrook OP common units in an amount equal to the exchange ratio, without interest, or LaSalle common shares in an amount equal to the exchange ratio, without interest, which shares would then be cancelled in exchange for the right to receive the share consideration.

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LaSalle shareholders and LaSalle OP unitholders that receive Pebblebrook common shares will not receive any fractional Pebblebrook common shares or fractional Pebblebrook OP common units in the mergers and instead will be paid cash (without interest) in lieu of any fractional share or unit to which they would otherwise be entitled.

Upon completion of the mergers, we estimate that ownership of the issued and outstanding common shares of the combined company will be as follows (in each case assuming that all of the limited partners (excluding LaSalle and its affiliates) of LaSalle OP elect to receive Pebblebrook common shares instead of Pebblebrook OP common units):

If all LaSalle shareholders elect to receive the maximum cash amount, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%; and

If all LaSalle shareholders elect to receive Pebblebrook common shares, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%.

You are urged to obtain current market prices of Pebblebrook common shares and LaSalle common shares. You are cautioned that the trading price of the common shares of the combined company after the mergers may be affected by factors different from those currently affecting the trading prices of Pebblebrook common shares and LaSalle common shares, and therefore, the historical trading prices of Pebblebrook common shares and LaSalle common shares may not be indicative of the trading price of the common shares of the combined company. See "Risk Factors Risks Related to the Mergers" beginning on page 50.

Election Procedures (See page 204)

Each holder of record of LaSalle common shares (other than excluded shares) or of a LaSalle compensatory award issued and outstanding at the close of business on the record date will have the right to submit an election to receive the cash consideration or the common share consideration by delivering an election form to the exchange agent prior to 5:00 p.m., Eastern Time, on [•], 2018, which is the business day immediately prior to the LaSalle special meeting, which we refer to as the election deadline. Concurrently with the mailing of this joint proxy statement/prospectus, LaSalle will mail the election form to the holders of LaSalle common shares and LaSalle compensatory awards as of the record date.

An election may be revoked by delivering written notice to the exchange agent prior to the election deadline. If an election is revoked, the LaSalle common shares subject to the revoked election will be deemed to have elected to receive the share consideration unless a new election is made prior to the election deadline. After an election is made, any subsequent transfer of the LaSalle common shares subject to such election shall automatically revoke the election.

Each LaSalle common share eligible to receive the merger consideration for which an election is not properly made by the election deadline will be deemed to have elected to receive the share consideration and will only be entitled to receive the share consideration.

Proration (See page 205)

Under the terms of the merger agreement, the number of LaSalle common shares that is eligible to receive the cash consideration is subject to proration. The maximum number of LaSalle common shares eligible to be converted into the right to receive the cash consideration, which we refer to as the maximum cash shares, is equal to 30% of the aggregate number of LaSalle common shares issued and outstanding immediately prior to the effective time of the company merger (including LaSalle common shares relating to the LaSalle compensatory awards that become or are deemed to be issued or

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outstanding). LaSalle common shares held by Pebblebrook will be excluded from the cash election in the company merger, effectively increasing the maximum cash shares to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the effective time of the company merger and will not be eligible to be converted into the right to receive the cash consideration.

Within three business days after the effective time of the company merger, the exchange agent will effect the allocation among the holders of LaSalle common shares of the rights to receive the cash consideration and the share consideration.

In effecting this allocation, if the aggregate number of cash election shares exceeds the number of maximum cash shares, the number of cash election shares designated by any holder of LaSalle common shares as a cash election will be subject to pro rata reduction as follows: For each such cash election, the number of such holder's LaSalle common shares that will be converted into the right to receive the cash consideration will be equal to (1) the number of such holder's cash election shares multiplied by (2) the merger cash proration factor, rounded down to the nearest whole LaSalle common share. The merger cash proration factor means a fraction, the numerator of which is the number of maximum cash shares and the denominator of which is the aggregate number of all cash election shares. Any cash election shares that were not converted into the right to receive cash consideration in accordance with such calculation will be converted into the right to receive the share consideration.

If the aggregate number of cash election shares is less than or equal to the number of maximum cash shares, then all cash election shares will be converted into the right to receive the cash consideration and each other LaSalle common share eligible to receive the merger consideration will be converted into the right to receive the share consideration.

Financing Related to the Mergers (See page 231)

The mergers are not conditioned upon Pebblebrook or Pebblebrook OP having received any financing at or prior to the effective time of the mergers. However, in connection with the mergers and the transactions contemplated by the merger agreement, Pebblebrook and Pebblebrook OP have entered into a bridge loan commitment letter with Bank of America, N.A., which we refer to as Bank of America, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as BAML, pursuant to which Bank of America agreed to be the sole administrative agent for a \$2.4 billion senior unsecured bridge loan facility to Pebblebrook OP for up to \$2.4 billion, which we refer to as the bridge loan facility, subject to the conditions set forth in the bridge loan commitment letter. MLPFS agreed to act as sole lead arranger and sole bookrunner for the bridge loan facility, and to form a syndicate of financial institutions, including Bank of America, to fund the bridge loan facility, which we refer to collectively as the lenders.

If drawn upon, the proceeds from the bridge loan facility may be used to (i) pay a portion of the aggregate cash consideration, (ii) fund the refinancing of certain of the existing third-party indebtedness for borrowed money of Pebblebrook OP, the LaSalle parties and their respective subsidiaries, which we refer to as the refinancing, and (iii) pay fees and expenses incurred in connection with the foregoing, the bridge loan facility or related financings and the mergers. The bridge loan facility will be structured as a syndicated 364-day unsecured term loan facility available in a single draw on the completion date of the mergers. Pebblebrook and Pebblebrook OP have the right to use alternative financing in connection with the consummation of the mergers and are under no obligation to draw upon the bridge loan facility from the lenders. Pebblebrook and Pebblebrook OP currently are exploring the availability of alternative financing, including through existing unsecured credit facilities or other financing arrangements.

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The bridge loan commitment letter expires on the earliest of (i) March 6, 2019, (ii) the completion date of the merger without the use of the bridge loan facility and (iii) the date that the merger agreement is terminated by Pebblebrook or its affiliates or expires in accordance with its terms.

See "Financing Related to the Mergers Debt Financing Bridge Loan Commitment Letter" beginning on page 231.

Recommendation of the Pebblebrook Board of Trustees (See page 121)

The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and its shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. Certain factors considered by the Pebblebrook Board in reaching its decision to approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement can be found in the section entitled "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121.

The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "**FOR**" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "**FOR**" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Recommendation of the LaSalle Board of Trustees (See page 118)

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and LaSalle shareholders, (ii) authorized and approved each of the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement.

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization) recommends that the LaSalle shareholders vote "**FOR**" the proposal to approve the company merger and the other transactions contemplated by the merger agreement, "**FOR**" the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby, and "**FOR**" the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

Summary of Risks Related to the Mergers (See page 50)

You should consider carefully the risk factors described below together with all of the other information included in this joint proxy statement/prospectus before deciding how to vote. The risks related to the mergers and the other transactions contemplated by the merger agreement are described under the section "Risk Factors Risks Related to the Mergers," beginning on page 50.

Neither the exchange ratio nor the cash consideration will be adjusted in the event of any change in the prices of either Pebblebrook common shares or LaSalle common shares.

Pebblebrook shareholders will be diluted by the issuance of Pebblebrook common shares pursuant to the merger agreement.

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Completion of the mergers is subject to many conditions and if these conditions are not satisfied or waived, the mergers will not be completed, which could result in the requirement that Pebblebrook pay to LaSalle a termination fee of \$81 million or LaSalle pay to Pebblebrook a termination fee of \$112 million.

Failure to complete the mergers could adversely affect the common share prices and future business and financial results of Pebblebrook and LaSalle.

The pendency of the mergers could adversely affect the business and operations of Pebblebrook and LaSalle.

The merger agreement contains provisions that could discourage a potential competing acquirer of LaSalle or Pebblebrook or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

If the mergers are not consummated on or before March 6, 2019, which we refer to as the end date, either Pebblebrook or LaSalle may terminate the merger agreement.

Some of the trustees and executive officers of LaSalle have interests in the mergers that are different from, or in addition to, those of other LaSalle shareholders.

The Pebblebrook Special Meeting (See page 65)

The Pebblebrook special meeting will be held on [•], [•], 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102.

At the Pebblebrook special meeting, Pebblebrook shareholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement; and
2. a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Approval of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of at least a majority of the votes cast on such proposal.

At the close of business on the record date, trustees and executive officers of Pebblebrook and their affiliates were entitled to vote [•] Pebblebrook common shares, or approximately [•]% of the Pebblebrook common shares issued and outstanding on that date. Pebblebrook currently expects that all Pebblebrook trustees and executive officers will vote their Pebblebrook common shares in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement as well as the other proposal to be considered at the Pebblebrook special meeting, although none of them is contractually obligated to do so.

Your vote as a Pebblebrook shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the Pebblebrook special meeting in person.

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The LaSalle Special Meeting (See page 70)

The LaSalle special meeting will be held on [•], [•], 2018, beginning at [•], Eastern Time, at [•].

At the LaSalle special meeting, LaSalle shareholders will be asked to consider and vote upon the following matters:

1. a proposal to approve the company merger and the other transactions contemplated by the merger agreement;
2. a non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby; and
3. a proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

Approval of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires the affirmative vote of at least 66²/₃% of all the votes entitled to be cast on such proposal.

Approval of the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby requires the affirmative vote of at least a majority of all votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement requires, whether or not a quorum is present, the affirmative vote of at least a majority of all votes cast on such proposal.

At the close of business on the record date, trustees and executive officers of LaSalle and their affiliates were entitled to vote [•] LaSalle common shares, or approximately [•]% of LaSalle common shares issued and outstanding on that date. LaSalle currently expects that all LaSalle trustees and executive officers will vote their LaSalle common shares in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement as well as the other proposal to be considered at the LaSalle special meeting, although none of them is contractually obligated to do so.

In addition, at the close of business on the record date, Pebblebrook OP owned and was entitled to vote 10,809,215 LaSalle common shares, or approximately 9.8% of the LaSalle common shares issued and outstanding on that date. In the merger agreement, Pebblebrook OP agreed to vote all of its LaSalle common shares in favor of the company merger.

Your vote as a LaSalle shareholder is very important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the LaSalle special meeting in person.

Opinions of Financial Advisors

Opinion of Pebblebrook's Financial Advisor (See page 124)

On September 6, 2018, in connection with the company merger, Raymond James & Associates, Inc., or Raymond James, rendered its written opinion to the Pebblebrook Board, as to the

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fairness, from a financial point of view, of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement, as of September 6, 2018, based upon and subject to the procedures followed, assumptions made, matters considered, qualifications and limitations on the review undertaken and other matters considered by Raymond James in preparing its opinion.

Raymond James' opinion was directed to the Pebblebrook Board and only addressed the fairness from a financial point of view of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement and does not address any other aspect or implication of the mergers. The summary of Raymond James' opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as *Annex D* to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, matters considered, qualifications and limitations on the review undertaken and other matters considered by Raymond James in preparing its opinion. **However, neither Raymond James' opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and do not constitute, advice or a recommendation to the Pebblebrook Board or any shareholder as to how to act or vote with respect to the mergers or related matters.** For the opinion of Raymond James, see "The Mergers Opinion of Pebblebrook's Financial Advisor" beginning on page 124 and *Annex B*.

Opinions of LaSalle's Financial Advisors (See page 131)

Opinion of Citigroup Global Markets Inc.

In connection with the transactions contemplated by the merger agreement, on September 6, 2018, Citigroup Global Markets Inc., which we refer to as Citi, delivered an oral opinion, subsequently confirmed by the delivery of a written opinion dated September 6, 2018, to the LaSalle Board as to the fairness, from a financial point of view and as of the date of the opinion, to the holders (other than Pebblebrook and its affiliates) of the outstanding LaSalle common shares of the aggregate consideration (as defined below) to be paid to such holders pursuant to the terms and subject to the conditions set forth in the merger agreement. As more fully described in the merger agreement, each outstanding LaSalle common share (other than any LaSalle common shares to be cancelled and retired or converted in accordance with Section 2.5(d) or Section 2.5(e) of the merger agreement) will be converted into the right to receive, at the election of the holder thereof, either 0.92 Pebblebrook common shares or \$37.80 in cash, subject to proration and certain other procedures and limitations contained in the merger agreement, as to which procedures and limitations Citi expressed no opinion, and taken in the aggregate, subject to adjustment pursuant to Section 5.16(a) of the merger agreement, which we refer to as the aggregate consideration. The full text of Citi's written opinion dated September 6, 2018, which describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as *Annex C* to this joint proxy statement/prospectus and is incorporated by reference. The description of Citi's opinion set forth in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi" is qualified in its entirety by reference to the full text of Citi's opinion. **Citi's opinion was provided for the information of the LaSalle Board (in its capacity as such) in connection with its evaluation of the aggregate consideration from a financial point of view and did not address any other terms, aspects or implications of the transactions contemplated by the merger agreement. Citi was not requested to consider, and its opinion did not address, LaSalle's underlying business decision to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for LaSalle or the effect of any other transaction in which LaSalle might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any LaSalle shareholder as to how such LaSalle shareholder should vote or act on any matters relating to the proposed mergers or otherwise.** Pursuant to an engagement letter between LaSalle and Citi, LaSalle has agreed to pay Citi an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the

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delivery of its opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi", \$6.5 million of which became payable at or prior to the announcement of the mergers (including \$1.5 million of which that became payable upon Citi's delivery of the opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Citi") and the remainder of which is contingent upon completion of the company merger.

Opinion of Goldman Sachs & Co. LLC

At a meeting of the LaSalle Board held on September 6, 2018, Goldman Sachs & Co. LLC, which we refer to as Goldman Sachs, delivered to the LaSalle Board its opinion, subsequently confirmed in writing, as of September 6, 2018 and based upon and subject to the factors and assumptions set forth therein, as to the fairness, from a financial point of view and as of the date of the opinion, to the holders (other than Pebblebrook and its affiliates) of the outstanding LaSalle common shares of the aggregate consideration to be paid to such holders pursuant to the terms and subject to the conditions set forth in the merger agreement. As more fully described in the merger agreement, each outstanding LaSalle common share (other than any LaSalle common shares to be cancelled and retired or converted in accordance with Section 2.5(d) or Section 2.5(e) of the merger agreement) will be converted into the right to receive, at the election of the holder thereof, either 0.92 Pebblebrook common shares or \$37.80 in cash, subject to proration and certain other procedures and limitations contained in the merger agreement, as to which procedures and limitations Goldman Sachs expressed no opinion, and taken in the aggregate, subject to adjustment pursuant to Section 5.16(a) of the merger agreement, which, as noted above, we refer to as the aggregate consideration.

The full text of the written opinion of Goldman Sachs, dated September 6, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as *Annex D* to this joint proxy statement/prospectus and is incorporated by reference. Goldman Sachs provided advisory services and its opinion for the information and assistance of the LaSalle Board in connection with its consideration of the transactions contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any holder of LaSalle common shares should vote or make any election with respect to the transactions contemplated by the merger agreement or any other matter. Pursuant to an engagement letter between LaSalle and Goldman Sachs, LaSalle has agreed to pay Goldman Sachs an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the delivery of its opinion described in the section entitled "The Mergers Opinions of LaSalle's Financial Advisors Opinion of Goldman Sachs", \$3.5 million of which became payable at or prior to the announcement of the mergers and the remainder of which is contingent upon completion of the company merger.

For further information, see the section entitled "The Mergers Opinions of LaSalle's Financial Advisors" and *Annex C* and *Annex D*.

Treatment of LaSalle's Equity Awards (See page 154)

At the effective time of the company merger, (i) each outstanding LaSalle restricted share will vest and all restrictions thereon will lapse, and each such share will be cancelled in exchange for the right to submit an election and receive the merger consideration; (ii) each outstanding LaSalle performance award will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement, and each such LaSalle common share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration; and (iii) each outstanding award of LaSalle deferred shares will be cancelled and each such share will be converted into the right to submit an election and receive the merger consideration. For more information regarding the treatment and valuation of LaSalle equity awards, see "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 154 and "The Merger Agreement Treatment of

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LaSalle Common Shares, LaSalle Preferred Shares, LaSalle Restricted Shares, LaSalle Performance Shares and LaSalle Deferred Shares" beginning on page 203.

Trustees and Management of the Combined Company After the Mergers (See page 233)

All seven members of the Pebblebrook Board will continue to serve as trustees of the combined company. No members of the LaSalle Board will serve as trustees of the combined company.

The executive officers of Pebblebrook will continue to serve as the executive officers of the combined company, with Mr. Bortz continuing to serve as President, Chief Executive Officer and Chairman of the Board of the combined company. See "Trustees and Management of the Combined Company After the Mergers" beginning on page 39.

Interests of Pebblebrook's Trustees and Executive Officers in the Mergers (See page 154)

None of Pebblebrook's executive officers or members of the Pebblebrook Board is party to an arrangement with Pebblebrook, or participates in any Pebblebrook plan, program or arrangement, that provides such executive officer or board member with financial incentives that are contingent upon the consummation of the mergers.

In anticipation of Pebblebrook entering into the merger agreement, Pebblebrook and each of its three executive officers entered into waiver agreements pursuant to which the executive officers agreed that the mergers shall not be deemed to be a "Change in Control" as defined in the executives' change in control severance agreements and all of the executives' outstanding compensatory equity award agreements. As a result of entering into these waiver agreements, each executive officer has waived (i) the payment of any amounts of cash due to the executive and (ii) accelerated vesting of any unvested performance units, common shares or LTIP Class B Units, in each case that may otherwise have been due as a result of the mergers occurring.

Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers (See page 154)

LaSalle trustees, executive officers and employees have certain interests in the mergers that are different from, or in addition to, the interests of LaSalle shareholders generally. These interests may create potential conflicts of interest. The LaSalle Board was aware of these interests and considered them, among other matters, in reaching its decision to approve the mergers and the merger agreement. These interests include the following:

In accordance with the terms of the trustee fee deferral program, the merger agreement provides that each award of LaSalle deferred shares outstanding immediately prior to the effective time of the merger will automatically be cancelled in exchange for the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. LaSalle deferred shares issued under the trustee fee deferral program represent amounts previously earned and voluntarily deferred by LaSalle non-management trustees.

In accordance with the LaSalle 2014 Equity Incentive Plan, as amended, and the terms of the LaSalle restricted common share agreements, the merger agreement provides that, effective immediately prior to the effective time of the company merger, each LaSalle restricted common share that is outstanding immediately prior to the effective time of the company merger, including those held by LaSalle executive officers, will automatically become fully vested and non forfeitable, and all restrictions and repurchase rights will lapse, and LaSalle common shares represented thereby will be considered outstanding for all purposes under the merger agreement. Each holder of LaSalle restricted common shares will have the right to submit an election and receive the merger consideration, less any required tax withholdings.

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The LaSalle performance share award agreements provide that the number of LaSalle common shares subject to each award that would become vested upon a change in control is based on the measurement of certain performance criteria as of the closing date of a change in control. Accordingly, the number of earned LaSalle performance shares under each such LaSalle performance share award could range between zero to 200% of the target number of LaSalle common shares subject to such LaSalle performance share award. As of the time the merger agreement was executed, LaSalle calculated that each of Messrs. Barnello, Fuller, Young and Gaum, whom we refer to as the LaSalle senior officers, would be entitled to receive 179%, 174%, 180% and 172%, respectively, of the target number of LaSalle common shares under the pre-existing terms of their LaSalle performance share award agreements had the determination been made at the time the merger agreement was executed. Following the execution of the merger agreement, LaSalle and Pebblebrook evaluated the number of LaSalle common shares that could be earned and vested upon the effective time of the company merger and, in order to avoid uncertainty, LaSalle and Pebblebrook amended the merger agreement on September 18, 2018 to provide that, immediately prior to the merger effective time, each outstanding LaSalle performance share award, including those held by LaSalle's senior officers, will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement. Immediately prior to the effective time of the company merger, each earned LaSalle performance share will be cancelled and each holder thereof will have the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. Additionally, in accordance with the terms of the LaSalle performance share award agreements, in connection with the mergers, each holder of LaSalle performance share awards will receive a cash amount equal to all accrued and unpaid cash dividends that would have been paid on the earned LaSalle performance shares as if such earned LaSalle performance shares had been issued and outstanding from the grant date through the effective time of the company merger, without interest and less any required tax withholdings.

As previously disclosed, LaSalle entered into an amended and restated change in control severance agreement with Mr. Barnello, effective October 19, 2009, and change in control severance agreements with Mr. Fuller, effective April 25, 2016, Mr. Young, effective November 3, 2009 and Mr. Gaum, effective December 17, 2013. Each severance agreement provides for certain severance payments and benefits upon termination by LaSalle without "cause" (as defined in the applicable severance agreement) or by the officer for "good reason" (as defined in the applicable severance agreement) in connection with, or within one year following, a change in control. The merger agreement provides that the occurrence of the effective time of the company merger will be deemed to constitute a change in control under each severance agreement. Immediately after the effective time of the company merger, the employment of each of the LaSalle senior officers will be deemed to have been terminated by LaSalle without "cause" as of the completion of the merger and each LaSalle senior officer will be entitled to certain severance payments and benefits as provided under the terms of the applicable severance agreements. Following completion of the mergers, Pebblebrook will cause the surviving entity to pay all severance payments and benefits that each LaSalle senior officer would be entitled to receive under the applicable severance agreement upon expiration of the seven-day revocation period following the execution and delivery by the applicable LaSalle senior officer of a release agreement. None of the LaSalle senior officers have any employment arrangements or agreements with Pebblebrook, the surviving entity or any of their affiliates and Pebblebrook has publicly stated that its existing executive team will continue to manage the combined company following completion of the mergers.

In order to reduce uncertainty in connection with the proposed mergers, the merger agreement provides that Pebblebrook will cause the surviving entity to pay pro-rated annual bonuses for the

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2018 performance year for certain LaSalle employees (other than the LaSalle senior officers) no later than January 15, 2019 at 125% of the applicable employee's target bonus amount. The amount due to any former LaSalle employee who is terminated by Pebblebrook or the surviving entity without "cause" prior to January 15, 2019 will be pro-rated through the termination date and paid upon expiration of the seven-day revocation period following the execution and delivery by the applicable employee of a release agreement.

Following LaSalle's receipt of an unsolicited proposal for the acquisition of LaSalle in March 2018, the LaSalle Board adopted an employee retention bonus plan to assure that LaSalle will retain and have the continued dedication of employees during a period of uncertainty at LaSalle. The aggregate value of the awards payable to certain LaSalle employees (other than the LaSalle senior officers) under the employee retention bonus plan is approximately \$7,500,000. Pebblebrook will cause the surviving entity to pay, following the completion of the mergers, the amounts and benefits due to certain employees (other than the LaSalle senior officers) under LaSalle's employee retention bonus plan upon expiration of the seven-day revocation period following the execution and delivery by the applicable participant of a release agreement.

In exchange for their services to LaSalle in connection with the mergers and the terminated Blackstone transaction, each member of the transaction committee of the LaSalle Board received compensation of \$20,000 per month, subject to an overall limit of \$100,000 per member. The members of the transaction committee of the LaSalle Board are Jeffrey T. Foland, Darryl Hartley-Leonard and Stuart L. Scott.

Upon completion of the mergers, the LaSalle non-management trustees will be paid by LaSalle in cash in respect of their earned and unpaid 2018 LaSalle Board compensation.

For more information regarding these interests, see "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 154.

Listing of Pebblebrook Common Shares, Pebblebrook Series E Preferred Shares and Pebblebrook Series F Preferred Shares (See page 201)

It is a condition to each party's obligation to complete the mergers that the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares to be issued pursuant to the merger agreement be approved for listing on the NYSE, subject to official notice of issuance. Pebblebrook has agreed to use its reasonable best efforts to have the application for the listing of such Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares accepted by the NYSE as promptly as is practicable. After the company merger is completed, LaSalle common shares, LaSalle Series I preferred shares and LaSalle Series J preferred shares will cease to be listed on the NYSE and will be deregistered under the Exchange Act.

No Shareholder Appraisal Rights in the Mergers (See page 208)

No dissenters' or appraisal rights or rights of objecting shareholders will be available with respect to the mergers or the other transactions contemplated by the merger agreement.

Conditions to Completion of the Mergers (See page 226)

A number of customary conditions must be satisfied or waived, where legally permissible, before the mergers can be consummated. These include, among others:

approval by LaSalle shareholders of the company merger and the other transactions contemplated by the merger agreement;

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approval by Pebblebrook shareholders of the issuance of Pebblebrook common shares pursuant to the merger agreement;

absence of any law or order of a governmental authority preventing or prohibiting the mergers;

declaration of effectiveness of the Form S-4 registration statement, of which this joint proxy statement/prospectus is a part, and the absence of any stop order suspending the effectiveness of such Form S-4 or any commencement or threat of any proceeding by the SEC to that effect that has not been withdrawn;

approval of listing on the NYSE, subject to official notice of issuance, of the Pebblebrook common shares, the Pebblebrook Series E preferred shares and the Pebblebrook Series F preferred shares to be issued pursuant to the merger agreement;

truth and accuracy of the representations and warranties of each party made in the merger agreement as of the completion of the mergers, subject to materiality standards and qualifiers set forth in the merger agreement;

performance of or compliance in material respects with obligations under the merger agreement;

receipt of closing certificates signed on behalf of each party's chief executive officer or chief financial officer that certain conditions to closing have been satisfied;

receipt of an opinion of counsel by each of Pebblebrook and LaSalle from counsel for the other party to the effect that such party has been organized and has operated in conformity with the requirements for qualification and taxation as a REIT;

receipt of an opinion of counsel of each party to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and

absence of any material adverse effect with regard to Pebblebrook or LaSalle.

Neither Pebblebrook nor LaSalle can give any assurance as to when or if all of the conditions to completion of the mergers will be satisfied or waived or that the mergers will occur.

See "The Merger Agreement Conditions to the Mergers" beginning on page 226.

Regulatory Approvals Required for the Mergers (See page 163)

Pebblebrook and LaSalle are not aware of any material federal or state regulatory requirements that must be complied with, or regulatory approvals that must be obtained, pursuant to the merger agreement or the other transactions contemplated by the merger agreement.

No Solicitation and Change in Recommendation (See page 216)

Under the merger agreement, each of Pebblebrook and LaSalle has agreed not to, and to cause its subsidiaries not to, directly or indirectly: (i) solicit, initiate or knowingly encourage or knowingly facilitate the submission or announcement of any acquisition proposal or acquisition inquiry (as those terms are defined below), (ii) furnish any non-public information regarding such party or its subsidiaries to any third party with respect to an acquisition proposal or acquisition inquiry, (iii) engage in or otherwise participate in any discussions or negotiations with any third party with respect to any acquisition proposal or acquisition inquiry, (iv) otherwise knowingly facilitate any effort or attempt to make an

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acquisition proposal or acquisition inquiry, (v) terminate, waive, amend, release or modify any provision of any standstill, confidentiality or similar agreement to which any of the LaSalle parties or Pebblebrook parties, as applicable, is a party, except to the extent necessary to allow the counterparty thereof to make a private acquisition proposal to the LaSalle Board or the Pebblebrook Board, as applicable, (vi) provide any further information with respect to itself, its subsidiaries or any acquisition

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proposal to any third party or its representatives, (vii) approve or recommend an acquisition proposal or enter into any alternative acquisition agreement or (viii) resolve, propose or agree to do any of the foregoing.

However, prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle shareholders, and, prior to the approval of the issuance of the Pebblebrook common shares pursuant to the merger agreement by Pebblebrook shareholders, as applicable, LaSalle and its representative may, and Pebblebrook and its representatives may, as applicable, under certain specified circumstances, engage in discussions or negotiations with and provide any such information in response to an unsolicited bona fide written acquisition proposal. Under the merger agreement, each party is required to notify the other party promptly if it receives any acquisition proposal or acquisition inquiry or any request for non-public information in connection with an acquisition proposal and, among other things, keep the other party reasonably informed of the status of any discussions or negotiations with respect thereto.

Before the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle common shareholders, the LaSalle Board may, and before the approval of the issuance of the Pebblebrook common shares in connection with the company merger by Pebblebrook shareholders, the Pebblebrook Board may, under certain specified circumstances, withdraw its recommendation to its shareholders and/or, in the case of LaSalle, terminate the merger agreement to enter into an alternative acquisition agreement with respect to a superior proposal (as defined below) if the LaSalle Board or the Pebblebrook Board, as applicable, determines in good faith, after consultation with outside legal counsel, that failure to take such action would be inconsistent with its trustees' duties under applicable law.

For more information regarding the limitations on LaSalle and the LaSalle Board and Pebblebrook and the Pebblebrook Board to consider other proposals, see "The Merger Agreement Restriction on Solicitation of Acquisition Proposals" beginning on page 216.

Termination of the Merger Agreement (See page 228)

The merger agreement may be terminated at any time by the mutual consent of Pebblebrook and LaSalle in a written instrument.

In addition, the merger agreement may be terminated prior to the effective time of the company merger by either Pebblebrook or LaSalle under the following conditions, each subject to certain exceptions:

the mergers are not consummated by the end date;

a governmental entity has issued a final, non-appealable order permanently restraining, enjoining or otherwise prohibiting the consummation of the mergers or the other transactions contemplated by the merger agreement;

there has been a breach by the other party of any representation, warranty or covenant set forth in the merger agreement, which causes a condition of the merger agreement not to be satisfied (and such breach is not curable prior to the end date);

the holders of LaSalle common shares do not approve the company merger and the other transactions contemplated by the merger agreement; or

the holders of Pebblebrook common shares do not approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

The merger agreement may also be terminated by Pebblebrook if, prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle

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shareholders, the LaSalle Board effects a change in recommendation (as defined below) or enters into an alternative acquisition agreement (as defined below).

The merger agreement may also be terminated by LaSalle if:

prior to the approval of the company merger and the other transactions contemplated by the merger agreement by LaSalle shareholders, the LaSalle Board effects a change in recommendation and LaSalle enters into a definitive agreement with respect to a superior proposal and pays a termination payment to Pebblebrook as described below; or

prior to the approval of the issuance of the Pebblebrook common shares pursuant to the merger agreement by Pebblebrook shareholders, the Pebblebrook Board effects a change in recommendation or any Pebblebrook party enters into an alternative acquisition agreement.

For more information regarding the rights of Pebblebrook and LaSalle to terminate the merger agreement, see "The Merger Agreement Termination of the Merger Agreement" beginning on page 228.

Termination Fee and Expenses (See page 230)

Generally, all fees and expenses incurred in connection with the mergers and the other transactions contemplated by the merger agreement will be paid by the party incurring those fees and expenses. Additionally, upon termination of the merger agreement in certain circumstances, the merger agreement provides for the payment of a termination fee to Pebblebrook by LaSalle of \$112 million. The merger agreement also provides for the payment of a termination fee to LaSalle by Pebblebrook of \$81 million upon termination of the merger agreement in certain circumstances.

See "The Merger Agreement Termination Fees" beginning on page 230.

Material U.S. Federal Income Tax Consequences of the Company Merger (See page 165)

Pebblebrook and LaSalle intend that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The completion of the mergers is conditioned on the receipt by each of Pebblebrook and LaSalle of an opinion from its counsel to the effect that the company merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming that the company merger qualifies as a reorganization, the U.S. federal income tax consequences for U.S. holders (as defined herein) of LaSalle common shares who receive Pebblebrook common shares and/or cash in exchange for their shares in connection with the company merger generally will be as follows:

if a LaSalle shareholder receives solely Pebblebrook common shares, such shareholder generally will not recognize any gain or loss, except with respect to cash received in lieu of fractional Pebblebrook common shares;

if a LaSalle shareholder receives solely cash, such shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's tax basis in its LaSalle shares; and

if a LaSalle shareholder receives a combination of Pebblebrook common shares and cash, such shareholder generally will recognize gain (but not loss) in an amount equal to the lesser of (1) the sum of the cash and the fair market value of the Pebblebrook common shares received, minus the shareholder's tax basis in its LaSalle shares, and (2) the amount of cash received.

Non-U.S. holders (as defined elsewhere in this joint proxy statement/prospectus) who receive some or all of the merger consideration in cash may be subject to U.S. withholding tax with respect to the cash consideration. For further discussion of the material U.S. federal income tax consequences of the

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company merger and the ownership and disposition of the common shares of the combined company, see "The Mergers Material U.S. Federal Income Tax Considerations" beginning on page 163.

Holders of LaSalle common shares should consult their tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the company merger and the ownership and disposition of the common shares of the combined company.

Accounting Treatment (See page 200)

Pebblebrook prepares its financial statements in accordance with U.S. generally accepted accounting principles, which we refer to as GAAP. The mergers will be accounted for by applying the acquisition method. See "The Mergers Accounting Treatment" beginning on page 184 for more information.

Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders (See page 244)

The rights of LaSalle shareholders are currently governed by and subject to the Maryland REIT Law, which we refer to as the MRL, which incorporates certain provisions of the Maryland General Corporation Law, which we refer to as the MGCL, and the declaration of trust and bylaws of LaSalle. Upon consummation of the mergers, the rights of the former LaSalle shareholders and LaSalle OP unitholders who receive Pebblebrook common shares in the mergers will be governed by the MRL and the declaration of trust and bylaws of Pebblebrook, rather than the declaration of trust and bylaws of LaSalle. Generally, the rights of Pebblebrook shareholders are substantially similar to those of LaSalle shareholders.

For a summary of certain differences between the rights of Pebblebrook shareholders and LaSalle shareholders, see "Comparison of Rights of Pebblebrook Shareholders and LaSalle Shareholders" beginning on page 244.

Selected Historical Financial Information of Pebblebrook

Except for the data in the table titled "Other Financial Data" below, the following selected historical financial information for each of the years during the five-year period ended December 31, 2017 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2017 have been derived from Pebblebrook's audited consolidated financial statements. The selected historical financial information for the six months ended June 30, 2018 and 2017 and the selected balance sheet data as of June 30, 2018 and 2017 have been derived from Pebblebrook's unaudited interim consolidated financial statements.

You should read the selected historical financial information presented below together with the consolidated financial statements and the related notes thereto and management's discussion and analysis of financial condition and results of operations of Pebblebrook included in Pebblebrook's Annual Report on Form 10-K for the year ended December 31, 2017 and its Quarterly Report on

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Form 10-Q for the quarter ended June 30, 2018 which are incorporated herein by reference. See also "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

	For the six months ended June 30,		For the year ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(In thousands, except share and per-share data)							
Revenues:							
Room	\$ 264,489	\$ 268,092	\$ 532,288	\$ 568,867	\$ 526,573	\$ 410,600	\$ 321,630
Food and beverage	93,778	92,019	182,737	191,857	190,852	148,114	136,531
Other operating	29,289	27,784	54,292	55,697	53,439	40,062	31,056
Total revenues	387,556	387,895	769,317	816,421	770,864	598,776	489,217
Expenses:							
Hotel operating expenses:							
Room	64,865	67,623	134,068	137,312	124,090	102,709	83,390
Food and beverage	62,924	61,490	123,213	126,957	128,816	104,843	100,244
Other direct and indirect	106,362	106,449	210,692	219,655	215,169	166,435	140,564
Total hotel operating expenses	234,151	235,562	467,973	483,924	468,075	373,987	324,198
Depreciation and amortization	49,464	52,246	102,290	102,439	95,872	68,324	55,570
Real estate taxes, personal property taxes, property insurance and ground rent	24,603	25,750	48,500	50,488	46,947	36,878	31,052
General and administrative	11,179	12,578	24,048	28,105	32,335	28,322	20,542
Impairment and other losses	1,378	1,049	6,003	12,148			
Gain on insurance settlement	(13,088)						
Total operating expenses	307,687	327,185	648,814	677,104	643,229	507,511	431,362
Operating income (loss)	79,869	60,710	120,503	139,317	127,635	91,265	57,855
Interest income	122	96	97	1,995	2,511	2,529	2,620
Interest expense	(20,627)	(19,046)	(37,299)	(43,615)	(38,774)	(27,065)	(23,680)
Other	25,356		2,265	283			
Gain on sale of hotel properties		14,587	14,877	40,690			
Equity in earnings (loss) of joint venture				(64,842)	6,213	10,065	7,623
Income (loss) before income taxes	84,720	56,347	100,443	73,828	97,585	76,794	44,418
Income tax (expense) benefit	(1,909)	1,412	(181)	134	(2,590)	(3,251)	(1,226)
Net income (loss)	82,811	57,759	100,262	73,962	94,995	73,543	43,192
Net income (loss) attributable to non-controlling interests	299	213	374	258	327	677	274
Net income (loss) attributable to the Company	82,512	57,546	99,888	73,704	94,668	72,866	42,918
Distributions to preferred shareholders	(8,047)	(8,047)	(16,094)	(19,662)	(25,950)	(25,079)	(22,953)
Issuance costs of redeemed preferred shares				(7,090)			
Net income (loss) attributable to common shareholders	\$ 74,465	\$ 49,499	\$ 83,794	\$ 46,952	\$ 68,718	\$ 47,787	\$ 19,965
Net income (loss) per share available to common shareholders, basic	\$ 1.08	\$ 0.70	\$ 1.20	\$ 0.65	\$ 0.95	\$ 0.72	\$ 0.32
Net income (loss) per share available to common shareholders, diluted	\$ 1.07	\$ 0.70	\$ 1.19	\$ 0.64	\$ 0.94	\$ 0.71	\$ 0.32
Weighted-average number of common shares, basic	68,894,413	70,383,149	69,591,973	71,901,499	71,715,870	65,646,712	61,498,389
	69,227,098	70,706,802	69,984,837	72,373,242	72,384,289	66,264,118	61,836,741

Weighted-average number of common
shares, diluted

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	As of June 30,		For the year ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
	(In thousands)						
Balance Sheet Data:							
Investment in hotel properties, net	\$ 2,439,140	\$ 2,478,043	\$ 2,456,450	\$ 2,672,654	\$ 2,673,584	\$ 2,343,690	\$ 1,717,611
Cash and cash equivalents	17,253	14,337	25,410	33,410	26,345	52,883	55,136
Total assets	2,954,130	2,603,699	2,590,868	2,809,259	3,058,471	2,767,186	2,114,031
Unsecured revolving credit facilities	383,000	43,000	45,000	82,000	165,000	50,000	
Term loans, net of unamortized deferred financing costs	670,888	672,174	670,406	671,793	521,883	298,342	99,430
Senior unsecured notes, net of unamortized deferred financing costs	99,422	99,495	99,374	99,460	99,392		
Mortgage debt, net of unamortized loan premiums and deferred financings costs	69,304	71,584	70,457	142,998	319,320	492,347	451,917
Total shareholders' equity	1,527,354	1,510,344	1,498,901	1,605,684	1,758,389	1,781,091	1,473,339

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Selected Historical Financial Information of LaSalle

	For the six months ended June 30,		For the year ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
(In thousands, except share and per-share data)							
Earnings per Common Share:							
Net income (loss) attributable to common shareholders excluded amounts attributable to unvested restricted shares							
Basic	\$ 0.18	\$ 1.16	\$ 1.54	\$ 2.07	\$ 1.09	\$ 1.89	\$ 0.73
Diluted	\$ 0.18	\$ 1.16	\$ 1.54	\$ 2.07	\$ 1.09	\$ 1.88	\$ 0.73
Weighted average number of common shares outstanding:							
Basic	111,134,064	112,937,794	112,975,329	112,791,839	112,685,235	104,188,785	97,041,484
Diluted	111,552,469	113,347,580	113,364,092	113,164,599	113,096,420	104,545,895	97,228,671
Balance Sheet Data (at end of period):							
Investment in hotel properties, net	\$ 3,288,558	\$ 3,300,353	\$ 3,265,615	\$ 3,672,209	\$ 3,817,676	\$ 3,428,556	\$ 3,383,188
Total assets	3,651,538	3,894,129	3,814,941	3,944,079	4,069,346	3,698,779	3,577,757
Borrowings under credit facilities					21,000		220,606
Term loans, net of unamortized debt issuance costs	853,488	852,987	853,195	852,758	852,203	476,428	474,675
Bonds payable, net of unamortized debt issuance costs		42,472	42,494	42,455	42,316	42,144	42,267
Mortgage loans, including unamortized loan premiums, net of unamortized debt issuance costs	224,915	223,970	224,432	223,494	508,804	500,963	514,233
Noncontrolling interests in consolidated entities	16	17	18	17	18	17	18
Noncontrolling interests of common units in Operating Partnership	3,268	3,340	3,292	3,277	3,198	6,660	6,054
Preferred shares, liquidation preference	260,000	260,000	260,000	328,750	178,750	178,750	237,472
Total shareholders' equity	2,358,535	2,524,620	2,473,151	2,558,065	2,374,267	2,441,709	2,103,391
Other Data:							
Funds from operations (FFO)	\$ 120,867	\$ 149,715	\$ 287,958	\$ 340,768	\$ 316,469	\$ 275,224	\$ 234,170
Earnings before interest, taxes, depreciation and amortization (EBITDA)	142,531	254,809	414,755	495,016	369,725	427,466	292,232
Cash provided by operating activities	126,868	147,952	281,791	359,251	337,519	283,236	245,565
Cash provided by (used in) investing activities	(80,010)	365,726	286,592	154,154	(642,002)	(78,001)	(422,045)
Cash (used in) provided by financing activities	(226,991)	(188,848)	(302,368)	(384,453)	196,052	(104,492)	154,778
Cash dividends declared per common share	0.675	0.90	1.80	1.80	1.73	1.41	0.96

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Selected Pro Forma Condensed Combined Financial Information (See page F-1)

The following tables show summary unaudited pro forma condensed consolidated financial information about the combined financial condition and operating results of Pebblebrook and LaSalle after giving effect to the mergers. The unaudited pro forma financial information assumes that the mergers are accounted for by applying the acquisition method and based on Pebblebrook's preliminary estimates, assumptions and pro forma adjustments as described below and in the accompanying notes to the unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated balance sheet data gives effect to the mergers as if they had occurred on June 30, 2018. The unaudited pro forma condensed consolidated statement of income data gives effect to the mergers as if they had occurred on January 1, 2017, in each case based on the most recent valuation data available. The summary unaudited pro forma condensed consolidated financial information listed below has been derived from and should be read in conjunction with (1) the more detailed unaudited pro forma condensed consolidated financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (2) the historical consolidated financial statements and related notes of both Pebblebrook and LaSalle, incorporated herein by reference. See "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page F-1 and "Where You Can Find More Information" beginning on page 250.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the mergers had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are estimates based upon information and assumptions available at the time of the filing of this joint proxy statement/prospectus.

	Six Months Ended June 30, 2018					
	Pebblebrook Historical	LaSalle Historical(1)	LaSalle Adjustments (A)	LaSalle Adjusted	Pro Forma Adjustments	Pebblebrook Pro Forma
Operating Data						
Total revenues	\$ 387,556	\$ 527,632	\$ (78,747)	\$ 448,885	\$	\$ 836,441
Total hotel operating expenses	234,151	318,771	(53,741)	265,030		499,181
Depreciation and amortization	49,464	92,172	(14,570)	77,602	676	127,742
Interest expense	20,627	20,618		20,618	17,498	58,743
Net income (loss) attributable to common shareholders	74,465	20,477	(3,785)	16,692	(34,900)	56,257
Per common share data						
Basic:						
Net income (loss) per share available to common shareholders, basic	\$ 1.08	\$ 0.18	\$ (0.03)	\$ 0.15	\$ 0.71	\$ 0.43
Weighted-average number of common shares, basic	68,894,413	111,134,064	111,134,064	111,134,064	(49,396,375)	130,632,102
Diluted:						
Net income (loss) per share available to common shareholders, diluted	\$ 1.07	\$ 0.18	\$ (0.03)	\$ 0.15	\$ 0.71	\$ 0.43
Weighted-average number of common shares, diluted	69,227,098	111,552,469	111,552,469	111,552,469	(49,396,375)	131,383,192
Balance Sheet Data:						
Investment in hotel properties, net	\$ 2,439,140	\$ 3,303,339	\$ (701,041)	\$ 2,602,298	\$ 2,049,387	\$ 7,090,825
Total assets	2,954,130	3,651,538	(2,857)	3,648,681	815,394	7,418,205
Total debt	1,222,614	1,078,403		1,078,403	505,427	2,806,444
Total equity	1,532,634	2,361,819	18,551	2,380,370	69,470	3,982,474

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	Year Ended December 31, 2017					
	Pebblebrook Historical	LaSalle Historical(1)	LaSalle Adjustments (A)	LaSalle Adjusted	Pro Forma Adjustments	Pebblebrook Pro Forma
Operating Data						
Total revenues	\$ 769,317	\$ 1,104,815	\$ (160,029)	\$ 944,786	\$	\$ 1,714,103
Total hotel operating expenses	467,973	659,210	(106,951)	552,259		1,020,232
Depreciation and amortization	102,290	178,374	(30,405)	147,969	8,613	258,872
Interest expense	37,299	39,366		39,366	40,569	117,234
Net income (loss) attributable to common shareholders	83,794	174,609	(10,128)	164,481	(59,182)	189,093
Per common share data						
Basic:						
Net income (loss) per share available to common shareholders, basic	\$ 1.20	\$ 1.54	\$ (0.09)	\$ 1.45	\$ 1.16	\$ 1.43
Weighted-average number of common shares, basic	69,591,973	112,975,329	112,975,329	112,975,329	(51,237,640)	131,329,662
Diluted:						
Net income (loss) per share available to common shareholders, diluted	\$ 1.19	\$ 1.54	\$ (0.09)	\$ 1.45	\$ 1.16	\$ 1.42
Weighted-average number of common shares, diluted	69,984,837	113,364,092	113,364,092	113,364,092	(51,237,640)	132,111,289

Unaudited Comparative Per Share Information

The following table sets forth for the year ended December 31, 2017, and the six months ended June 30, 2018, selected per share information for Pebblebrook common shares on a historical and pro forma basis and for LaSalle common shares on a historical and pro forma equivalent basis after giving effect to the mergers using the acquisition purchase method of accounting. The information in the table is unaudited. You should read the tables below together with the historical consolidated financial statements and related notes of Pebblebrook and LaSalle contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2017, and each of Pebblebrook's and LaSalle's respective Quarterly Reports on Form 10-Q for the quarter ended June 30, 2018, which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

The pro forma condensed combined LaSalle equivalent information shows the effect of the mergers from the perspective of an owner of LaSalle common shares and the information was computed by multiplying the Pebblebrook pro forma combined information by the exchange ratio of 0.92.

The unaudited pro forma condensed combined per share data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the mergers had been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position. The pro forma adjustments are estimates based upon information and assumptions available at the time of the filing of this joint proxy statement/prospectus.

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The pro forma income from continuing operations per share includes the combined income from continuing operations of Pebblebrook and LaSalle on a pro forma basis as if the mergers had been consummated on January 1, 2017 or June 30, 2018, respectively.

	Pebblebrook		LaSalle	
	Historical	Pro Forma Combined	Historical	Pro Forma Equivalent
For the year ended December 31, 2017				
Net income per common share, basic	\$1.20	\$ 1.43	\$ 1.54	\$ 1.32
Net income per common share, diluted	\$1.19	\$ 1.42	\$ 1.54	\$ 1.31
Cash dividends declared per common share	\$1.52	\$ 1.52	\$ 1.80	\$ 1.40
For the six months ended June 30, 2018				
Net income per common share, basic	\$1.08	\$ 0.43	\$ 0.18	\$ 0.40
Net income per common share, diluted	\$1.07	\$ 0.43	\$ 0.18	\$ 0.40
Cash distributions declared per common share	\$0.76	\$ 0.76	\$ 0.675	\$ 0.70
As of June 30, 2018				
Net book value per common share	\$22.14	\$ 30.31	\$ 21.17	\$ 27.89

Comparative Pebblebrook and LaSalle Market Price and Dividend Information

Pebblebrook common shares are listed for trading on the NYSE under the symbol "PEB." LaSalle common shares are listed for trading on the NYSE under the symbol "LHO." The following table presents trading information for Pebblebrook common shares and LaSalle common shares on September 5, 2018, the last trading day before public announcement of the mergers and [•], 2018, the latest practicable trading day before the date of this joint proxy statement/prospectus.

Date	Pebblebrook Common Shares			LaSalle Common Shares		
	High	Low	Close	High	Low	Close
September 5, 2018	\$ 38.52	\$ 37.60	\$ 38.49	\$ 35.18	\$ 34.77	\$ 35.02
[•], 2018	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]

For illustrative purposes, the following table provides LaSalle equivalent per share information on each of the specified dates. LaSalle equivalent per share amounts are calculated by multiplying the per share price of each Pebblebrook common share by 0.92, the exchange ratio, and rounded up or down to the nearest cent.

Date	Pebblebrook Common Shares			LaSalle Common Shares		
	High	Low	Close	High	Low	Close
September 5, 2018	\$ 38.52	\$ 37.60	\$ 38.49	\$ 35.44	\$ 34.59	\$ 35.41
[•], 2018	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]	\$ [•]

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Pebblebrook's Market Price Data

Pebblebrook common shares are listed on the NYSE under the symbol "PEB". This table sets forth, for the periods indicated, the high and low sales prices per Pebblebrook common shares, as reported by the NYSE, and distributions declared per Pebblebrook common share.

	Price Per Common Share		Dividends Declared Per Share(1)
	High	Low	
2015			
First Quarter	\$ 50.17	\$ 44.11	\$ 0.31
Second Quarter	\$ 47.06	\$ 41.14	\$ 0.31
Third Quarter	\$ 46.66	\$ 34.77	\$ 0.31
Fourth Quarter	\$ 38.88	\$ 27.10	\$ 0.31
2016			
First Quarter	\$ 29.54	\$ 20.51	\$ 0.38
Second Quarter	\$ 28.93	\$ 23.46	\$ 0.38
Third Quarter	\$ 31.85	\$ 25.40	\$ 0.38
Fourth Quarter	\$ 31.64	\$ 23.56	\$ 0.38
2017			
First Quarter	\$ 31.73	\$ 26.21	\$ 0.38
Second Quarter	\$ 33.84	\$ 28.47	\$ 0.38
Third Quarter	\$ 36.38	\$ 31.29	\$ 0.38
Fourth Quarter	\$ 38.96	\$ 34.77	\$ 0.38
2018			
First Quarter	\$ 39.74	\$ 32.73	\$ 0.38
Second Quarter	\$ 41.65	\$ 33.17	\$ 0.38
Third Quarter (through [•], 2018)	\$ [•]	\$ [•]	\$ [•]

(1) Common share cash dividends currently are declared quarterly by Pebblebrook.

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LaSalle's Market Price Data

LaSalle common shares are listed on the NYSE under the symbol "LHO". This table sets forth, for the periods indicated, the high and low sales prices per LaSalle common share, as reported by the NYSE, and distributions declared per LaSalle common share.

	Price Per Common Share		Dividends Declared Per Share(1)
	High	Low	
2015			
First Quarter	\$ 43.56	\$ 36.54	\$ 0.375
Second Quarter	\$ 39.70	\$ 34.87	\$ 0.450
Third Quarter	\$ 38.46	\$ 27.70	\$ 0.450
Fourth Quarter	\$ 32.10	\$ 24.91	\$ 0.450
2016			
First Quarter	\$ 26.85	\$ 19.01	\$ 0.450
Second Quarter	\$ 25.31	\$ 21.56	\$ 0.450
Third Quarter	\$ 29.10	\$ 23.02	\$ 0.450
Fourth Quarter	\$ 31.15	\$ 23.05	\$ 0.450
2017			
First Quarter	\$ 31.87	\$ 27.80	\$ 0.450
Second Quarter	\$ 31.75	\$ 27.67	\$ 0.450
Third Quarter	\$ 31.39	\$ 27.48	\$ 0.450
Fourth Quarter	\$ 30.87	\$ 27.44	\$ 0.450
2018			
First Quarter	\$ 30.99	\$ 24.10	\$ 0.450
Second Quarter	\$ 36.13	\$ 28.23	\$ 0.225
Third Quarter (through [•], 2018)	\$ [•]	\$ [•]	\$ [•]

(1) Future regular, quarterly dividends on LaSalle common shares are prohibited under the merger agreement.

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RISK FACTORS

In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements," whether you are a Pebblebrook shareholder or a LaSalle shareholder, you should carefully consider the following risks before deciding how to vote your Pebblebrook common shares and/or LaSalle common shares. In addition, you should read and consider the risks associated with each of the businesses of Pebblebrook and LaSalle because these risks will also affect the combined company. These risks can be found in the respective Annual Reports on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q of Pebblebrook and LaSalle, each of which is filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

Risks Related to the Mergers

Neither the exchange ratio nor the cash consideration will be adjusted in the event of any change in the share price of either Pebblebrook common shares or LaSalle common shares.

Upon completion of the mergers, each outstanding LaSalle common share will be converted automatically into the right to receive (i) 0.92 Pebblebrook common share, with cash paid in lieu of any fractional shares, or (ii) \$37.80 in cash, without interest. Neither the exchange ratio of 0.92 nor the cash consideration of \$37.80 will be adjusted for changes in the market prices of either Pebblebrook common shares or LaSalle common shares. Changes in the market price of Pebblebrook common shares prior to the mergers will affect the market value of the merger consideration that LaSalle shareholders will receive on the completion date of the mergers. Share price changes may result from a variety of factors (many of which are beyond the control of Pebblebrook and LaSalle), including the following factors:

market reaction to the announcement of the mergers and the prospects of the combined company;

changes in the respective businesses, operations, assets, liabilities and prospects of Pebblebrook and LaSalle;

changes in market assessments of the business, operations, financial position and prospects of either company or the combined company;

market assessments of the likelihood that the mergers will be completed;

interest rates, general market and economic conditions and other factors generally affecting the market prices of Pebblebrook common shares and LaSalle common shares;

federal, state and local legislation, governmental regulation and legal developments in the businesses in which Pebblebrook and LaSalle operate; and

other factors beyond the control of Pebblebrook and LaSalle, including those described or referred to elsewhere in this "Risk Factors" section.

The market price of Pebblebrook common shares at the completion of the mergers may vary from such price on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of the special meetings of Pebblebrook and LaSalle. As a result, the market value of the merger consideration represented by the exchange ratio and the cash consideration will also vary. For example, based on the range of trading prices of Pebblebrook common shares during the period after September 5, 2018, the last trading day before Pebblebrook and LaSalle announced the

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mergers, through [•], 2018, the latest practicable date before the date of this joint proxy statement/prospectus, the exchange ratio of 0.92 represented a market value ranging from a low of \$[•] to a high of \$[•], implying merger prices per share of \$[•] and \$[•], respectively, after taking into account the cash consideration (assuming that 30% of LaSalle common shares receive the cash consideration).

Because the mergers will be completed after the date of the Pebblebrook and LaSalle special meetings, at the time of your special meeting, you will not know the exact market value of the Pebblebrook common shares you will receive upon completion of the mergers. If the market price of Pebblebrook common shares increases between the date the merger agreement was signed, the date of the Pebblebrook special meeting or the date of the LaSalle special meeting and the completion of the mergers, LaSalle shareholders could receive Pebblebrook common shares that have a market value upon completion of the mergers that is greater than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the dates of the special meetings, respectively. Additionally, if the market price of Pebblebrook common shares declines between the date the merger agreement was signed, the date of the Pebblebrook special meeting or the date of the LaSalle special meeting and the completion of the mergers, LaSalle shareholders could receive Pebblebrook common shares that have a market value upon completion of the mergers that is less than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or on the date of the Pebblebrook special meeting or the LaSalle special meeting, respectively.

Therefore, while the number of Pebblebrook common shares to be issued per LaSalle common share is fixed, (1) Pebblebrook shareholders cannot be sure of the market value of the merger consideration that will be paid to LaSalle shareholders upon completion of the mergers and (2) LaSalle shareholders cannot be sure of the market value of the merger consideration they will receive upon completion of the mergers.

Pebblebrook and LaSalle shareholders will be diluted by the mergers.

As a result of the mergers, Pebblebrook shareholders will own a smaller percentage interest in Pebblebrook than they had immediately prior to the mergers and LaSalle shareholders will own a smaller percentage interest in the combined company than they owned in LaSalle immediately prior to the mergers. Upon completion of the mergers, we estimate that ownership of the issued and outstanding common shares of the combined company will be as follows (in each case assuming that all of the limited partners (excluding LaSalle and its affiliates) of LaSalle OP elect to receive Pebblebrook common shares instead of Pebblebrook OP common units):

If all LaSalle shareholders elect to receive the maximum cash amount, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%; and

If all LaSalle shareholders elect to receive Pebblebrook common shares, then Pebblebrook shareholders will own approximately [•]% and former LaSalle security holders will own approximately [•]%.

Consequently, Pebblebrook shareholders and LaSalle shareholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the company merger than they currently exercise over the management and policies of Pebblebrook and LaSalle, as the case may be.

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Completion of the mergers is subject to many conditions and if these conditions are not satisfied or waived, the mergers will not be completed, which could result in the requirement that Pebblebrook or LaSalle pay certain termination fees.

The merger agreement is subject to many conditions which must be satisfied or waived in order to complete the mergers. For a summary of the conditions that must be satisfied or waived prior to completion of the mergers, see "The Merger Agreement Conditions to the Mergers" beginning on page 226.

There can be no assurance that the conditions to completion of the mergers will be satisfied or waived or that the mergers will be completed. Failure to complete the mergers may adversely affect Pebblebrook's or LaSalle's results of operations and business prospects for the following reasons, among others: (i) each of Pebblebrook and LaSalle will incur certain transaction costs, regardless of whether the proposed mergers are completed, which could adversely affect each company's respective financial condition, results of operations and ability to make distributions to its shareholders; and (ii) the proposed mergers, whether or not they are completed, will divert the attention of certain management and other key employees of Pebblebrook and LaSalle from ongoing business activities, including the pursuit of other opportunities that could be beneficial to Pebblebrook or LaSalle, respectively. In addition, Pebblebrook or LaSalle may terminate the merger agreement under certain circumstances, including, among other reasons, if the mergers are not completed by the end date, and if the merger agreement is terminated under certain circumstances specified in the merger agreement, Pebblebrook may be required to pay LaSalle a termination fee of \$81 million, and LaSalle may be required to pay Pebblebrook a termination fee of \$112 million. In addition, Pebblebrook has paid on behalf of LaSalle a termination fee of \$112 million to BRE Landmark Parent L.P. in connection with LaSalle's termination of the Blackstone merger agreement, and the merger agreement does not provide for Pebblebrook to be reimbursed for such payment. See "The Merger Agreement Termination of the Merger Agreement" beginning on page 228.

Failure to complete the mergers could negatively impact the shares prices and the future business and financial results of both Pebblebrook and LaSalle.

If the mergers are not completed, the ongoing businesses of Pebblebrook and LaSalle could be adversely affected and each of Pebblebrook and LaSalle will have incurred substantial costs despite the failure to complete the mergers, including the following:

LaSalle being required, under certain circumstances, to pay to Pebblebrook a termination fee of \$112 million;

Pebblebrook being required, under certain circumstances, to pay to LaSalle a termination fee of \$81 million;

Pebblebrook and LaSalle having to pay certain costs relating to the mergers, such as legal, accounting, financing related, financial advisor, filing, printing and mailing fees; and

diversion of Pebblebrook and LaSalle management focus and resources from operational matters and other strategic opportunities while working to implement the mergers.

If the mergers are not completed, these costs and diversions could materially affect the business, financial results and share prices of both Pebblebrook and LaSalle.

The pendency of the mergers could adversely affect the business and operations of Pebblebrook and LaSalle.

Prior to the effective time of the company merger, some customers, lessors, lessees, hotel managers or suppliers of each of Pebblebrook and LaSalle may delay or defer decisions, which could negatively affect the revenues, earnings, cash flows and expenses of Pebblebrook and LaSalle, regardless of

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whether the mergers are completed. Similarly, current and prospective employees of Pebblebrook and LaSalle may experience uncertainty about their future roles with the combined company following the mergers, which may materially adversely affect the ability of each of Pebblebrook and LaSalle to attract and retain key personnel during the pendency of the mergers. In addition, due to operating restrictions in the merger agreement, each of Pebblebrook and LaSalle may be unable, during the pendency of the mergers, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions, even if such actions would prove beneficial.

The merger agreement contains provisions that could discourage a potential competing acquirer of LaSalle or Pebblebrook or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

The merger agreement contains provisions that, subject to limited exceptions necessary to comply with the duties of either party's board of trustees, restrict the ability of either party to solicit, initiate or knowingly facilitate an acquisition proposal or an acquisition inquiry. Prior to receiving Pebblebrook or LaSalle shareholder approval of the mergers, either party may negotiate with a third party after receiving an unsolicited written proposal if the other party's board determines in good faith, after consultation with its financial advisors and outside legal counsel, that the acquisition proposal either constitutes a superior proposal or could reasonably be expected to lead to a superior proposal. Once a third-party proposal is received, the receiving party must, among other things, notify the other party within 24 hours following receipt of the proposal and keep the other party informed of the status and terms of the proposal and associated negotiations. In response to such a proposal, if either party's board determines in good faith, after consultation with outside legal counsel, that the acquisition proposal constitutes a superior proposal, either party may, under certain circumstances, make a change in recommendation to such party's shareholders with respect to the mergers and enter into an agreement to consummate a competing transaction with a third party,

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of LaSalle or Pebblebrook from considering or proposing such an acquisition, even if the potential competing acquirer was prepared to pay consideration with a higher per-share value than the value proposed to be received or realized in the mergers, or might result in a potential competing acquirer proposing to pay a lower per share value than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement. See "The Merger Agreement Restriction on Solicitation of Acquisition Proposals" beginning on page 216, "The Merger Agreement Termination of the Merger Agreement" beginning on page 228 and "The Merger Agreement Termination Fees" beginning on page 230.

If the mergers are not consummated by the end date, either Pebblebrook or LaSalle may terminate the merger agreement.

Either Pebblebrook or LaSalle may terminate the merger agreement if the mergers have not been consummated by the end date. However, this termination right will not be available to a party if that party failed to fulfill its obligations under the merger agreement and that failure was a principle cause of, or resulted in, the failure to consummate the mergers.

There can be no assurance that Pebblebrook will be able to secure debt financing in connection with the mergers and the transactions contemplated by the merger agreement on acceptable terms, in a timely manner, or at all.

The mergers are not conditioned upon Pebblebrook having received any financing at or prior to the effective time of the company merger. However, in connection with the mergers and the

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transactions contemplated by the merger agreement, Pebblebrook has entered into a bridge loan commitment letter with Bank of America and BAML. The proceeds from any loan obtained in accordance with the commitment letter may be used, among other things, to pay costs and expenses incurred in connection with the mergers and the transactions contemplated by the merger agreement and to repay certain indebtedness of LaSalle and its subsidiaries. However, Pebblebrook has not entered into a definitive agreement for debt financing nor has it secured alternative financing. There can be no assurance that Pebblebrook will be able to secure such financing in a timely manner, or at all. Under the terms of the merger agreement Pebblebrook is required to close the mergers irrespective of whether it has obtained financing. See "Financing Related to the Mergers" beginning on page 231.

Some of the trustees and executive officers of LaSalle have interests in the mergers that are different from, or in addition to, those of other LaSalle shareholders.

Some of the trustees and executive officers of LaSalle have arrangements that provide them with interests in the mergers that are different from, or in addition to, those of the LaSalle shareholders, generally. These interests may create potential conflicts of interest. For a description of these interests, see the section entitled "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 154.

Risks Related to the Combined Company Following the Mergers

The combined company expects to incur substantial expenses related to the mergers.

The combined company expects to incur substantial expenses in connection with completing the mergers and integrating the business, operations, networks, systems, technologies, policies and procedures of LaSalle with those of Pebblebrook. There are several systems that must be integrated, including accounting and finance and asset management. While Pebblebrook has assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond its control that could affect the total amount or the timing of the combined company's integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the mergers could, particularly in the near-term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the mergers.

Following the mergers, the combined company may be unable to integrate the businesses of Pebblebrook and LaSalle successfully and realize the anticipated synergies and other benefits of the mergers or do so within the anticipated timeframe.

The mergers involve the combination of two companies that currently operate as independent public companies and their respective operating partnerships. The combined company is expected to benefit from the elimination of duplicative costs associated with operating a public company. These savings are expected to be realized upon full integration following the completion of the mergers. However, the combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Pebblebrook and LaSalle. Potential difficulties the combined company may encounter in the integration process include the following:

the inability to successfully combine the businesses of Pebblebrook and LaSalle in a manner that permits the combined company to achieve the cost savings anticipated to result from the mergers, which would result in the anticipated benefits of the mergers not being realized in the timeframe currently anticipated or at all;

the complexities associated with managing the combined businesses and integrating personnel from the two companies;

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the additional complexities of combining two companies with different histories, cultures, markets and third-party hotel management companies;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the mergers; and

performance shortfalls as a result of the diversion of management's attention caused by completing the mergers and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in the combined company's operations, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the combined company to maintain relationships with third-party hotel management companies, vendors and employees or to achieve the anticipated benefits of the mergers, or could otherwise adversely affect the business and financial results of the combined company.

Following the mergers, the combined company may be unable to retain key employees.

The success of the combined company after the mergers will depend in part upon its ability to retain key Pebblebrook and LaSalle employees. Key employees may depart either before or after the mergers because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the mergers. Accordingly, no assurance can be given that Pebblebrook, LaSalle or, following the mergers, the combined company will be able to retain key employees to the same extent as in the past.

The combined company's anticipated level of indebtedness will increase upon completion of the mergers and will increase the related risks Pebblebrook now faces.

In connection with the mergers, the combined company will assume and/or refinance certain indebtedness of both Pebblebrook and LaSalle, will incur additional indebtedness to pay the cash consideration and will be subject to increased risks associated with debt financing, including an increased risk that the combined company's cash flows could be insufficient to meet required payments on its debt. On June 30, 2018, Pebblebrook had indebtedness of \$1.2 billion, including \$383 million of outstanding borrowings under its revolving credit facility, a total of \$675 million of outstanding term loans, a total of \$100 million of unsecured notes and a total of \$69 million of outstanding mortgage debt and LaSalle had \$1.1 billion. After giving effect to the mergers, the combined company's total pro forma consolidated indebtedness will increase. Taking into account Pebblebrook's existing indebtedness and the assumption and/or refinancing of indebtedness in the mergers, the combined company's pro forma consolidated indebtedness as of June 30, 2018, after giving effect to the mergers, would be approximately \$2.9 billion. As of [•], 2018, Pebblebrook had an outstanding balance of \$[•] million on its revolving credit facility and LaSalle had an outstanding balance of \$[•] million on its revolving credit facility.

The combined company's increased indebtedness could have important consequences to holders of the combined company's common shares and preferred shares, including LaSalle shareholders who receive Pebblebrook common shares in the mergers, including:

increasing the combined company's vulnerability to general adverse economic and industry conditions;

limiting the combined company's ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;

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requiring the use of a substantial portion of the combined company's cash flow from operations for the payment of principal and interest on its indebtedness, thereby reducing its ability to use its cash flow to fund working capital, acquisitions, capital expenditures and general corporate requirements;

limiting the combined company's flexibility in planning for, or reacting to, changes in its business and its industry; and

putting the combined company at a disadvantage compared to its competitors with less indebtedness.

If the combined company defaults under a mortgage loan, it will automatically be in default under any other loan that has cross-default provisions, and it may lose the properties securing these loans.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the mergers.

Following the mergers, the combined company expects to continue to expand its operations through additional acquisitions, some of which may involve complex challenges. The future success of the combined company will depend, in part, upon the ability of the combined company to manage its expansion opportunities, which may pose substantial challenges for the combined company to integrate new operations into its existing business in an efficient and timely manner, and upon its ability to successfully monitor its operations, costs and regulatory compliance, and to maintain other necessary internal controls. There is no assurance that the company's expansion or acquisition opportunities will be successful, or that the combined company will realize its expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits.

Counterparties to certain significant agreements with Pebblebrook or LaSalle may exercise contractual rights under such agreements in connection with the mergers.

Each of Pebblebrook and LaSalle is party to certain agreements that give the counterparty certain rights following a "change in control," including in some cases the right to terminate the agreement. Under some such agreements, the mergers may constitute a change in control and therefore the counterparty may exercise certain rights under the agreement upon the completion of the mergers. Any such counterparty may request modifications of their respective agreements as a condition to granting a waiver or consent under their agreement. There can be no assurances that such counterparties will not exercise their rights under these agreements, including termination rights where available, or that the exercise of any such rights under, or modification of, these agreements will not adversely affect the business or operations of the combined company.

Risks Related to an Investment in the Common Shares of the Combined Company Following the Mergers

The market price and trading volume of the common shares of the combined company may be volatile.

The U.S. stock markets, including the NYSE, on which it is anticipated that the common shares of the combined company will be listed under the symbol "PEB", have experienced significant price and volume fluctuations. As a result, the market price of the common shares of the combined company is likely to be similarly volatile, and investors in the common shares of the combined company may experience a decrease in the value of their shares, including decreases unrelated to the combined company's operating performance or prospects. Pebblebrook and LaSalle cannot assure you that the market price of the common shares of the combined company will not fluctuate or decline significantly in the future.

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In addition to the risks listed in this "Risk Factors" section, a number of factors could negatively affect the combined company's share price or result in fluctuations in the price or trading volume of the common shares of the combined company, including:

the annual yield from dividends on the common shares of the combined company as compared to yields on other financial instruments;

equity issuances by the combined company, or future sales of substantial amounts of the common shares of the combined company by its existing or future shareholders, or the perception that such issuances or future sales may occur;

increases in market interest rates or a decrease in the combined company's distributions to shareholders that lead purchasers of the common shares of the combined company to demand a higher yield;

changes in market valuations of similar companies;

fluctuations in stock market prices and volumes;

additions or departures of key management personnel;

the combined company's operating performance and the performance of other similar companies;

actual or anticipated differences in the combined company's quarterly operating results;

changes in expectations of future financial performance or changes in estimates of securities analysts;

publication of research reports about the combined company or its industry by securities analysts;

failure to qualify as a REIT for U.S. federal income tax purposes;

adverse market reaction to any indebtedness the combined company incurs in the future;

strategic decisions by the combined company or its competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments that adversely affect the combined company or its industry;

speculation in the press or investment community;

changes in the combined company's earnings;

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failure to satisfy the listing requirements of the NYSE;

failure to comply with the requirements of the Sarbanes-Oxley Act of 2002;

actions by institutional shareholders of the combined company;

changes in accounting principles; and

general economic and/or market conditions, including factors unrelated to the combined company's performance.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common shares. This type of litigation could result in substantial costs and divert the attention and resources of the combined company's management, which could have a material adverse effect on the combined company's cash flows, its ability to execute its business strategy and the combined company's ability to make distributions to its shareholders.

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The market price of the common shares of the combined company may be affected by factors different from those affecting the prices of Pebblebrook common shares or LaSalle common shares before the mergers.

The results of operations of the combined company, as well as the market price of the common shares of the combined company, after the mergers may be affected by other factors in addition to those currently affecting Pebblebrook's or LaSalle's results of operations and the market prices of Pebblebrook common shares and LaSalle common shares. These factors include:

a greater number of common shares of the combined company outstanding as compared to the number of currently outstanding Pebblebrook common shares; and

different shareholders.

Accordingly, the historical market prices and financial results of Pebblebrook and LaSalle may not be indicative for the combined company after the mergers. For a discussion of the businesses of Pebblebrook and LaSalle and certain risks to consider in connection with investing in those businesses, see the documents incorporated by reference by Pebblebrook and LaSalle into this joint proxy statement/prospectus referred to under "Where You Can Find More Information and Incorporation by Reference."

The market price of the common shares of the combined company may decline following the mergers.

The market price of the combined company's common shares may decline following the mergers if the combined company does not achieve the perceived benefits of the mergers as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the mergers on the combined company's financial results is not consistent with the expectations of financial or industry analysts.

In addition, upon completion of the mergers, Pebblebrook shareholders and LaSalle shareholders will own interests in a combined company operating an expanded business with a different mix of properties, risks and liabilities. Current Pebblebrook shareholders and LaSalle shareholders may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of the combined company. If, following the effective time of the company merger, large amounts of the combined company's common shares are sold, the market price of the combined company's common shares could decline.

The combined company cannot assure you that it will be able to continue paying dividends at or above the rate currently paid by Pebblebrook.

Following the mergers, the shareholders of the combined company may not receive dividends at the same rate they received dividends as Pebblebrook shareholders or as LaSalle shareholders for various reasons, including the following:

the combined company may not have enough cash to pay such dividends due to changes in the combined company's cash requirements, capital spending plans, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the combined company's board of trustees, which reserves the right to change Pebblebrook's current distribution policy at any time and for any reason; and

the amount of distributions that the combined company's subsidiaries may make to the combined company may be subject to restrictions imposed by state law, restrictions that may be imposed by state regulators, and restrictions imposed by the terms of any current or future indebtedness that these subsidiaries may incur, including restrictions imposed under the terms of Pebblebrook preferred shares.

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Shareholders of the combined company will have no contractual or other legal right to dividends that have not been declared by the combined company's board of trustees.

The historical and unaudited pro forma combined financial information included elsewhere in this joint proxy statement/prospectus may not be representative of the combined company's results following the effective time of the company merger, and accordingly, you have limited financial information on which to evaluate the combined company.

The unaudited pro forma combined financial information included elsewhere in this joint proxy statement/prospectus has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the mergers been completed as of the date indicated, nor is it indicative of the future operating results or financial position of the combined company. The unaudited pro forma combined financial information does not reflect future events that may occur after the effective time of the company merger, including the costs related to the planned integration of the two companies and any future nonrecurring charges resulting from the mergers, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. The unaudited pro forma combined financial information presented elsewhere in this joint proxy statement/prospectus is based in part on certain assumptions regarding the mergers that Pebblebrook and LaSalle believe are reasonable under the circumstances. Pebblebrook and LaSalle cannot assure you that the assumptions will prove to be accurate over time.

The combined company may incur adverse tax consequences if Pebblebrook or LaSalle has failed or fails to qualify as a REIT.

Each of Pebblebrook and LaSalle has operated in a manner that it believes has allowed it to qualify as a REIT under the Code and intends to continue to do so through the time of the company merger. Pebblebrook intends to continue operating in such a manner following the company merger. Neither Pebblebrook nor LaSalle has requested or plans to request a ruling from the Internal Revenue Service, which we refer to as the IRS, that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations is greater in the case of a REIT, like each of Pebblebrook and LaSalle, that holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within the control of Pebblebrook or LaSalle may affect its ability to qualify as a REIT. In order to qualify as a REIT, each of Pebblebrook and LaSalle must satisfy a number of requirements, including requirements regarding the ownership of its shares and the composition of its gross income and assets. Also, a REIT must distribute to shareholders annually at least 90% of its net taxable income, excluding any net capital gains.

If Pebblebrook (or, following the company merger, the combined company) loses its REIT status, or is determined to have lost its REIT status in a prior year, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its shareholders, because:

it would be subject to U.S. federal, state and local income tax on its net income at regular corporate rates for the years it did not qualify for taxation as a REIT (and, for such years, would not be allowed a deduction for dividends paid to shareholders in computing its taxable income);

unless it is entitled to relief under applicable statutory provisions, neither it nor any "successor" company could elect to be taxed as a REIT until the fifth taxable year following the year during which it was disqualified; and

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for five years following re-election of REIT status, upon a taxable disposition of an asset owned as of such re-election, it could be subject to corporate level tax with respect to any built-in gain inherent in such asset at the time of re-election.

Even if Pebblebrook (or, following the company merger, the combined company) retains its REIT status, if LaSalle is determined to have lost its REIT status for a taxable year ending on or before the company merger, LaSalle would be subject to adverse tax consequences similar to those described above. This could substantially reduce the combined company's cash available for distribution, including cash available to pay dividends to its shareholders, because, assuming that the combined company otherwise maintains its REIT qualification:

if the combined company were considered to be a "successor" of LaSalle, it could not elect to be taxed as a REIT until the fifth taxable year following the year during which LaSalle was disqualified, unless the combined company is entitled to relief under applicable statutory provisions;

the combined company would be subject to corporate-level tax with respect to the built-in gain on each asset of LaSalle existing at the time of the mergers if the combined company were to dispose of the LaSalle asset during the five-year period following the mergers;

the combined company would succeed to any earnings and profits accumulated by LaSalle for taxable periods that it did not qualify as a REIT, and the combined company would have to pay a special dividend and/or employ applicable deficiency dividend procedures (including interest payments to the IRS) to eliminate any such earnings and profits to maintain its REIT qualification; and

if LaSalle incurred any unpaid tax liabilities prior to the mergers, those tax liabilities would be transferred to the combined company as a result of the mergers.

If there is an adjustment to LaSalle's taxable income or dividends paid deductions, the combined company could elect to use the deficiency dividend procedure in order to maintain LaSalle's REIT status. That deficiency dividend procedure could require the combined company to make significant distributions to its shareholders and to pay significant interest to the IRS.

As a result of all these factors, Pebblebrook's (or following the mergers, the combined company's) or LaSalle's failure to qualify as a REIT could impair the combined company's ability to expand its business and raise capital, and would materially adversely affect the value of its shares.

Risks Related to Pebblebrook's Qualification as a REIT

You should read and consider the risk factors specific to Pebblebrook's qualification as a REIT, which will also affect the combined company after the mergers. These risks are described in Part I, Item 1A of Pebblebrook's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 under the heading "Federal Income Tax Risk Factors" and in other documents that are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information and Incorporation by Reference" beginning on page 250. If the company merger does not qualify as a tax-free reorganization, there may be adverse tax consequences.

Risks Related to LaSalle's Qualification as a REIT

You should read and consider the risk factors specific to LaSalle's qualification as a REIT, which will also affect the combined company after the mergers. These risks are described in Part I, Item 1A of LaSalle's Annual Report on Form 10-K for the year ended December 31, 2017 under the heading "Risks Related to Our Status as a REIT," and in other documents that are incorporated by reference

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into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

If the company merger does not qualify as a tax-free reorganization, LaSalle shareholders may recognize taxable gain.

The completion of the mergers is conditioned on the receipt by each of Pebblebrook and LaSalle of an opinion of its respective counsel to the effect that the company merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. However, these legal opinions will not be binding on the IRS or on the courts. If the company merger were to fail to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code, then each LaSalle shareholder generally would recognize gain or loss, as applicable, equal to the difference between (i) the sum of the fair market value of the Pebblebrook common shares and/or cash received by the LaSalle shareholder in the company merger; and (ii) the LaSalle shareholder's adjusted tax basis in its LaSalle common shares exchanged therefor.

The combined company depends on key personnel for its future success, and the loss of key personnel or inability to attract and retain personnel could harm the combined company's business.

The future success of the combined company depends in large part on its ability to hire and retain a sufficient number of qualified personnel. The future success of the combined company also depends upon the service of the combined company's executive officers, who have extensive market knowledge and relationships and will exercise substantial influence over the combined company's operational, financing, acquisition and disposition activity.

Many of the combined company's other key personnel, particularly its senior managers, also have extensive experience and strong reputations in the industry. The loss of services of one or more members of the combined company's senior management team, or the combined company's inability to attract and retain highly qualified personnel, could adversely affect the combined company's business, diminish the combined company's investment opportunities and weaken its relationships with lenders and business partners, which could materially and adversely affect the combined company.

Pebblebrook and LaSalle face other risks.

The foregoing risks are not exhaustive, and you should be aware that, following the mergers, the combined company will face various other risks, including those discussed in reports filed by Pebblebrook and LaSalle with the SEC. See "Where You Can Find More Information and Incorporation by Reference" beginning on page 250.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements 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 and involve uncertainties that could significantly affect the financial results of Pebblebrook, LaSalle or the combined company. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," 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 include, but are not limited to, statements about the anticipated benefits of the business combination transaction involving Pebblebrook and LaSalle, including future financial and operating results, and the combined company's plans, objectives, expectations and intentions. 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:

each of Pebblebrook's and LaSalle's success, or the success of the combined company, in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate acquisitions or investments or to make dispositions;

changes in national, regional and local economic conditions;

changes in financial markets and interest rates, or to the business or financial condition of Pebblebrook, LaSalle or the combined company or their respective businesses;

the nature and extent of future competition;

each of Pebblebrook's and LaSalle's ability, or the ability of the combined company, to pay down, refinance, restructure and/or extend its indebtedness as it becomes due;

the ability to maintain qualification as a REIT;

availability to Pebblebrook, LaSalle and the combined company of financing and capital;

the impact of any financial, accounting, legal or regulatory issues or litigation that may affect Pebblebrook, LaSalle or the combined company;

risks associated with achieving expected revenue synergies or cost savings as a result of the mergers;

risks associated with the companies' ability to consummate the mergers, the timing of the completion of the mergers and unexpected costs or unexpected liabilities that may arise from the mergers, whether or not completed; and

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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.

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Should one or more of the risks or uncertainties described above or elsewhere in this joint proxy statement/prospectus occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date they were prepared.

All forward-looking statements, expressed or implied, included in this joint proxy statement/prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that Pebblebrook, LaSalle or persons acting on their behalf may issue.

Neither Pebblebrook nor LaSalle undertakes any duty to update any forward-looking statements appearing in this joint proxy statement/prospectus.

THE COMPANIES

Pebblebrook Hotel Trust and Pebblebrook Hotel, L.P.

Pebblebrook Hotel Trust
7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland 20814
(240) 507-1300
www.pebblebrookhotels.com

Pebblebrook Hotel Trust is an internally managed hotel investment company, organized in October 2009 to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities, with an emphasis on the major gateway coastal markets. As of June 30, 2018, the Company owned 28 hotels with a total of 6,972 guest rooms.

Pebblebrook common shares are listed on the NYSE, trading under the symbol "PEB".

Pebblebrook Hotel, L.P.
7315 Wisconsin Avenue, Suite 1100 West
Bethesda, Maryland 20814
(240) 507-1300

Substantially all of Pebblebrook's assets are held by, and all of its operations are conducted through, Pebblebrook Hotel, L.P., which we refer to as Pebblebrook OP. Pebblebrook is the sole general partner of Pebblebrook OP. At June 30, 2018, Pebblebrook owned 99.7% of the Pebblebrook OP common units issued by Pebblebrook OP. The remaining 0.3% of Pebblebrook OP common units are owned by other limited partners of Pebblebrook OP.

LaSalle Hotel Properties and LaSalle Hotel Operating Partnership, L.P.

LaSalle Hotel Properties
7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
(301) 941-1500
www.lasallehotels.com

LaSalle Hotel Properties was organized as a Maryland real estate investment trust on January 15, 1998, and primarily buys, owns, redevelops and leases upscale and luxury full-service hotels located in convention, resort and major urban business markets. LaSalle is a self-administered REIT.

LaSalle common shares are listed on the NYSE, trading under the symbol "LHO".

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LaSalle Hotel Operating Partnership, L.P.
7550 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
(301) 941-1500

LaSalle OP was formed as a Delaware limited partnership on January 13, 1998. LaSalle is the general partner of the LaSalle OP, and, as of June 30, 2018, owned through a combination of direct and indirect interests, approximately 99.9% of the common units of LaSalle OP. The remaining 0.1% is held by limited partners who owned 145,223 LaSalle OP common units as of June 30, 2018.

The Combined Company

References to the combined company are to Pebblebrook after the effective time of the mergers. The combined company will be named "Pebblebrook Hotel Trust" and will be a Maryland real estate investment trust. At the effective time of the company merger, all of the seven members of the Pebblebrook Board will continue to serve as the trustees of the combined company. No members of the LaSalle Board will serve as trustees of the combined company. The executive officers of Pebblebrook will continue to serve as the executive officers of the combined company, with Mr. Bortz continuing to serve as President, Chief Executive Officer and Chairman of the Board of the combined company. The combined company is expected to have a pro forma enterprise value of approximately \$[•] billion (based on the closing price of Pebblebrook common shares on September [•], 2018 of \$[•]), and a total market capitalization of approximately \$[•] billion (based on the closing price of Pebblebrook common shares on September [•], 2018 of \$[•]). The combined company's asset base after the completion of the mergers will consist primarily of 66 hotel properties (assuming that the sale of three LaSalle hotels under contract for sale is completed as expected immediately prior to completion of the mergers), and the combined company will have a greater presence in key urban markets in the United States, including significant exposure to major market West Coast cities with strong long-term growth and high barriers to entry.

The business of the combined company will be operated through Pebblebrook OP and its subsidiaries, including the surviving partnership. After giving effect to the mergers, Pebblebrook OP will hold a limited partnership interest in the surviving partnership, and a wholly owned subsidiary of Pebblebrook OP will be the general partner of the surviving partnership. The Pebblebrook parties will have the full, exclusive and complete responsibility for and discretion in the day-to-day management and control of Pebblebrook OP and the surviving partnership.

The common shares of the combined company will continue to be listed on the NYSE, trading under the symbol "PEB".

The combined company's principal executive offices will be located at Pebblebrook's current offices, 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814.

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THE PEBBLEBROOK SPECIAL MEETING

This joint proxy statement/prospectus is being furnished in connection with the solicitation of proxies from Pebblebrook shareholders for use at the Pebblebrook special meeting. This joint proxy statement/prospectus and accompanying form of proxy are first being mailed to Pebblebrook shareholders on or about [•], 2018.

Date, Time, Place and Purpose of the Pebblebrook Special Meeting

The special meeting of the Pebblebrook shareholders will be held on [•], [•], 2018, beginning at 9:00 a.m., Eastern Time, at the offices of Hunton Andrews Kurth LLP, 8405 Greensboro Drive, Suite 140, Tysons, Virginia 22102 for the following purposes:

1. to consider and vote on a proposal to approve the issuance of Pebblebrook common shares to the holders of LaSalle common shares, and certain holders of LaSalle OP common units pursuant to the merger agreement (a copy of which is attached as Annex A to this joint proxy statement/prospectus); and
2. to consider and vote on a proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

A copy of the merger agreement is attached as *Annex A to this joint proxy statement/prospectus*, which Pebblebrook encourages you to read carefully in its entirety.

This joint proxy statement/prospectus also contains information regarding the LaSalle special meeting, including the items of business for the LaSalle special meeting. Pebblebrook shareholders are not voting on the proposals to be voted on at the LaSalle special meeting.

Recommendation of the Pebblebrook Board of Trustees

The Pebblebrook Board has unanimously (i) determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of Pebblebrook and Pebblebrook shareholders, (ii) approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement and (iii) authorized and approved the issuance of Pebblebrook common shares pursuant to the merger agreement. Certain factors considered by the Pebblebrook Board in reaching its decision to approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement can be found in the section entitled "The Mergers Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121.

The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "**FOR**" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "**FOR**" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Pebblebrook Record Date; Who Can Vote at the Pebblebrook Special Meeting

Only holders of record of Pebblebrook common shares at the close of business on [•], 2018, Pebblebrook's record date, are entitled to notice of, and to vote at, the Pebblebrook special meeting and any adjournment of the special meeting. As of the record date, there were [•] Pebblebrook common shares outstanding and entitled to vote at the Pebblebrook special meeting, held by approximately [•] shareholders of record.

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Each Pebblebrook common share owned on Pebblebrook's record date is entitled to one vote on each proposal at the Pebblebrook special meeting.

Required Vote; Quorum

Approval of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast on such proposal.

Approval of the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement requires the affirmative vote of a majority of all votes cast on such proposal.

Regardless of the number of Pebblebrook common shares you own, your vote is important. Please complete, sign, date and promptly return the enclosed proxy card today or vote by phone or Internet.

Pebblebrook's bylaws provide that the presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter constitutes a quorum at a meeting of its shareholders. Shares that are voted and shares abstaining from voting are treated as being present at the Pebblebrook special meeting for purposes of determining whether a quorum is present.

Abstentions and Broker Non-Votes

Abstentions will be counted in determining the presence of a quorum, but broker non-votes will not be counted in determining the presence of a quorum. Abstentions will have no effect on the outcome of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. Broker non-votes will not be counted as votes cast on such proposal and therefore will also have no effect on the outcome of the proposal as long as a quorum is present. Abstentions will have no effect on the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. Broker non-votes will also have no effect on such proposal.

Manner of Submitting Proxy

Pebblebrook shareholders may vote for or against the proposals submitted at the Pebblebrook special meeting in person or by proxy. Pebblebrook shareholders can authorize a proxy in the following ways:

Internet. Pebblebrook shareholders may submit a proxy over the Internet by going to www.proxyvote.com. Once at the website, they should follow the instructions to submit a proxy.

Telephone. Pebblebrook shareholders may submit a proxy using the toll-free number at 1-877-219-9655 and following the recorded instructions. Pebblebrook shareholders will be asked to provide the control number from the enclosed proxy card.

Mail. Pebblebrook shareholders may submit a proxy by completing, signing, dating and returning their proxy card or voting instruction card in the preaddressed postage-paid envelope provided.

Pebblebrook shareholders should refer to their proxy cards or the information forwarded by their broker or other nominee to see which options are available to them.

The Internet and telephone proxy submission procedures are designed to authenticate shareholders and to allow them to confirm that their instructions have been properly recorded. If you submit a proxy over the Internet or by telephone, then you need not return a written proxy card or voting instruction

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card by mail. The Internet and telephone facilities available to record holders will close at [•] Eastern Time on [•], 2018.

The method by which Pebblebrook shareholders submit a proxy will in no way limit their right to vote at the Pebblebrook special meeting if they later decide to attend the meeting and vote in person. If Pebblebrook common shares are held in the name of a broker or other nominee, Pebblebrook shareholders must obtain a proxy, executed in their favor, from the broker or other nominee, to be able to vote in person at the Pebblebrook special meeting.

All Pebblebrook common shares entitled to vote and represented by properly completed proxies received prior to the Pebblebrook special meeting, and not revoked, will be voted at the Pebblebrook special meeting as instructed on the proxies. **If Pebblebrook shareholders of record return properly executed proxies but do not indicate how their Pebblebrook common shares should be voted on a proposal, the Pebblebrook common shares represented by their properly executed proxy will be voted as the Pebblebrook Board recommends and, therefore, "FOR" the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement and "FOR" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.** If you do not provide voting instructions to your broker or other nominee, your Pebblebrook common shares will NOT be voted and will be considered broker non-votes.

Shares Held in "Street Name"

If Pebblebrook shareholders hold Pebblebrook common shares in an account of a broker or other nominee and they wish to vote such shares, they must return their voting instructions to the broker or other nominee.

If Pebblebrook shareholders hold Pebblebrook common shares in an account of a broker or other nominee and attend the Pebblebrook special meeting, they should bring a letter from their broker or other nominee identifying them as the beneficial owner of such Pebblebrook common shares, but they will need a "legal proxy" from the broker or other nominee to vote those shares at the Pebblebrook special meeting.

If Pebblebrook shareholders hold their shares in "street name" and they fail to provide their broker or other nominee with any instructions regarding how to vote their Pebblebrook common shares, their Pebblebrook common shares held by brokers and other nominees will NOT be voted, and will NOT be present for purposes of determining a quorum.

Revocation of Proxies or Voting Instructions

Pebblebrook shareholders of record may change their vote or revoke their proxy at any time before it is exercised at the Pebblebrook special meeting by:

submitting notice in writing to Pebblebrook's Secretary at Pebblebrook Hotel Trust, 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814, Attn: Corporate Secretary;

executing and delivering a later-dated proxy card or submitting a later-dated proxy by telephone or on the Internet; or

voting in person at the Pebblebrook special meeting.

Attending the Pebblebrook special meeting without voting will not revoke your proxy.

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Pebblebrook shareholders who hold Pebblebrook common shares in an account of a broker or other nominee may revoke their voting instructions by following the instructions provided by their broker or other nominee.

Tabulation of Votes

Pebblebrook will appoint an inspector of election for the Pebblebrook special meeting to determine whether a quorum is present and tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies; Payment of Solicitation Expenses

The solicitation of proxies from Pebblebrook shareholders is made on behalf of the Pebblebrook Board. Pebblebrook will pay the cost of soliciting proxies from Pebblebrook shareholders. Pebblebrook has engaged Okapi to assist in the solicitation of proxies for the special meeting and Pebblebrook estimates it will pay Okapi a fee of approximately \$30,000, plus an additional \$100,000 upon the completion of the mergers. Pebblebrook has also agreed to reimburse Okapi for reasonable expenses incurred in connection with the proxy solicitation and to indemnify Okapi against certain losses, claims, damages, liabilities and expenses.

Pebblebrook's trustees, officers and employees also may solicit proxies by mail, personal interview, telephone, facsimile, e mail, on the Internet or otherwise. Pebblebrook's trustees, officers and employees will not be paid any additional amounts for soliciting proxies. Pebblebrook also will request persons, firms and corporations holding shares in their names, or in the names of their nominees, that are beneficially owned by others to send or cause to be sent proxy materials to, and obtain proxies from, such beneficial owners and will reimburse such holders for their reasonable expenses in so doing.

Adjournments

Although it is not currently expected, the Pebblebrook special meeting may be adjourned for the purpose of soliciting additional proxies if the holders of a sufficient number of Pebblebrook common shares are not present at the Pebblebrook special meeting, in person or by proxy, to constitute a quorum or if Pebblebrook believes it is reasonably likely that the issuance of Pebblebrook common shares pursuant to the merger agreement will not be approved at the Pebblebrook special meeting when convened on [•], 2018, or when reconvened following any adjournment. Any adjournments may be made to a date not more than 120 days after the original record date without notice (other than by an announcement at the Pebblebrook special meeting), by the affirmative vote of a majority of the votes cast on the proposal to approve any adjournment, whether or not a quorum exists, or by the Pebblebrook Board for any reason (subject to certain restrictions in the merger agreement, including that the Pebblebrook special meeting may not be held, without LaSalle's consent, on a date that is more than 30 days after the date on which the Pebblebrook special meeting was originally scheduled).

Postponements

At any time prior to convening the Pebblebrook special meeting, the Pebblebrook Board may postpone the Pebblebrook special meeting for any reason without the approval of the Pebblebrook shareholders (subject to certain restrictions in the merger agreement, including that the Pebblebrook special meeting may not be held, without LaSalle's consent, on a date that is more than 30 days after the date on which the Pebblebrook special meeting was originally scheduled).

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PROPOSALS SUBMITTED TO PEBBLEBROOK SHAREHOLDERS

Common Shares Issuance Proposal

(Proposal 1 on the Pebblebrook Proxy Card)

Pebblebrook shareholders are asked to approve the issuance of Pebblebrook common shares pursuant to the merger agreement. For a summary and detailed information regarding this proposal, see the information about the mergers and the merger agreement throughout this joint proxy statement/prospectus, including the information set forth in sections entitled "The Mergers" beginning on page 76 and "The Merger Agreement" beginning on page 202. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. Approval of this proposal requires the affirmative vote of at least a majority of all votes cast at the special meeting on the proposal.

Pursuant to the merger agreement, approval of this proposal is a condition to the completion of the mergers. If the proposal is not approved, the mergers will not be completed.

Recommendation of the Pebblebrook Board of Trustees

The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote FOR the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Pebblebrook Adjournment Proposal

(Proposal 2 on the Pebblebrook Proxy Card)

Pebblebrook shareholders are being asked to approve a proposal to adjourn the Pebblebrook special meeting one or more times to another date, time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies, if necessary or appropriate, to obtain additional votes in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement if there are not sufficient votes at the time of the Pebblebrook special meeting to approve such proposal. Approval of this proposal requires the affirmative vote of at least a majority of all votes cast at the special meeting on the proposal.

If, at the Pebblebrook special meeting, the number of Pebblebrook common shares present in person or represented by proxy and voting in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement is insufficient to approve the proposal, Pebblebrook intends to move to adjourn the Pebblebrook special meeting in order to enable the Pebblebrook Board to solicit additional proxies for approval of the proposal.

Recommendation of the Pebblebrook Board of Trustees

The Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote FOR the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares pursuant to the merger agreement.

Other Business

No business may be brought before the Pebblebrook special meeting except as set forth in the notice.

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THE LASALLE SPECIAL MEETING

This document is being furnished to LaSalle shareholders in connection with the solicitation of proxies from holders of LaSalle common shares by the LaSalle Board to be exercised at the LaSalle special meeting. This document and accompanying form of proxy are first being mailed to LaSalle common shareholders on or about [•], 2018.

Date, Time, Place and Purpose of the LaSalle Special Meeting

A special meeting of LaSalle's common shareholders will be held at [•], on [•], 2018 at [•], Eastern Time, at [•] for the following purposes:

to consider and vote on the merger proposal;

to consider and vote on the LaSalle advisory (non-binding) proposal on specified compensation; and

to consider and vote on the LaSalle adjournment proposal.

No other business may be acted upon at the LaSalle special meeting or any postponement or adjournment thereof. Holders of at least 66²/₃% of LaSalle's outstanding common shares entitled to vote at the LaSalle special meeting must approve the merger and the other transactions contemplated by the merger agreement for the mergers to occur.

A copy of the merger agreement is attached as Annex A to **this joint proxy statement/prospectus**, which LaSalle encourages you to read carefully in its entirety.

This joint proxy statement/prospectus also contains information regarding the Pebblebrook special meeting, including the items of business for the Pebblebrook special meeting. LaSalle shareholders are not voting on the proposals to be voted on at the Pebblebrook special meeting.

Recommendation of the LaSalle Board of Trustees

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), (i) determined that the mergers and the other transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle and LaSalle shareholders, (ii) authorized and approved the mergers and the other transactions contemplated by the merger agreement and (iii) approved and adopted the merger agreement. Certain factors considered by the LaSalle Board in reaching its decision to approve the merger agreement, the mergers and the other transactions contemplated by the merger agreement can be found in the section entitled "The Mergers Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118.

The LaSalle Board, by a unanimous vote of all trustees present (with only Mr. Scott not present due to his hospitalization), recommends that LaSalle shareholders vote **"FOR"** the proposal to approve the company merger and the other transactions contemplated by the merger agreement, **"FOR"** the non-binding advisory proposal to approve certain compensation that may be paid or become payable to certain executive officers of LaSalle in connection with the merger agreement and the transactions contemplated thereby and **"FOR"** the proposal to approve one or more adjournments of the LaSalle special meeting to another date, time or place, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the company merger and the other transactions contemplated by the merger agreement.

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Record Date, Notice and Quorum

All holders of record of LaSalle common shares as of the record date, which was the close of business on [•], 2018, are entitled to receive notice of and attend and vote at the LaSalle special meeting or any postponement or adjournment of the LaSalle special meeting. Each LaSalle common shareholder will be entitled to cast one vote on each matter presented at the LaSalle special meeting for each LaSalle common share that such holder owned as of the record date. On the record date, there were [•] LaSalle common shares outstanding and entitled to vote at the LaSalle special meeting.

The presence in person or by proxy of LaSalle shareholders entitled to cast a majority of all the votes entitled to be cast as of the close of business on the record date will constitute a quorum for purposes of the LaSalle special meeting. A quorum is necessary to transact business at the LaSalle special meeting. Abstentions will be counted as shares present for the purposes of determining the presence of a quorum. If a quorum is not present at the LaSalle special meeting, LaSalle expects that the LaSalle special meeting will be adjourned to a later date.

Required Vote

Completion of the mergers requires approval of the merger proposal by the affirmative vote of the holders of at least 66²/₃% of the outstanding LaSalle common shares as of the record date for the LaSalle special meeting. Each LaSalle common shareholder is entitled to cast one vote on each matter presented at the LaSalle special meeting for each LaSalle common share owned by such shareholder on the record date. Because the required vote for the merger proposal is based on the number of votes LaSalle's common shareholders are entitled to cast rather than on the number of votes cast, failure to vote your LaSalle common shares (including failure to give voting instructions to your broker or other nominee) and abstentions will have the same effect as voting "**AGAINST**" the merger proposal.

In addition, the approval of the LaSalle advisory (non-binding) proposal on specified compensation and the approval of the LaSalle adjournment proposal each requires the affirmative vote of a majority of the votes cast on the proposal. Approval of these proposals is not a condition to completion of the mergers. For the purpose of each of these proposals, if a LaSalle shareholder fails to cast a vote on such proposal, in person or by authorizing a proxy, such failure will not have any effect on the outcome of such proposal. Abstentions are not considered votes cast and therefore will have no effect on the outcome of such proposals.

Accordingly, in order for your LaSalle common shares to be included in the vote, if you are a shareholder of record of LaSalle common shares, you must either return the enclosed LaSalle proxy card, authorize your proxy or voting instructions by telephone or through the Internet or vote in person at the LaSalle special meeting.

As of the record date, LaSalle's trustees and executive officers owned and are entitled to vote an aggregate of approximately 595,590 LaSalle common shares, entitling them to exercise less than 1% of the voting power of the LaSalle common shares entitled to vote at the LaSalle special meeting. LaSalle's trustees and executive officers have informed LaSalle that they intend to vote the LaSalle common shares that they own in favor of the merger proposal, in favor of the LaSalle advisory (non-binding) proposal on specified compensation and in favor of the LaSalle adjournment proposal.

In addition, at the close of business on the record date, Pebblebrook OP owned and was entitled to vote 10,809,215 LaSalle common shares, or approximately 9.8% of the LaSalle common shares issued and outstanding on that date. In the merger agreement, Pebblebrook OP agreed to vote all of its LaSalle common shares in favor of the company merger.

Votes cast by proxy or in person at the LaSalle special meeting will be counted by the person appointed by LaSalle to act as inspector of election for the LaSalle special meeting. The inspector of

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election will also determine the number of LaSalle common shares represented at the LaSalle special meeting, in person or by proxy.

How to Authorize a Proxy

Holders of record of LaSalle common shares may vote or cause their shares to be voted by proxy using one of the following methods:

mark, sign, date and return the enclosed LaSalle proxy card by mail;

authorize your proxy or voting instructions by telephone or through the Internet by following the instructions included with your LaSalle proxy card; or

appear and vote in person at the LaSalle special meeting.

Regardless of whether you plan to attend the LaSalle special meeting, LaSalle requests that you authorize a proxy to vote your LaSalle common shares as described above as promptly as possible.

Under NYSE rules, all of the proposals in this joint proxy statement/prospectus are non-routine matters, so there can be no broker non-votes at the LaSalle special meeting. A broker non-vote occurs when shares held by a bank, broker, trust or other nominee are represented at a meeting, but the bank, broker, trust or other nominee has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal but has discretionary voting power on other proposals at such meeting. Accordingly, if you own LaSalle common shares through a broker, bank or other nominee (*i.e.*, in "street name"), you must provide voting instructions in accordance with the instructions on the voting instruction card that your broker, bank or other nominee provides to you, as brokers, banks and other nominees do not have discretionary voting authority with respect to any of the three proposals described in this joint proxy statement/prospectus. You should instruct your broker, bank or other nominee as to how to vote your LaSalle common shares following the directions contained in such voting instruction card. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker, bank or other nominee who can give you directions on how to vote your LaSalle common shares. If you hold your LaSalle common shares through a broker, bank or other nominee and wish to vote in person at the LaSalle special meeting, you must obtain a "legal proxy," executed in your favor, from the broker, bank or other nominee (which may take several days).

Because the merger proposal requires the affirmative vote of the holders of at least 66²/₃% of all of the outstanding LaSalle common shares, the failure to provide your bank, broker, trust or other nominee with voting instructions will have the same effect as voting "AGAINST" the merger proposal. Because the approval of each of the LaSalle advisory (non-binding) proposal on specified compensation and the LaSalle adjournment proposal requires the affirmative vote of a majority of the votes cast on such proposal, and because your bank, broker, trust or other nominee does not have discretionary authority to vote on either proposal, the failure to provide your bank, broker, trust or other nominee with voting instructions will have no effect on approval of either proposal, assuming a quorum is present.

Proxies and Revocation

If you authorize a proxy to vote your LaSalle common shares, your LaSalle common shares will be voted at the LaSalle special meeting as you indicate on your proxy. If no instructions are indicated when you authorize your proxy, your LaSalle common shares will be voted in accordance with the recommendations of the LaSalle Board. The LaSalle Board recommends that you vote "**FOR**" the merger proposal, "**FOR**" the LaSalle advisory (non-binding) proposal on specified compensation and "**FOR**" the LaSalle adjournment proposal.

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You may revoke your proxy at any time, but only before the proxy is voted at the LaSalle special meeting, in any of three ways:

by delivering, prior to the date of the LaSalle special meeting, a written revocation of your proxy dated after the date of the proxy that is being revoked to LaSalle's Corporate Secretary at 7550 Wisconsin Avenue, 10th Floor, Bethesda, Maryland 20814;

by delivering to LaSalle's Corporate Secretary a later-dated, duly executed proxy or by authorizing your proxy by telephone or by Internet at a date after the date of the previously authorized proxy relating to the same common shares; or

by attending the LaSalle special meeting and voting in person by ballot.

Attendance at the LaSalle special meeting will not, in itself, constitute revocation of a previously granted proxy. If you own LaSalle common shares in "street name," you may revoke or change previously granted voting instructions by following the instructions provided by the broker, bank or other nominee that is the registered owner of the shares.

No matters other than the proposals set forth above may be brought before the LaSalle special meeting.

Solicitation of Proxies

LaSalle will bear the cost of solicitation of proxies for the LaSalle special meeting. LaSalle has engaged Mackenzie to assist in the solicitation of proxies for a fee of approximately \$75,000 (\$30,000 of which was previously paid in connection with the solicitation of proxies with respect to the Blackstone merger agreement, which was terminated on September 6, 2018), plus an additional fee of \$100,000 upon the completion of the mergers, plus reimbursement of reasonable expenses. LaSalle has also agreed to indemnify Mackenzie Partners, Inc. against certain losses, damages and expenses. LaSalle's trustees, officers and employees also may solicit proxies by mail, personal interview, telephone, facsimile, e-mail, on the Internet or otherwise. LaSalle's trustees, officers and employees will not be paid any additional amounts for soliciting proxies. LaSalle also will request persons, firms and corporations holding shares in their names, or in the names of their nominees, that are beneficially owned by others to send or cause to be sent proxy materials to, and obtain proxies from, such beneficial owners and will reimburse such holders for their reasonable expenses in so doing.

Adjournments

Although it is not currently expected, the LaSalle special meeting may be adjourned for the purpose of soliciting additional proxies if the holders of a sufficient number of LaSalle common shares are not present at the LaSalle special meeting, in person or by proxy, to constitute a quorum or if LaSalle believes it is reasonably likely that the merger and the other transactions contemplated by the merger agreement will not be approved at the LaSalle special meeting when convened on [•], 2018, or when reconvened following any adjournment. Any adjournments may be made to a date not more than 120 days after the original record date without notice (other than by an announcement at the LaSalle special meeting), by the affirmative vote of a majority of the votes cast on the proposal to approve any adjournment, whether or not a quorum exists, or by the LaSalle Board for any reason (subject to certain restrictions in the merger agreement, including that the LaSalle special meeting may not be held, without Pebblebrook's consent, on a date that is more than 30 days after the date on which the LaSalle special meeting was originally scheduled).

Postponements

At any time prior to convening the LaSalle special meeting, the LaSalle Board may postpone the LaSalle special meeting for any reason without the approval of LaSalle's common shareholders (subject to certain restrictions in the merger agreement, including that the LaSalle special meeting may not be held, without Pebblebrook's consent, on a date that is more than 30 days after the date on which the LaSalle special meeting was originally scheduled).

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PROPOSALS SUBMITTED TO LASALLE SHAREHOLDERS

Merger Proposal

(Proposal 1 on the LaSalle Proxy Card)

The LaSalle Board is asking LaSalle shareholders to vote on the merger proposal as contemplated by the merger agreement. For detailed information regarding this proposal, see the information about the mergers and the merger agreement throughout this joint proxy statement/prospectus, including the information set forth in the sections entitled "The Mergers" and "The Merger Agreement." A copy of the merger agreement is attached as *Annex A* to this joint proxy statement/prospectus.

Approval of the merger proposal requires the affirmative vote of the holders of at least 66²/₃% of the outstanding LaSalle common shares as of the record date for the LaSalle special meeting. **If you properly authorize your proxy by mail, by telephone or through the Internet, but do not indicate instructions to vote your LaSalle common shares "FOR," "AGAINST" or "ABSTAIN" on this Proposal 1, your LaSalle common shares will be voted in accordance with the recommendation of the LaSalle Board.** Because the required vote for this proposal is based on the number of votes LaSalle shareholders are entitled to be cast rather than on the number of votes cast, failure to vote your LaSalle common shares (including failure to give voting instructions to your broker or other nominee) and abstentions will have the same effect as voting "AGAINST" the merger proposal.

Approval of this proposal is a condition to the completion of the mergers. In the event this proposal is not approved, the mergers cannot be completed.

Recommendation of the LaSalle Board

The LaSalle Board recommends that LaSalle common shareholders vote "FOR" the merger proposal.

LaSalle Advisory (Non-Binding) Proposal on Specified Compensation

(Proposal 2 on the LaSalle Proxy Card)

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Rule 14a-21(c) under the Exchange Act, the LaSalle Board is asking LaSalle common shareholders to vote at the LaSalle special meeting on an advisory basis regarding the compensation that may be paid or become payable to LaSalle's named executive officers that is based on or otherwise relates to the company merger. Information intended to comply with Item 402(t) of Regulation S-K concerning this compensation, subject to certain assumptions described therein, is presented in the section entitled "The Mergers Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers Quantification of Payments and Benefits."

The LaSalle shareholder vote on executive compensation is an advisory vote only, and it is not binding on LaSalle or the LaSalle Board. Further, the underlying arrangements are contractual in nature and not, by their terms, subject to shareholder approval. Accordingly, regardless of the outcome of the advisory vote, if the company merger is completed, LaSalle's named executive officers will be eligible to receive the compensation that may be paid or become payable to LaSalle's named executive officers that is based on or otherwise relates to the company merger, in accordance with the terms and conditions applicable to such compensation. Approval of this proposal is not a condition to completion of the mergers.

The LaSalle Board is asking LaSalle shareholders to vote "FOR" the following resolution:

"RESOLVED, that LaSalle Hotel Properties' common shareholders approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to the named executive officers of LaSalle Hotel Properties that is based on or otherwise relates to the company merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Mergers Interests of LaSalle's

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Trustees, Executive Officers and Employees in the Mergers Quantification of Payments and Benefits 'Golden Parachute' Compensation" beginning on page 160 of the joint proxy statement/prospectus dated [•], 2018 (which disclosure includes the Golden Parachute Compensation Table required pursuant to Item 402(t) of Regulation S-K)."

Adoption of the above resolution, on a non-binding, advisory basis, requires the affirmative vote of a majority of the votes cast on the proposal. **If you properly authorize your proxy by mail, by telephone or through the Internet, but do not indicate instructions to vote your LaSalle common shares "FOR," "AGAINST" or "ABSTAIN" on this Proposal 2, your LaSalle common shares will be voted in accordance with the recommendation of the LaSalle Board.** An abstention or failure to vote on this proposal will have no effect on the approval of this proposal.

Recommendation of the LaSalle Board

The LaSalle Board recommends that LaSalle shareholders vote "FOR" the LaSalle advisory (non-binding) proposal on specified compensation.

LaSalle Adjournment Proposal

(Proposal 3 on the LaSalle Proxy Card)

The LaSalle Board is asking LaSalle common shareholders to vote on a proposal that will give the LaSalle Board the authority to adjourn the LaSalle special meeting for the purpose of soliciting additional proxies if there are not sufficient votes at the LaSalle special meeting to approve the merger and the other transactions contemplated by the merger agreement.

Approval of the LaSalle adjournment proposal requires the affirmative vote of a majority of the votes cast on the proposal. Approval of this proposal is not a condition to the completion of the mergers. **If you properly authorize your proxy by mail, by telephone or through the Internet, but do not indicate instructions to vote your LaSalle common shares "FOR," "AGAINST" or "ABSTAIN" on this Proposal 3, your LaSalle common shares will be voted in accordance with the recommendation of the LaSalle Board.** An abstention or failure to vote on this proposal will have no effect on the approval of this proposal.

In addition, even if a quorum is not present at the LaSalle special meeting, the LaSalle Board or the LaSalle shareholders by the affirmative vote of a majority of the votes cast at the LaSalle special meeting may adjourn the meeting to another place, date or time (subject to certain restrictions in the merger agreement, including that the LaSalle special meeting may not be held, without Pebblebrook's consent, on a date that is more than 30 days after the date on which the LaSalle special meeting was originally scheduled).

Recommendation of the LaSalle Board

The LaSalle Board recommends that LaSalle shareholders vote "FOR" the LaSalle adjournment proposal.

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THE MERGERS

The following is a description of the material aspects of the mergers. While Pebblebrook and LaSalle believe that the following description covers the material terms of the mergers, the description may not contain all of the information that is important to Pebblebrook shareholders and LaSalle shareholders. Pebblebrook and LaSalle encourage Pebblebrook shareholders and LaSalle shareholders to carefully read this entire joint proxy statement/prospectus, including the merger agreement and the other documents attached to this joint proxy statement/prospectus and incorporated herein by reference, for a more complete understanding of the mergers.

Background of the Mergers

The following chronology summarizes the key meetings and events that led to the signing of the merger agreement. The following chronology does not purport to catalogue every conversation among the parties to the transaction, their boards of trustees, management or representatives and other parties.

Pebblebrook's executive officers have extensive experience with LaSalle and 35 of its 41 hotel properties. Mr. Bortz, Pebblebrook's President, Chief Executive Officer and Chairman of the Board, founded LaSalle and was its president, chief executive officer and a trustee from its formation in 1998 until his retirement from LaSalle in 2009 and in addition served as chairman of the LaSalle Board from 2001 until his retirement from LaSalle. During Mr. Bortz's tenure at LaSalle, LaSalle purchased 22 of the 41 hotel properties LaSalle currently owns. Mr. Martz, Pebblebrook's Executive Vice President, Chief Financial Officer, Treasurer and Secretary, served as LaSalle's treasurer from 2004 to 2005, vice president of finance from 2001 to 2004 and director of finance from 1998 to 2001. In addition, Pebblebrook either bid on or extensively reviewed and underwrote 12 additional LaSalle hotels, and received an offering memorandum for one other, when Pebblebrook evaluated them for purchase from third parties prior to their acquisition by LaSalle.

Given Mr. Bortz's prior experience founding and leading LaSalle, the possibility of Pebblebrook and LaSalle combining had been considered by Pebblebrook's executive officers and suggested by members of the investment community for several years, beginning as early as 2014. The possibility was suggested by certain institutional investors in meetings with Pebblebrook throughout 2017.

In October 2017, Pebblebrook management began specifically to consider the possibility of a strategic combination with LaSalle. Shortly thereafter, they spoke with representatives of Pebblebrook's financial advisor, Raymond James, about the potential combination.

On October 18 and 19, 2017, the Pebblebrook Board met for its regular quarterly meeting, at which the possibility of a strategic combination with LaSalle was considered.

Between October 2017 and January 2018, Pebblebrook management continued to analyze a potential strategic combination with LaSalle and spoke with representatives of Raymond James from time to time about such a transaction.

On January 12, 2018, the Pebblebrook Board held a meeting to discuss, among other things, a potential strategic combination with LaSalle. Members of the Pebblebrook management team and representatives of Hunton Andrews Kurth LLP, which we refer to as Hunton, Pebblebrook's outside legal counsel, were present. At this meeting, representatives of Hunton reviewed with the Pebblebrook Board its fiduciary duties under applicable law in considering Pebblebrook's strategic alternatives, including a combination with LaSalle. Pebblebrook management discussed with the Pebblebrook Board LaSalle's portfolio of properties and Pebblebrook management's preliminary financial analysis of a potential strategic combination with LaSalle, including parameters for a fixed exchange ratio based on the financial analysis discussed with the Pebblebrook Board. The Pebblebrook Board also considered various strategies for approaching LaSalle to discuss a potential strategic combination. At the conclusion of the meeting, the Pebblebrook Board authorized Pebblebrook to acquire up to 4.8% of

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the outstanding LaSalle common shares on terms approved by the Pebblebrook Board and also approved a plan in which Pebblebrook management would approach LaSalle's management to discuss a potential combination and deliver an offer letter in accordance with the valuation parameters of LaSalle considered by the Pebblebrook Board.

Beginning on January 12, 2018, and from time to time through February 21, 2018, Pebblebrook OP purchased, through its broker, Raymond James, an aggregate of 5,438,101 LaSalle common shares in open market transactions.

On February 13 and 14, 2018, the Pebblebrook Board met for its regular quarterly meeting, at which the potential combination with LaSalle was again discussed in detail, including a strategy for approaching LaSalle to discuss the potential combination. Pebblebrook management also discussed with the Pebblebrook Board its updated preliminary financial analysis of a potential combination with LaSalle, including having taken into consideration the then-current prices of Pebblebrook common shares and LaSalle common shares and Pebblebrook management's estimates of LaSalle's net asset value, as well as the status of Pebblebrook OP's purchases of LaSalle common shares. The Pebblebrook Board reiterated its support of the plan it had approved at its meeting on January 12, 2018, in which Pebblebrook management would approach LaSalle management to discuss a potential combination and deliver an offer letter in accordance with the potential valuation of LaSalle considered by the Pebblebrook Board.

The LaSalle Board, together with its management, regularly reviews and, when advisable, revises its long-term strategies and objectives in light of developments in real estate and lodging markets, capital market conditions and its business and capabilities. In the course of reviewing its long-term strategies and objectives, the LaSalle Board and management have considered various potential strategic alternatives with the goal of maximizing shareholder value, including potential acquisitions, dispositions and business combination transactions, and have recognized that LaSalle continues to face challenges as a public company. These challenges include the cyclical nature of the lodging industry and the advanced stage of the lodging industry's current economic recovery cycle, the risk of a slowdown of the economy, expected increases in interest rates which could increase the cost of debt, the increase in supply in the lodging industry which over time could drive down both hotel occupancy and room rates and the challenges of acquiring assets on an accretive basis to expand the portfolio in light of the intensely competitive environment and strong price appreciation for luxury, upper upscale and upscale hotels in LaSalle's core markets. The LaSalle Board considered the potential negative impact of such factors on the results of the operations of the lodging industry, including LaSalle, and the related downside risks in its common share price.

On February 20, 2018, LaSalle announced its results of operations for the three months and year ended December 31, 2017, including a decrease in room revenue per available room and adjusted earnings before interest, taxes, depreciation and amortization for the fourth quarter and full year 2017 as compared with the fourth quarter and full year 2016. In addition, LaSalle provided earnings guidance for the first time in two years and, based on such outlook, disclosed that the LaSalle Board expected to reduce LaSalle's quarterly dividend rate during 2018. On February 21, 2018, the closing price per LaSalle common share on the NYSE was \$25.37, which represented a 10% decline from the previous trading day's closing price of \$28.25.

On the evening of March 5, 2018, while attending the Citi 2018 Global Property CEO Conference in Hollywood, Florida, Michael D. Barnello, who serves as LaSalle's President and Chief Executive Officer and is a member of the LaSalle Board, and Mr. Bortz met for dinner at the invitation of Mr. Bortz. During this dinner, Mr. Bortz, at the direction of the Pebblebrook Board, stated that Pebblebrook was interested in a business combination with LaSalle and that he would be sending a written acquisition proposal to the LaSalle Board. Mr. Barnello responded that the LaSalle Board was always open to considering opportunities to maximize shareholder value and would review

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Pebblebrook's written proposal. Following the dinner, Mr. Barnello informed the other members of the LaSalle Board about Pebblebrook's expression of interest. Upon Mr. Bortz's retirement from LaSalle in September 2009, Mr. Barnello was appointed as its Chief Executive Officer and Stuart L. Scott was appointed Chairman of the LaSalle Board. The retirement of Mr. Bortz and the appointment of both Mr. Barnello and Mr. Scott were previously disclosed by LaSalle in its Current Report on Form 8-K filed with the SEC on September 14, 2009.

On March 6, 2018, the LaSalle Board met to discuss, among other things, Mr. Barnello's dinner with Mr. Bortz. Members of LaSalle management and representatives of its outside corporate securities counsel DLA Piper LLP (US), which we refer to as DLA Piper, were present. Mr. Barnello summarized for the LaSalle Board his discussion with Mr. Bortz. Representatives of DLA Piper reviewed with the LaSalle Board its fiduciary duties under applicable law. In light of the imminent written proposal from Pebblebrook, the LaSalle Board determined that it would be appropriate for LaSalle to retain outside financial advisors and additional outside legal counsel to assist the LaSalle Board in its evaluation of the Pebblebrook proposal and related matters. The LaSalle Board discussed that management, in consultation with several members of the LaSalle Board, had contacted financial and legal advisor candidates, including Citigroup Global Markets Inc., which we refer to as Citi, and Goldman Sachs & Co. LLC, which we refer to as Goldman Sachs, as financial advisors, and Goodwin Procter LLP, which we refer to as Goodwin, as additional outside legal counsel. The LaSalle Board authorized management to continue discussions with representatives of Citi and Goldman Sachs regarding their candidacy to serve as financial advisors. The LaSalle Board considered Citi as a potential investment banking firm candidate to assist and advise the LaSalle Board because of Citi's qualifications, experience and reputation, long-standing relationship with LaSalle (serving as an underwriter in its equity offerings and as a lender under its credit facility and term loans) and substantial knowledge of the lodging REIT industry. The LaSalle Board considered Goldman Sachs as a potential investment banking firm candidate to assist and advise the LaSalle Board because of Goldman Sachs' qualifications, experience and reputation, its knowledge of the lodging REIT industry and its involvement in recent transactions in the REIT industry and its experience with shareholder activism and acquisition transactions generally.

Later on March 6, 2018, Messrs. Scott and Barnello received a letter from Mr. Bortz on behalf of Pebblebrook, which we refer to as the March 6 letter, and the proposal set forth therein as the March 6 proposal. The March 6 letter stated that Pebblebrook had believed for several years that there would be tremendous benefits from merging the two companies. The March 6 letter proposed an all-stock business combination of LaSalle and Pebblebrook at an implied price of \$30.00 per share for 100% of outstanding LaSalle common shares based on a 10-day volume weighted average price of Pebblebrook common shares ending on March 5, 2018, paid in Pebblebrook common shares utilizing a fixed exchange ratio of 0.8655 Pebblebrook common shares for each LaSalle common share. The letter stated that the proposal represented a premium of 17.5% to current price per LaSalle common share. The letter also stated that Pebblebrook had accumulated a 4.8% ownership position in LaSalle common shares through open market purchases and proposed that the companies enter into a mutual exclusivity agreement for a mutually agreed duration. The letter also indicated that certain of LaSalle's trustees (who were not named) would join the board of trustees of the proposed combined company and that Pebblebrook's executive management team would lead the proposed combined company. In the letter, Pebblebrook requested a response from LaSalle by March 16, 2018. The March 6 letter was circulated to the LaSalle Board. On March 6, 2018, the closing price per LaSalle common share on the NYSE was \$25.39.

On March 6, 2018, Mr. Bortz spoke with representatives of BAML about BAML advising Pebblebrook in connection with the proposed transaction.

On March 7, 2018, the LaSalle Board met to discuss, among other things, Pebblebrook's March 6 proposal. Members of LaSalle management and representatives of DLA Piper were present. The

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LaSalle Board reviewed the terms and conditions of Pebblebrook's March 6 proposal. In reviewing Pebblebrook's March 6 proposal, the LaSalle Board considered, among other things, that the Pebblebrook common shares being offered as consideration could fluctuate (positively or negatively) prior to the closing of the transaction, and that the proposal therefore lacked the price certainty of a cash proposal or a proposal with a meaningful cash component or a pricing collar or similar type of pricing protection mechanism. The LaSalle Board also discussed its concerns that Pebblebrook common shares trade at a significantly higher EBITDA multiple as compared to other publicly-traded lodging REITs and whether this would continue in the future. The LaSalle Board also discussed that Pebblebrook had acquired a 4.8% ownership position in LaSalle common shares and that there was significant turnover in LaSalle's shareholder base following LaSalle's announcement of financial results on February 20, 2018. After discussion, the LaSalle Board determined that it should further review Pebblebrook's March 6 proposal and any potential response to Pebblebrook in the context of LaSalle's standalone plan.

Mr. Barnello also updated the LaSalle Board on his recent discussions with representatives of Citi, Goldman Sachs and Goodwin. The LaSalle Board determined that it would be appropriate for LaSalle to retain these financial and legal advisors to assist the LaSalle Board in its evaluation of the financial and legal aspects of Pebblebrook's March 6 proposal, respectively, any response thereto and related matters. The LaSalle Board authorized management to negotiate engagement letters with each of Citi and Goldman Sachs, subject to confirmation by the LaSalle Board that Citi and Goldman Sachs, respectively, did not have any engagements that would interfere with the ability of Citi and Goldman Sachs to serve as LaSalle's financial advisors. The LaSalle Board also determined that all communications by LaSalle with Pebblebrook regarding its March 6 proposal would be made solely through Mr. Barnello, so that LaSalle communicated with one voice.

Also at the meeting, the LaSalle Board established an advisory transaction committee, which we refer to as the LaSalle transaction committee, to assist the LaSalle Board, in between board meetings, in considering the Pebblebrook proposal and the range of alternative actions available to LaSalle, including discussing such matters with Mr. Barnello. Mr. Scott, Jeffery T. Foland and Darryl Hartley-Leonard, all of whom are non-management, independent trustees and have significant experience with acquisition transactions, were appointed to the LaSalle transaction committee. Throughout the LaSalle transaction committee's evaluation of Pebblebrook's proposals and a potential sale of LaSalle, the LaSalle transaction committee conducted formal meetings, but its members were also in regular informal communication with Mr. Barnello, representatives of LaSalle's financial and legal advisors and with each other. In addition, the LaSalle transaction committee, as well as the LaSalle Board, frequently met in executive session with only the independent trustees and, on certain occasions, representatives of Goodwin and DLA Piper present.

Later in the week of March 5, 2018, LaSalle engaged Goodwin to act as additional outside legal counsel to the LaSalle Board. In the following weeks, representatives of Goodwin and DLA Piper reviewed the LaSalle Board's duties under the circumstances and representatives of Citi and Goldman Sachs reviewed various preliminary financial analyses with the LaSalle Board and the LaSalle transaction committee to assist the LaSalle Board and the LaSalle transaction committee in evaluating Pebblebrook's March 6 proposal and to prepare for a potential public disclosure of the proposal by Pebblebrook.

On March 8, 2018, Mr. Bortz sent an email to Mr. Scott and indicated that he would be interested in discussing Pebblebrook's March 6 proposal with Mr. Scott. Consistent with the LaSalle Board's determination on March 7, 2018, Mr. Scott replied that all communications between the companies on this topic should be made through Mr. Barnello.

On March 12, 2018, the LaSalle Board met to discuss, among other things, Pebblebrook's March 6 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and

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DLA Piper were present. Representatives of Goodwin provided the LaSalle Board with an overview of their fiduciary duties under applicable law and applied these principles to considering Pebblebrook's March 6 proposal. Representatives of Citi and Goldman Sachs reviewed with the LaSalle Board their preliminary financial analyses of certain financial aspects of Pebblebrook's March 6 proposal based in part on publicly-available Wall Street research consensus estimates of LaSalle's and Pebblebrook's financial prospects. Representatives of Citi and Goldman Sachs also provided an update on lodging industry fundamentals and an update on trading performance in the lodging REIT sector. In response to questions from the LaSalle Board about Citi's and Goldman Sachs' relationships with Pebblebrook, representatives of Citi and Goldman Sachs responded in such a manner that satisfied the LaSalle Board in determining that any such relationships would not interfere with either Citi's or Goldman Sachs' ability to serve as a financial advisor to LaSalle, subject to review by the LaSalle Board of customary written relationships disclosure regarding Pebblebrook.

The LaSalle Board discussed the implications of the unsolicited nature of Pebblebrook's proposal, its acquisition of 4.8% of the outstanding LaSalle common shares and the potential courses of action that Pebblebrook might pursue, including publicly disclosing its unsolicited proposal for an acquisition of LaSalle. The LaSalle Board discussed that if Pebblebrook's proposal became public, LaSalle could receive additional acquisition offers.

Following discussion of these topics with management and consultation with representatives of Citi, Goldman Sachs, Goodwin and DLA Piper, the LaSalle Board noted that LaSalle had an existing 2018 budget which included forecasts for the year ending December 31, 2018 and directed management to prepare a five-year standalone plan for consideration in connection with Pebblebrook's March 6 proposal and any other strategic alternatives to be considered by the LaSalle Board. The LaSalle Board decided to meet to discuss these topics in further detail on March 20, 2018. The LaSalle Board also directed Goodwin to request that each of Citi and Goldman Sachs provide to the LaSalle Board its customary written relationships disclosure letter regarding Pebblebrook.

At the conclusion of the meeting, the independent board members participating in the meeting met in executive session with Goodwin and DLA Piper to further discuss Pebblebrook's March 6 proposal and potential strategic alternatives available to LaSalle.

On March 16, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs contacted representatives of Raymond James, and indicated that LaSalle had received the March 6 letter and would respond to Pebblebrook in due course.

On March 19, 2018, representatives of Citi and Goldman Sachs, as instructed by the LaSalle Board, confirmed to representatives of Raymond James that LaSalle was carefully reviewing the merits of Pebblebrook's March 6 proposal in consultation with representatives of its financial and legal advisors and would respond in due course.

On March 20, 2018, the LaSalle Board met to discuss further Pebblebrook's March 6 proposal and LaSalle's standalone plan. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Goodwin provided the LaSalle Board with an overview of their fiduciary duties under applicable law and the application of those principles to Pebblebrook's March 6 proposal. LaSalle management discussed with the LaSalle Board LaSalle's standalone plan developed at the direction of the LaSalle Board, which included management's forecasts for the fiscal years ended December 31, 2018 through December 31, 2022, and the underlying assumptions to these forecasts. The LaSalle Board discussed the risks, challenges and strategic opportunities facing LaSalle in the context of reviewing management's forecasts. Following discussion and questions of management about the assumptions on which the plan was based, the LaSalle Board approved management's forecasts for use by Citi and Goldman Sachs.

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The LaSalle Board then considered the option of LaSalle continuing as an independent public company and discussed the expected performance of LaSalle in the future. The LaSalle Board discussed the increase in supply and competition in LaSalle's markets and the expected future negative impact on hotel occupancy and room rates. The LaSalle Board also discussed current lodging REIT valuations and LaSalle's common share price as compared to the valuation proposed in Pebblebrook's March 6 proposal. The LaSalle Board reviewed the current macro-environment, the current performance of the REIT industry and lodging REIT sector in particular and observations regarding the perception of LaSalle and Pebblebrook in the investment community.

The LaSalle Board, with the assistance of LaSalle management and in consultation with representatives of the LaSalle Board's financial and legal advisors, discussed other strategic alternatives available to LaSalle that could potentially enhance shareholder value, including whether to continue to execute the long-term plan as a standalone company, accelerate the return of capital to shareholders and pursue hotel acquisitions and dispositions, or whether to engage in a process to explore interest in a potential sale of LaSalle (with both strategic and financial buyers).

The LaSalle Board, with the assistance of LaSalle management and in consultation with representatives of the financial and legal advisors, also further discussed Pebblebrook's March 6 proposal, including Pebblebrook's financial prospects based on Pebblebrook's public guidance for 2018 at the time, Wall Street research consensus estimates and management's forecasts, as well as recent trading prices of Pebblebrook common shares, and the implied value of the share consideration proposed by Pebblebrook. The LaSalle Board and management reviewed the possibility of a business combination with Pebblebrook, including the geographical markets in which LaSalle and Pebblebrook own properties, long-term growth, short- and long-term financial benefits, views of the strengths and weaknesses of both companies and other factors. The LaSalle Board also discussed potential risks regarding the use of Pebblebrook common shares as consideration to be received by LaSalle shareholders, including that Pebblebrook common shares traded at prices between \$27.01 and \$39.74 over the previous 12 months, Pebblebrook's common shares trade at a significantly higher EBITDA multiple as compared to other publicly-traded lodging REITs and whether this would continue in the future, and the inherent risk associated with a potential decline in the trading price of Pebblebrook common shares before the closing of a potential transaction. The LaSalle Board also considered that Pebblebrook would be the ultimate surviving entity in the proposed combination, and that LaSalle shareholders would own approximately 57% of the combined company. The LaSalle Board also considered that Pebblebrook's March 6 proposal contemplated that, while a majority of the combined company would be owned by LaSalle shareholders, Pebblebrook trustees elected by Pebblebrook shareholders would likely constitute a majority of the board of trustees of the proposed combined company. Following these discussions, the LaSalle Board reviewed various potential paths forward to maximize value for shareholders and determined that, given the potential risks associated with Pebblebrook's common share consideration, it would not be in the best interests of shareholders to engage in discussions with Pebblebrook at that time. The LaSalle Board authorized and directed LaSalle management and representatives of its advisors to contact Pebblebrook and its advisors to express its determination.

The LaSalle Board also discussed potential disruptions to LaSalle's business (including the potential loss of business partners, customers and employees) as a result of Pebblebrook's March 6 proposal, including if it were to be publicly disclosed. In this regard, representatives of Goodwin and DLA Piper discussed with the LaSalle Board that the consummation of Pebblebrook's March 6 proposal (which provided that Pebblebrook trustees would likely constitute a majority of the board of trustees of the proposed combined company) would be considered a change in control under the severance agreements with LaSalle's senior officers (which are summarized under the section entitled "Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers Change in Control Severance Agreements" beginning on page 156) and that if LaSalle's senior officers were

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terminated in connection with the proposed transaction, then they would be entitled to the severance payments and benefits under the applicable severance agreements and vesting of their equity awards. Representatives of Goodwin and DLA Piper also reviewed with the LaSalle Board that LaSalle's employees, other than LaSalle's senior officers, would not be provided with similar severance payments and benefits in the event they were terminated in connection with the consummation of Pebblebrook's March 6 proposal. Following this discussion, the LaSalle Board approved a cash retention bonus plan for certain of LaSalle's employees, other than its senior officers (which is summarized under the section entitled " Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers Payment of Employee Bonuses" beginning on page 157).

Later on March 20, 2018, Messrs. Scott and Barnello received a letter from Mr. Bortz, which we refer to as the March 20 letter, stating that Pebblebrook had not received a response to its March 6 proposal, other than the courtesy call from representatives of LaSalle's financial advisors to representatives of Raymond James on March 16, 2018, and reiterating Pebblebrook's interest in pursuing a merger with LaSalle. The March 20 letter was circulated to the LaSalle Board that evening.

On March 21, 2018, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs informed representatives of Raymond James that the LaSalle Board would provide a response to Pebblebrook's March 6 letter on March 22, 2018.

On March 21, 2018, the LaSalle Board met to discuss, among other things, Pebblebrook's March 20 letter. Members of LaSalle's management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello reviewed with the LaSalle Board Pebblebrook's March 20 letter and a proposed response letter to Pebblebrook's March 6 letter based on the LaSalle Board's discussions at its meeting on March 20, 2018. Mr. Barnello also reviewed with the LaSalle Board the proposed communications plans that LaSalle management had prepared with the assistance of the LaSalle Board's advisors to respond to a public disclosure of Pebblebrook's March 6 proposal. The LaSalle Board directed Mr. Barnello to send the proposed response letter to Pebblebrook and representatives of Citi and Goldman Sachs to contact representatives of Raymond James to express the determination made by the LaSalle Board at its meeting on March 20, 2018 and summarized in the proposed response letter.

On March 22, 2018, in accordance with the direction from the LaSalle Board, Messrs. Scott and Barnello sent the response letter to Mr. Bortz, which stated that after careful consideration the LaSalle Board had unanimously determined that Pebblebrook's March 6 proposal was insufficient from both price and mix of consideration perspectives and was therefore not in the best interests of LaSalle shareholders.

On March 22, 2018, Mr. Barnello received an unsolicited call from a representative of an affiliate of The Blackstone Group L.P., which we refer to as Blackstone, who indicated that in the course of Blackstone's regular review of public companies in the REIT industry, Blackstone noticed an apparent dislocation of LaSalle's share price to its net asset value. The representative of Blackstone indicated that Blackstone would be interested in discussing a potential strategic transaction with LaSalle if there was mutual interest from the LaSalle Board. Mr. Barnello responded that the LaSalle Board was always open to considering opportunities to maximize shareholder value and that he would inform the LaSalle Board of this conversation.

On March 23 and March 24, 2018, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs had discussions with representatives of Raymond James regarding Pebblebrook's March 6 proposal and LaSalle's response. During these discussions, at the direction of the Pebblebrook Board, representatives of Raymond James requested that the senior management teams and financial advisors of the respective companies have an in-person meeting to discuss Pebblebrook's March 6 proposal. Representatives of Citi and Goldman Sachs, at the direction of the LaSalle transaction

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committee and management, responded that LaSalle did not believe it would be appropriate to hold an in-person meeting at that time.

On March 24, 2018, the Pebblebrook Board held a meeting to discuss, among other things, the potential combination with LaSalle and LaSalle's response to Pebblebrook's March 6 proposal. Members of the Pebblebrook management team and representatives of Hunton and Raymond James were present. Pebblebrook management discussed with the Pebblebrook Board various preliminary financial analyses with respect to a potential combination with LaSalle. The Pebblebrook Board also considered various strategies for responding to LaSalle. Following discussion, the Pebblebrook Board authorized Pebblebrook to make public its offer to acquire LaSalle.

On March 25, 2018, the LaSalle Board met to discuss, among other things, the interactions with Pebblebrook. Members of LaSalle's management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello and representatives of Citi and Goldman Sachs updated the LaSalle Board on the recent discussions with representatives of Raymond James. Mr. Barnello reviewed with the LaSalle Board the current communications plan prepared by LaSalle's management with the assistance of its advisors in the event that Pebblebrook's proposal became public. Representatives of Citi and Goldman Sachs reviewed with the LaSalle Board certain preliminary financial analyses of both LaSalle and Pebblebrook. The LaSalle Board also adopted a dividend policy for the remaining quarters of 2018. Mr. Barnello also apprised the LaSalle Board of his conversation with Blackstone.

On March 28, 2018, prior to the opening of trading on the NYSE, Pebblebrook issued a press release disclosing its March 6 letter and March 20 letter, as well as LaSalle's March 22 letter. On March 27, 2018, the closing price per LaSalle common share on the NYSE was \$24.84, which was the last closing price prior to the public announcement of Pebblebrook's March 6 proposal.

Subsequently on March 28, 2018, LaSalle issued a press release confirming that the LaSalle Board had unanimously rejected Pebblebrook's unsolicited proposal, and providing its rationale for doing so. The press release also indicated that the LaSalle Board continued to be open-minded and would consider any alternatives that enhance long-term shareholder value. LaSalle also announced its dividend policy for the remaining quarters of 2018, stating that LaSalle expected to pay a quarterly dividend of \$0.225 per LaSalle common share for each of the quarters ending June 30, 2018, September 30, 2018 and December 31, 2018. The amount of the announced quarterly dividend was a 50% reduction from the amount of the quarterly dividend LaSalle had been paying per LaSalle common share since July 15, 2015.

Also on March 28 and March 29, 2018, respectively, representatives of Goldman Sachs and Citi each received calls from a representative of Blackstone expressing Blackstone's possible interest in acquiring LaSalle. The representatives of Citi and Goldman Sachs indicated to Blackstone's representatives that they would inform LaSalle of Blackstone's possible interest.

Beginning on March 28, 2018, in light of the public announcement of Pebblebrook's March 6 proposal, LaSalle and representatives of Citi and Goldman Sachs received unsolicited correspondence from potentially interested financial sponsors and strategic parties. During that time LaSalle also received correspondence from certain LaSalle shareholders holding individually in the range of 3.0% to 9.1% of the outstanding LaSalle common shares, including HG Vora Capital Management, LLC and certain affiliated investment funds, which we refer to, collectively, as HG Vora, which filed a Schedule 13D on April 2, 2018. During that time through May 20, 2018, LaSalle's management, at the direction of, and in consultation with the LaSalle Board and the LaSalle transaction committee, and with the assistance of LaSalle's financial and legal advisors, held discussions with certain of these LaSalle shareholders. During these discussions, several LaSalle shareholders indicated that they expected the LaSalle Board would independently evaluate all available options to maximize shareholder value, including any proposals received from Pebblebrook.

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Later on March 28, 2018, the LaSalle Board held a meeting to discuss, among other things, the public announcement of Pebblebrook's March 6 proposal. Members of LaSalle's management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle Board discussed, in consultation with representatives of its financial and legal advisors, the impact on LaSalle's business of the public announcement of Pebblebrook's March 6 proposal and LaSalle's public response. Mr. Barnello and representatives of Citi and Goldman Sachs also updated the LaSalle Board regarding unsolicited correspondence they had received from other potentially interested financial and strategic parties and LaSalle shareholders in light of the public announcement of Pebblebrook's March 6 proposal. Following these discussions, the LaSalle Board concluded that, in light of recent events and the issues and topics discussed at prior board meetings, the LaSalle Board should consider at a subsequent meeting the process for exploration of a potential sale of LaSalle.

On April 3, 2018, Mr. Barnello received a call from a representative of Blackstone, during which the representative of Blackstone expressed Blackstone's interest in acquiring LaSalle in an all-cash transaction in the range of \$28.00 to \$30.00 per share. Mr. Barnello said that he would inform the LaSalle Board of Blackstone's interest. On April 3, 2018, the closing price per LaSalle common share on the NYSE was \$29.59.

On April 3, 2018, the LaSalle Board met to discuss, among other things, the exploration of a potential sale of LaSalle. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello apprised the LaSalle Board of his discussion with Blackstone. The representatives of Citi and Goldman Sachs reviewed potential strategic parties, financial sponsors and brand management companies who might have an interest in acquiring LaSalle. The LaSalle Board discussed the potential risks and benefits of commencing a process in which parties would be invited to review confidential information and submit indications of interest with respect to a potential acquisition of LaSalle. In particular, the LaSalle Board discussed the potential disruptions to LaSalle's business during a protracted process, the risk of leaks about the process that might arise from contacting other parties, and the potential impact of such leaks on LaSalle's business, including the potential loss of business partners, customers and employees. The LaSalle Board also discussed the potential need to disclose proprietary and confidential information to current and potential competitors during such process. The LaSalle Board also considered the risks and challenges in conducting a strategic process in light of Pebblebrook's publicly disclosed March 6 proposal to acquire LaSalle.

Based on the benefits and risks discussed at this meeting and the previous meetings of the LaSalle Board and the LaSalle transaction committee, the LaSalle Board determined, based on its knowledge of the lodging REIT industry and LaSalle, its discussions with representatives of the financial and legal advisors and the strategic alternatives potentially available to LaSalle, including pursuing a business combination with Pebblebrook and remaining as an independent public company, that it was in the best interests of LaSalle shareholders to take steps to further explore a potential sale of LaSalle.

Following this discussion, representatives of Goodwin reviewed with the LaSalle Board its fiduciary duties under applicable law, particularly in the context of exploring a possible sale of LaSalle. Representatives of Goodwin also discussed the role of the LaSalle Board in overseeing the strategic review process and ways for doing so, including evaluating potentially forming a special committee consisting solely of independent and disinterested trustees of the LaSalle Board as well as LaSalle's management being restricted from having discussions with financial sponsors regarding their future roles, compensation, retention or investment arrangements in connection with a proposed transaction. After discussion with Goodwin, the LaSalle Board determined that given the facts and circumstances of the situation a special committee was not necessary, but that during the strategic review process the independent trustees of the LaSalle Board would continue their practice of holding executive sessions and, at the invitation of the independent trustees, representatives of the financial advisors and outside legal counsel would participate in those sessions. The LaSalle Board and members of LaSalle's management then discussed the role of LaSalle's management in the strategic process. They agreed

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that, except as otherwise instructed by the LaSalle Board, management would not engage in discussions regarding any compensation, retention or investment arrangements with bidders so as to avoid any potential conflict or concern of favoring any one bidder over other bidders.

At the meeting, with input from representatives of Citi and Goldman Sachs and members of management, the LaSalle Board discussed the types of potential acquirers (strategic, financial and brand management) that might be interested in participating in a formal sale process for LaSalle. The LaSalle Board considered various factors concerning such potential acquirers including, among other things, experience in executing public mergers and/or acquisitions or purchases of significant real estate portfolios, financial ability to pay and capacity to execute a transaction of this size, experience in the lodging REIT industry, potential interest in acquiring LaSalle and confidentiality and competitive concerns.

Also at the meeting, the LaSalle Board discussed the customary written relationships disclosure provided by each of Citi and Goldman Sachs at the request of the LaSalle Board and distributed to the LaSalle Board prior to the April 3 meeting. After discussion, including with Goodwin, the LaSalle Board determined that those relationships would not interfere with either Citi's or Goldman Sachs' ability to serve as a financial advisor to LaSalle. As part of this discussion, Goodwin outlined the material terms of the proposed engagements of each of Citi and Goldman Sachs. Following this discussion, the LaSalle Board determined to engage both Citi and Goldman Sachs as its financial advisors to assist the LaSalle Board in its evaluation of strategic alternatives, including with respect to proposals from Pebblebrook.

At the conclusion of the meeting, the independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper to further discuss the strategic process.

From April 5 through April 17, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs together contacted 20 parties (six strategic parties (including Pebblebrook), nine financial sponsors (including Blackstone) and five brand management companies), that satisfied the criteria discussed and approved by the LaSalle Board at the April 3, 2018 meeting, to participate in a formal sale process for LaSalle. Ten of these parties (including Blackstone and Pebblebrook) entered into confidentiality agreements with LaSalle. These ten parties consisted of three strategic parties, six financial sponsors and one brand management company. Blackstone's confidentiality agreement was entered into on April 10, 2018, and contained standstill obligations that expire on May 9, 2019. All of these other confidentiality agreements (other than Pebblebrook's confidentiality agreement, which is discussed below) contained standstill obligations of various lengths, the shortest of which expires on January 18, 2019. Additionally, all of these standstill obligations either automatically terminated upon LaSalle's announcement of execution of a definitive agreement with a third party to effect the sale of LaSalle, or allowed the bidder to make confidential proposals to LaSalle at any time following LaSalle's announcement of execution of a definitive agreement with a third party to effect the sale of LaSalle. Bidders that entered into a confidentiality agreement with LaSalle were provided access to an online data room containing nonpublic information regarding LaSalle and its properties. Additionally, each such bidder was invited to attend a high-level management presentation conducted by members of LaSalle management. The ten parties that did not enter into a confidentiality agreement with LaSalle indicated that they were not interested in pursuing a transaction with LaSalle at that time. Pebblebrook's confidentiality agreement was entered into on May 5, 2018, as discussed below.

On April 5, 2018, a draft mutual confidentiality agreement was distributed on behalf of LaSalle to representatives of Raymond James. LaSalle's draft confidentiality agreement provided for, among other things, (i) a standstill provision which prohibited LaSalle or Pebblebrook, as applicable, from taking various actions including making a proposal to acquire the other party until the earlier of 18 months after the execution of the confidentiality agreement or the public announcement by the other party of its execution of a definitive agreement to effect a sale of LaSalle, which we refer to as the standstill provision, (ii) a prohibition from making a public announcement or disclosure of a proposal to acquire

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the other party, which we refer to as the public acquisition proposal prohibition, and (iii) a prohibition from making any public announcement or disclosure concerning the discussions or negotiations taking place between LaSalle and Pebblebrook or any proposed terms being discussed, which we refer to as the public disclosure prohibition.

On April 6, 2018, LaSalle executed engagement letters with Citi and Goldman Sachs, respectively, as the LaSalle Board authorized during the April 3, 2018 meeting.

On April 6, 2018, at the direction of the LaSalle transaction committee, representatives of Citi and Goldman Sachs had discussions with representatives of Raymond James and BAML regarding the proposed mutual confidentiality agreement. During these discussions, at the direction of Pebblebrook management, representatives of Pebblebrook's financial advisors indicated that Pebblebrook would not enter into a confidentiality agreement with standstill obligations without first receiving adequate assurance that Pebblebrook would be provided the same access to diligence materials and given the same opportunities to participate in LaSalle's sale process as the other potential bidders in the process. Per their earlier discussions with the LaSalle transaction committee, representatives of Citi and Goldman Sachs stated that Pebblebrook would be provided access to the same diligence information and be given the same opportunities to participate in LaSalle's sale process as the other bidders in the process.

On April 9, 2018, representatives of Hunton sent to representatives of Goodwin a revised draft of the mutual confidentiality agreement which, among other things, (i) reduced the period of the proposed standstill provision from 18 months to three months, (ii) allowed Pebblebrook publicly to disclose its acquisition proposals and (iii) deleted the public disclosure prohibition.

On April 10, 2018, at the direction of the LaSalle transaction committee, representatives of Citi, Goldman Sachs and Goodwin had a discussion with representatives of Pebblebrook's financial and legal advisors to discuss the draft mutual confidentiality agreement. At the direction of the LaSalle transaction committee, representatives of Citi and Goldman Sachs indicated that LaSalle was conducting a formal sale process in an attempt to maximize value for LaSalle shareholders and that other potentially interested parties would not participate in the sale process if Pebblebrook were invited to participate in the sale process without being restricted from making public acquisition proposals or public announcements about the process and its discussions with LaSalle.

On April 13, 2018, the Pebblebrook Board held a meeting to discuss, among other things, the potential combination with LaSalle. Members of the Pebblebrook management team and representatives of Hunton, Raymond James and BAML were present. Representatives of Hunton reviewed with the Pebblebrook Board its fiduciary duties under applicable law. Pebblebrook management reviewed with the Pebblebrook Board various financial aspects of the potential combination, including whether to include cash consideration as a portion of the proposed merger consideration and various financing options to fund such cash consideration. Following discussion, the Pebblebrook Board authorized Pebblebrook management to increase the fixed exchange ratio to 0.8944 Pebblebrook common share for each LaSalle common share and to revise the proposal so as to permit LaSalle shareholders to elect to receive cash for up to a maximum of 15% of the aggregate merger consideration along with the other terms set forth in the April 13 letter described below.

Beginning on April 13, 2018, each of the bidders that had entered into a confidentiality agreement with LaSalle as of that date was provided access to an online data room containing nonpublic information regarding LaSalle and its properties.

At approximately 9:00 p.m. on April 13, 2018, Mr. Bortz, on behalf of Pebblebrook and as authorized by the Pebblebrook Board, sent a letter to the LaSalle Board, which we refer to as the April 13 letter, and the proposal set forth therein as the April 13 proposal. The April 13 letter stated that Pebblebrook remained committed to a merger of the two companies and provided a revised proposal with respect to merger consideration.

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The April 13 proposal provided for a fixed exchange ratio of 0.8944 Pebblebrook common share for each LaSalle common share. The 0.8944 exchange ratio provided in the April 13 proposal represented a 3.3% increase to the 0.8655 exchange ratio provided in Pebblebrook's March 6 proposal. According to the April 13 letter, the April 13 proposal resulted in an implied price of \$31.75 per share for 100% of the outstanding LaSalle common shares based on the closing price per Pebblebrook common share on the NYSE of \$35.50 on April 13, 2018. The April 13 letter also stated that LaSalle shareholders would be provided with the option to elect to receive cash up to a maximum of 15% in aggregate merger consideration, subject to proration. The April 13 letter indicated that the proposal was not subject to a financing condition. The April 13 letter stated that, with LaSalle's full cooperation, Pebblebrook believed that the companies could sign a definitive merger agreement within ten business days. The letter also included a summary of certain proposed key terms which included: an exclusivity period of ten business days; a 30-day go-shop period during which LaSalle could solicit alternative proposals; a break-up fee of 1.25% of equity value during the go-shop period and 3.25% of equity value after the go-shop period; Pebblebrook executives would manage the combined company; and a seven-member board of trustees (three independent trustees from each company and Mr. Bortz) would govern the combined company. In the letter, Pebblebrook requested a response from LaSalle by April 15, 2018. Mr. Barnello sent the April 13 letter to the LaSalle Board. On April 13, 2018, the closing price per LaSalle common share on the NYSE was \$29.94.

On April 14, 2018, following discussions with the LaSalle transaction committee, Mr. Barnello contacted Mr. Bortz to schedule a time to have a discussion the next day regarding the following:

LaSalle was open to Pebblebrook's request for a meeting, and that Messrs. Barnello, Scott and Foland were available to meet with Pebblebrook's representatives on Tuesday morning, April 17, 2018, in New York City;

LaSalle wanted Pebblebrook to enter into a mutual confidentiality agreement in order for Pebblebrook to participate in LaSalle's sale process, and that representatives of Goodwin would be sending representatives of Hunton another revised draft of the mutual confidentiality agreement shortly; and

Pebblebrook's April 13 proposal was shared with the LaSalle Board and that the LaSalle Board would evaluate the proposal.

Later on April 14, 2018, representatives of Goodwin sent to representatives of Hunton a revised draft of the mutual confidentiality agreement as indicated by Mr. Barnello's earlier communication to Mr. Bortz. LaSalle's revised draft confidentiality agreement provided for, among other things, (i) the standstill provision with the three-month term proposed by Pebblebrook in its April 9 revised draft of the confidentiality agreement, (ii) the public acquisition proposal prohibition and (iii) the public disclosure prohibition.

On April 15, 2018, Mr. Barnello called Mr. Bortz and indicated that the LaSalle Board had received Pebblebrook's April 13 proposal and was evaluating it. Mr. Barnello also indicated that LaSalle was willing to have a meeting as Pebblebrook requested and that LaSalle had proposed a revised mutual confidentiality agreement with the standstill provision for a reduced period of three months, consistent with Pebblebrook's original proposal, in order to facilitate Pebblebrook's participation in LaSalle's sale process. Mr. Barnello also offered to schedule a meeting among Mr. Bortz and certain members of the LaSalle Board, including Mr. Scott, on April 17, 2018, contingent on Pebblebrook not publicly disclosing its April 13 letter, and preferably after execution of a mutual confidentiality agreement. Mr. Bortz responded that Pebblebrook was not interested in entering into a mutual confidentiality agreement with LaSalle. Mr. Bortz also indicated that he could not attend a meeting on the date Mr. Barnello proposed because the Pebblebrook Board would be conducting its regular quarterly meeting on that date. Neither Mr. Bortz nor Mr. Barnello proposed an alternative

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date. Mr. Bortz also indicated that it would not be appropriate for him to say whether or not Pebblebrook was going to publicly release its April 13 letter.

Later on April 15, 2018, the LaSalle Board held a meeting to discuss, among other things, Pebblebrook's April 13 proposal and the strategic process. Members of LaSalle's management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello updated the LaSalle Board on his discussion with Mr. Bortz. Representatives of Citi and Goldman Sachs updated the LaSalle Board on their discussions with representatives of Pebblebrook's financial advisors. Representatives of Citi and Goldman Sachs also reviewed with the LaSalle Board certain financial aspects of Pebblebrook's April 13 proposal and certain financial aspects of Pebblebrook's March 6 proposal. Representatives of Citi and Goldman Sachs also updated the LaSalle Board on the initial stages of the strategic process completed to date, noting the parties that remained interested in engaging in discussions regarding a possible acquisition of LaSalle, their diligence efforts to date and expressed levels of interest. The LaSalle Board discussed the possibility that Pebblebrook could publicly disclose its April 13 proposal and the impact that would have on the strategic process. The LaSalle Board also discussed recent discussions and correspondence with certain LaSalle shareholders.

On April 16, 2018, prior to the opening of trading on the NYSE, Pebblebrook issued a press release disclosing its April 13 letter.

Subsequently on April 16, 2018, LaSalle issued a press release confirming that the LaSalle Board was reviewing Pebblebrook's April 13 proposal.

On April 17, 2018, Bloomberg published an article speculating as to a potential sale of LaSalle, with Blackstone listed as an interested suitor. After discussing the Bloomberg article with representatives of Citi, Goldman Sachs and Goodwin, Mr. Barnello contacted members of the LaSalle Board to update them on this development. Prior to the publication of this article, on April 16, 2018, LaSalle's common share closing price on the NYSE was \$30.71.

On the evening of April 17, 2018, before the Pebblebrook Board met for its regular quarterly meeting the next day, the Pebblebrook Board, members of Pebblebrook management and representatives of Hunton met and discussed in detail the potential combination with LaSalle. The discussion included, among other things, the possibility of Pebblebrook further increasing the financial terms of its offer to acquire LaSalle and inviting LaSalle to conduct due diligence with respect to Pebblebrook.

On April 18, 2018, the Pebblebrook Board held its regular quarterly meeting. At this meeting, Pebblebrook management reviewed, among other things, certain financial aspects of Pebblebrook, LaSalle and Pebblebrook's potential combination with LaSalle. The Pebblebrook Board also discussed increasing the fixed exchange ratio and the aggregate amount of cash consideration in connection with making a revised offer to acquire LaSalle. The Pebblebrook Board also approved the engagement of each of Raymond James and BAML. Before doing so, Hunton reviewed with the Pebblebrook Board the contents of customary written relationships disclosure letters regarding LaSalle from each of Raymond James and BAML, which satisfied the Pebblebrook Board that there were not any relationships that would reasonably be expected to interfere with either Raymond James' or BAML's ability to serve as a financial advisor to Pebblebrook. Raymond James and BAML were engaged by Pebblebrook because of their respective qualifications, experience and reputation, long-standing relationship with Pebblebrook and substantial knowledge of the lodging REIT industry. BAML was also engaged to assist Pebblebrook in obtaining financing to fund any cash consideration that would be payable in a combination with LaSalle.

Between April 18, 2018 and April 21, 2018, an initial bid instruction letter was distributed on behalf of LaSalle to each of the nine potential bidders that had entered into confidentiality agreements with LaSalle prior to April 21, 2018 (including Blackstone). The letter indicated a deadline for submitting preliminary non-binding indications of interest by May 4, 2018. Because Pebblebrook had

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not entered into a confidentiality agreement with LaSalle at that time, it did not receive an initial bid instruction letter.

On April 19, 2018, Mr. Bortz corresponded with the Pebblebrook Board regarding making another merger offer to LaSalle, to be characterized as a best and final offer, on the terms previously discussed with the Pebblebrook Board. The Pebblebrook Board approved the terms of the April 20 proposal described below, including an increase to the aggregate amount of the cash consideration from 15% to 20% and an increase to the fixed exchange ratio from 0.8944 to 0.9085 Pebblebrook common share for each LaSalle common share.

Later on April 19, 2018, as authorized by the Pebblebrook Board, Mr. Bortz sent a letter to the LaSalle Board in which Pebblebrook proposed that LaSalle conduct a due diligence review of Pebblebrook to better understand Pebblebrook's business and evaluate Pebblebrook's April 13 proposal. Pebblebrook proposed that LaSalle enter into a unilateral confidentiality agreement obligating LaSalle to maintain the confidentiality and nonuse of Pebblebrook's nonpublic information, and enclosed a copy of a proposed confidentiality agreement. In the letter, Pebblebrook stated that it did not require that LaSalle provide it with any information under the proposed unilateral confidentiality agreement.

On April 20, 2018, Mr. Bortz, on behalf of Pebblebrook and as authorized by the Pebblebrook Board, sent a letter to the LaSalle Board, which we refer to as the April 20 letter, and the proposal set forth therein as the April 20 proposal. The April 20 letter stated that Pebblebrook was making a final offer to LaSalle. The April 20 proposal provided for a fixed exchange ratio of 0.9085 Pebblebrook common share for each LaSalle common share. The 0.9085 exchange ratio provided in the April 20 proposal represented a 1.6% increase to the 0.8944 exchange ratio provided in Pebblebrook's April 13 proposal. According to the April 20 letter, the April 20 proposal resulted in an implied price of \$32.49 per share for 100% of the outstanding LaSalle common shares based on the closing price per Pebblebrook common share on the NYSE of \$35.76 on April 19, 2018. Unlike Pebblebrook's March 6 proposal, Pebblebrook's April 20 proposal did not state an implied price based on a volume weighted average price of Pebblebrook common shares. The April 20 letter also stated that LaSalle shareholders would be provided with the option to elect to receive cash up to a maximum of 20% in aggregate merger consideration, subject to proration. The April 20 letter indicated that the proposal was not subject to a financing condition. The letter stated that the other key terms proposed in Pebblebrook's April 13 letter remained unchanged and that Pebblebrook would send LaSalle a draft merger agreement shortly.

On April 21, 2018, Mr. Bortz sent an email to Mr. Scott and indicated that he would be interested in discussing Pebblebrook's April 20 proposal with Mr. Scott. Consistent with the LaSalle Board's prior determination, Mr. Scott replied that Mr. Bortz should direct his communications on this topic to Mr. Barnello.

On April 22, 2018, the LaSalle Board held a meeting to discuss, among other things, Pebblebrook's April 20 proposal and the strategic process. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed with the LaSalle Board certain financial aspects of Pebblebrook's April 20 proposal and certain financial aspects of Pebblebrook's March 6 and April 13 proposals. Representatives of Citi and Goldman Sachs also updated the LaSalle Board on the strategic process completed to date, noting the parties that remained interested in engaging in discussions regarding a possible strategic transaction or acquisition transaction involving LaSalle, their diligence efforts to date and expressed levels of interest, and noting the parties that had declined interest. The LaSalle Board discussed the possibility that Pebblebrook could publicly disclose its April 20 proposal and the impact that would have on the strategic process. The LaSalle Board also considered Pebblebrook's April 19 letter requesting LaSalle to enter into a unilateral confidentiality agreement and determined that it would not be appropriate to engage in a unilateral diligence review of Pebblebrook at that time given that LaSalle was not

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conducting reverse due diligence on any other bidders during the initial stages of the sale process. The LaSalle Board also discussed recent discussions and correspondence with certain LaSalle shareholders.

From April 23 through April 27, 2018, seven of the potential bidders that had entered into confidentiality agreements with LaSalle (one strategic party and six financial sponsors) attended high-level management presentations conducted by members of LaSalle management (Blackstone attended a presentation on April 26, 2018) and attended by representatives of Citi and Goldman Sachs as requested by LaSalle. Following these management presentations, members of LaSalle management participated in follow-up due diligence sessions with each of these potential bidders and their respective advisors. Representatives of Citi and Goldman Sachs also attended these due diligence sessions as requested by LaSalle.

On April 24, 2018, prior to the opening of trading on the NYSE, Pebblebrook issued a press release disclosing its April 20 letter.

Subsequently on April 24, 2018, LaSalle issued a press release confirming that the LaSalle Board would carefully review Pebblebrook's April 20 letter.

Later on April 24, 2018, Mr. Bortz, on behalf of Pebblebrook and as authorized by the Pebblebrook Board, sent a letter to the LaSalle Board enclosing a proposed draft merger agreement as referenced in Pebblebrook's April 20 letter and consistent with the terms of the April 20 proposal.

On April 27, 2018, Pebblebrook conducted its quarterly earnings call relating to its financial and operating results for the first quarter. During the call, Mr. Bortz reiterated Pebblebrook's interest in pursuing the acquisition of LaSalle.

Also on April 27, 2018, representatives of Citi received an unsolicited inquiry from a potential strategic acquirer. After consulting with management and representatives of Goodwin, as directed by management, later that day, representatives of Citi provided the potential strategic acquirer with the same form of confidentiality agreement provided to other potential participants in LaSalle's sale process. Representatives of Goodwin negotiated the terms and conditions of this draft confidentiality agreement with representatives of the potential strategic acquirer until May 6, 2018, by which point LaSalle had received written non-binding preliminary indications of interest from the other participants in LaSalle's sale process, as described below. Despite repeated requests by representatives of Citi and Goodwin made at the direction of management to move quickly to finalize negotiation of the confidentiality agreement, the potential strategic acquirer was lagging behind other continuing participants in LaSalle's sale process as of such date, and therefore confidentiality agreement negotiations with the potential strategic acquirer were discontinued as of May 6, 2018.

On May 1, 2018, a representative of Goldman Sachs spoke with Mr. Bortz. Further to the LaSalle Board's direction that Pebblebrook be invited to participate in the formal sale process of LaSalle and confidentiality agreement negotiations to that end, and pursuant to the LaSalle Board's direction that Pebblebrook's participation in the formal sale process of LaSalle be solicited, the representative of Goldman Sachs spoke with Mr. Bortz to indicate LaSalle's continued interest in negotiating a mutual confidentiality agreement with Pebblebrook and the willingness of representatives of Goldman Sachs to facilitate discussions to that end. That day, representatives of Goldman Sachs informed LaSalle management and the LaSalle transaction committee regarding this discussion. After a series of discussions on this topic, Mr. Bortz indicated that, under certain terms, Pebblebrook may be interested in reinitiating discussions regarding a mutual confidentiality agreement.

On May 2, 2018, representatives of Hunton sent to representatives of Goodwin a revised draft of the mutual confidentiality agreement. In its revised draft confidentiality agreement, Pebblebrook included (i) the standstill provision, (ii) the public acquisition proposal prohibition and (iii) the public disclosure prohibition (each of which Pebblebrook proposed would expire 14 days after the execution of the confidentiality agreement).

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From May 2 through May 5, 2018, representatives of LaSalle's financial and legal advisors, with input from, and at the direction of, the LaSalle transaction committee and LaSalle management, and representatives of Pebblebrook's financial and legal advisors had various discussions regarding the length of the time that the prohibitions set forth in the mutual confidentiality agreement would apply. During these discussions, Pebblebrook's financial and legal advisors indicated that Pebblebrook would not enter into a confidentiality agreement which contained restrictions limiting its ability to act beyond June 4, 2018, which was the week of the Nareit® REITweek: 2018 Investor Conference in New York.

On the morning of May 4, 2018, representatives of Goodwin sent to representatives of Hunton a revised draft of the mutual confidentiality agreement which provided that the restrictions set forth therein would apply for 45 days.

In connection with the May 4, 2018 deadline for submissions of indication of interest, of the nine potential bidders that received a bid process letter on behalf of LaSalle, three financial sponsors, which we refer to as Party A, Party B and Blackstone, submitted indications of interest to LaSalle, as described below. All other potential bidders that had entered into confidentiality agreements with LaSalle declined to submit an indication of interest.

On May 4, 2018, LaSalle received written non-binding preliminary indications of interest from Party A and Blackstone. Party A proposed to acquire LaSalle in an all-cash transaction at a price of \$30.00 per LaSalle common share, and stated that it was prepared to complete its confirmatory due diligence and concurrently negotiate a definitive merger agreement within 21 days, and that the transaction would not be subject to any financing contingency. Blackstone proposed to acquire LaSalle in an all-cash transaction at a price of \$31.50 per LaSalle common share, which price was predicated on no additional dividends being paid to LaSalle's common shareholders other than LaSalle's next regularly scheduled dividend. Blackstone's proposal also stated that it was prepared to complete its confirmatory due diligence immediately and concurrently negotiate a definitive merger agreement within seven days, and noted that the transaction would be funded with Blackstone's \$15.8 billion fully discretionary Blackstone Real Estate Partners VIII fund, and would not be subject to any financing contingency. Blackstone's proposal also provided that it would expire at the close of business on May 7, 2018. On the prior trading day, May 3, 2018, the closing price per LaSalle common share on the NYSE was \$29.78.

On May 5, 2018, representatives of Goodwin sent to representatives of Hunton a revised draft of the mutual confidentiality agreement which agreed to Pebblebrook's request that the restrictions set forth therein would terminate on June 4, 2018.

Later on May 5, 2018, Pebblebrook and LaSalle entered into a mutual confidentiality agreement. The executed confidentiality agreement included, among other things, (i) the standstill provision, (ii) the public acquisition proposal prohibition and (iii) the public disclosure prohibition (each of which later expired on June 4, 2018). The confidentiality agreement also permitted Pebblebrook to make confidential proposals to LaSalle at any time and provided that the standstill provision would terminate prior to June 4, 2018 if there was a public announcement by LaSalle of its execution of a definitive agreement to effect a sale of LaSalle. Shortly after execution of the mutual confidentiality agreement, Pebblebrook was provided access to an online data room containing nonpublic information regarding LaSalle and its properties, which was the same information provided to the other participants in LaSalle's sale process upon entering into a confidentiality agreement, and LaSalle was provided access to an online data room containing nonpublic information regarding Pebblebrook and its properties.

On May 7, 2018, LaSalle received a written non-binding preliminary indication of interest from Party B. Party B proposed to acquire LaSalle in an all-cash transaction at a price of \$32.00 per LaSalle common share. Party B's proposal also stated that it was prepared to complete its confirmatory due diligence and concurrently negotiate a definitive merger agreement within 45 days, and noted that the transaction would not be subject to any financing contingency.

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On May 7, 2018, the LaSalle Board held a meeting to discuss, among other things, the proposals received from Party A, Party B and Blackstone and Pebblebrook's April 20 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed the financial aspects of the proposals. Representatives of Goodwin reviewed with the LaSalle Board its fiduciary duties in the context of evaluating the preliminary indications of interest from Party A, Party B and Blackstone and Pebblebrook's April 20 proposal.

Following this discussion, the LaSalle Board discussed how best to encourage the parties to improve their respective purchase prices and other terms. Because Party B's and Blackstone's proposals were within close range of each other, the LaSalle Board determined to advance both parties to the next phase of the strategic process, to provide each party with additional due diligence access and a draft merger agreement with respect to which the parties would be requested to provide comments and to encourage them to increase their respective purchase prices in view of the competitive nature of the process. Because Pebblebrook had entered into a confidentiality agreement with LaSalle, and on the basis of Pebblebrook's April 20 proposal, the LaSalle Board determined that Pebblebrook should also be included in the next phase of the strategic process, provided with the same due diligence access as the other bidders, provided a draft merger agreement with respect to which Pebblebrook would be requested to provide comments and encouraged to increase its proposed purchase price.

The LaSalle Board directed management, in consultation with representatives of Citi and Goldman Sachs, to structure the next phase of the process to target a potential conclusion on or about May 18, 2018, which the LaSalle Board concluded was a realistic deadline for the bidders to complete their due diligence and negotiate and execute a definitive agreement. Because Party A had submitted a proposal that was lower than the others, the LaSalle Board directed representatives of Citi and Goldman Sachs to inform Party A that it would not be moving forward at that time, unless Party A were meaningfully to increase its proposed price. The LaSalle Board also discussed that to date none of the three financial sponsors had, and had not requested to have, discussions with LaSalle's management regarding any roles, compensation, retention or investment arrangements in connection with a possible transaction.

At the meeting, Mr. Barnello also provided an update on LaSalle's financial results that it expected to report for the first quarter of 2018, which management expected to be above Wall Street research consensus estimates, and an update on LaSalle's preliminary financial outlook for the remainder of 2018, which management expected to increase in comparison to LaSalle's previous guidance.

On May 8, 2018, bid process letters were sent to Party B, Blackstone and Pebblebrook which, at the direction of the LaSalle Board, set a second round bid deadline of May 16, 2018, and requested marked drafts of LaSalle's proposed form of merger agreement by May 14, 2018.

On May 8, 2018, Party B, Blackstone and Pebblebrook were provided with a draft merger agreement on behalf of LaSalle. The draft merger agreement provided to the two financial sponsors (Party B and Blackstone) contemplated, among other things, a customary all-cash merger, a LaSalle termination fee equal to 2% of the equity value of the transaction if the merger agreement was terminated under certain circumstances and a reverse termination fee equal to 10% of the equity value of the transaction if the merger agreement was terminated under certain circumstances. Drafts of an equity commitment letter and limited guaranty were concurrently provided to the financial sponsors. The draft merger agreement provided to Pebblebrook contemplated, among other things, a customary business combination merger and a LaSalle termination fee equal to 2% of the aggregate equity value of LaSalle if the merger agreement was terminated under certain circumstances. The merger agreement provided to Pebblebrook also provided that LaSalle shareholders would be provided with the option to elect to receive a cash amount per LaSalle common share equal to the exchange ratio multiplied by the

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five-day volume weighted average price per Pebblebrook common share ending on the trading day immediately before execution of a definitive merger agreement, up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration.

On May 8, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs contacted representatives of Party A and informed them that, because their indication of interest was below the level of the other bidders, LaSalle would not be proceeding with Party A at that time, unless Party A were meaningfully to improve its proposed price. There were no further discussions between Party A and LaSalle or its representatives.

On May 10, 2018, LaSalle announced its financial results for the first quarter of 2018. LaSalle reported first quarter results that meaningfully exceeded its expectations and raised its guidance for the remainder of 2018. On May 10, 2018, the closing price per LaSalle common share on the NYSE was \$31.43.

Also on May 10, 2018, the Pebblebrook Board held a meeting to discuss, among other things, the status of discussions with LaSalle and its advisors. Members of the Pebblebrook management team and representatives of each of Hunton, Raymond James and BAML were present. Among other things, Pebblebrook management reviewed with the Pebblebrook Board certain financial aspects of the proposed transaction and its due diligence review of LaSalle, including with respect to various one-time costs associated with LaSalle's transaction expenses and retention and severance obligations. Pebblebrook management also reviewed with the Pebblebrook Board the status of Pebblebrook's discussions with BAML to obtain a commitment letter for a bridge loan to fund the cash consideration in the proposed transaction. Representatives of Hunton reviewed the material terms of the draft merger agreement under negotiation with LaSalle.

The LaSalle Board also held a meeting on May 10, 2018 to discuss, among other things, management's standalone plan and the strategic process. Members of LaSalle's management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle Board reviewed certain updated financial projections regarding LaSalle for the fiscal years ended December 31, 2018 through December 31, 2022, prepared by LaSalle's management, which were the same in all respects as the forecasts that LaSalle's management had prepared and provided to the LaSalle Board on March 20, 2018, except that they incorporated LaSalle's actual performance for the fiscal quarter ended March 31, 2018 and an updated forecast for the fiscal quarter ending June 30, 2018, and a corresponding roll forward for the fiscal years ending December 31, 2018 through December 31, 2022. The LaSalle Board discussed the risks, challenges and strategic opportunities facing LaSalle in the context of the updated forecasts. Following discussion and questions of management regarding various matters relating to the updated forecasts, including the assumptions on which they were based, the LaSalle Board approved the updated forecasts for use by Citi and Goldman Sachs.

At the meeting, representatives of Goodwin reviewed certain terms contained in the draft merger agreements presented to the bidders. In addition, the LaSalle Board discussed the updated customary written relationships disclosure letter provided by each of Citi and Goldman Sachs and distributed to the LaSalle Board before the meeting. In the case of Citi, the disclosure letter listed engagements for which Citi and its affiliates has recognized compensation for investment banking, commercial banking and other financial services provided to Party B (including its portfolio companies and its affiliated public vehicle), Blackstone Real Estate Advisors L.P. (including its portfolio companies and its affiliated public vehicle Blackstone Mortgage Trust, Inc.) and Pebblebrook since January 1, 2016. In the case of Goldman Sachs, the disclosure letter listed engagements for which Goldman Sachs has recognized compensation for financial advisory and underwriting services provided by its investment banking division to Party B (including its affiliates and portfolio companies), Blackstone (including its affiliates and portfolio companies) and Pebblebrook in the two years preceding the meeting. After discussion,

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including with Goodwin, the LaSalle Board again determined that those relationships would not interfere with Citi's or Goldman Sachs' ability to continue to provide financial advisory services to LaSalle. At the conclusion of the meeting, the independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper to further discuss the strategic process and negotiations with Party B, Blackstone and Pebblebrook.

On May 11, 2018, members of LaSalle management and Pebblebrook management conducted in-person, reciprocal high-level management presentations with representatives of their respective financial advisors also present.

On May 14, 2018, HG Vora filed an amendment to its Schedule 13D reporting beneficial ownership of 9.1% of LaSalle's outstanding common shares. The amendment to HG Vora's Schedule 13D also disclosed a letter that it had sent to the LaSalle Board stating that it believed that a sale of LaSalle on the terms of Pebblebrook's April 20 proposal or better would be superior to any credible standalone plan.

On May 14, 2018, outside legal counsel to Blackstone, provided Blackstone's initial comments on the draft merger agreement, equity commitment letter and limited guarantee to Goodwin. In the drafts, among other things, Blackstone proposed a LaSalle termination fee equal to 3.5% of the equity value of the transaction and replaced LaSalle's right to specific performance with the right to receive a reverse termination fee equal to 7% of the equity value of the transaction as LaSalle's sole and exclusive remedy if the merger agreement were terminated under certain circumstances.

On May 14, 2018, representatives of Hunton provided Pebblebrook's initial comments on the draft merger agreement to representatives of Goodwin. The Pebblebrook draft merger agreement provided, among other things: the price per share for the cash election shares would be based on the exchange ratio multiplied by the five-day volume weighted average price per Pebblebrook common share as of the end of the last trading day before the execution of the merger agreement; the occurrence of the closing under the merger agreement would constitute a change in control and termination without "cause" under the severance agreements with LaSalle's senior officers, and that following the closing Pebblebrook would cause the combined company to pay all severance payments and benefits that each of LaSalle's senior officers would be entitled to under his applicable severance agreement; and LaSalle's outstanding equity awards would vest in connection with the closing under the merger agreement.

Also on May 14, 2018, the LaSalle Board met to discuss, among other things, the strategic process. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello updated the LaSalle Board on the status of the negotiations with Party B, Blackstone and Pebblebrook.

On May 15, 2018, the LaSalle transaction committee met to discuss, among other things, management's reverse due diligence review of Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. LaSalle management reviewed with the LaSalle transaction committee management's reverse due diligence of Pebblebrook and LaSalle management, with the assistance of representatives of Citi and Goldman Sachs, reviewed the financial aspects of Pebblebrook's five-year forecasts previously provided by Pebblebrook.

Also on May 15, 2018, Party B informed representatives of Citi and Goldman Sachs that Party B would need additional time beyond the May 16, 2018 deadline to submit a revised proposal and mark-up of the merger agreement. The LaSalle Board was informed of Party B's expected delay in submitting its revised proposal.

From May 15 through May 20, 2018, representatives of Goodwin, with input from LaSalle management and with the benefit of the views of the trustees provided at the LaSalle Board and LaSalle transaction committee meetings, and Blackstone's outside legal counsel exchanged drafts and

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participated in discussions regarding the terms of the merger agreement and related agreements. The key issues negotiated with respect to the merger agreement and related agreements included, among other things: the representations and warranties to be made by the parties; the restrictions on the conduct of LaSalle's business until completion of the transaction; the definition of material adverse effect; the conditions to completion of the mergers; LaSalle's obligations to cooperate with Blackstone's debt financing efforts; LaSalle's ability to participate in discussions or negotiations with third parties relating to unsolicited acquisition proposals; the right of the LaSalle Board to change its recommendation that shareholders approve the merger in response to a superior proposal or otherwise; LaSalle's right to terminate the merger agreement to accept a superior proposal under certain conditions; the other termination provisions and the triggers of the termination fee payable by LaSalle; the provisions regarding LaSalle's equity awards, employee benefit plans, severance and other compensation matters; the remedies available to each party under the merger agreement, including the triggers of the reverse termination fee payable to LaSalle and the terms of the guaranty of certain payment obligations by Blackstone Real Estate Partners VIII fund; and the amounts of the LaSalle termination fee and reverse termination fee.

Also from May 15 through May 19, 2018, representatives of Goodwin, with input from LaSalle management and with the benefit of the views of the trustees provided at the meetings of the LaSalle Board and of the LaSalle transaction committee, and representatives of Hunton exchanged drafts and participated in discussions regarding the terms of the merger agreement and related agreements. The key issues negotiated with respect to the merger agreement and related agreements included, among other things: the representations and warranties to be made by the parties; the restrictions on the conduct of the parties' businesses until completion of the transaction; the definition of material adverse effect; the conditions to completion of the mergers; LaSalle's obligations to cooperate with Pebblebrook's financing efforts and the post-signing transition; the parties' ability to participate in discussions or negotiations with third parties relating to unsolicited acquisition proposals; the right of the parties' boards to change their recommendation that shareholders approve the merger in response to a superior proposal or otherwise; the parties' right to terminate the merger agreement to accept a superior proposal under certain conditions; the other termination provisions and the triggers of the termination fees payable by the parties; the provisions regarding LaSalle's equity awards, employee benefit plans, severance and other compensation matters; the remedies available to each party under the merger agreement; and the amounts of the LaSalle termination fee and Pebblebrook termination fee.

On May 16, 2018, the Pebblebrook Board held a meeting to discuss, among other things, the potential combination with LaSalle. Members of the Pebblebrook management team and representatives of each of Hunton, Raymond James and BAML were present. Pebblebrook management reviewed with the Pebblebrook Board the status of the negotiations with LaSalle and various financial aspects of the potential transaction. Representatives of Hunton reviewed with the Pebblebrook Board its fiduciary duties under applicable law and the material terms of the draft merger agreement. During this meeting, the Pebblebrook Board decided not to increase the fixed exchange ratio or cash election provision set forth in Pebblebrook's April 20 proposal at this time because, among other reasons, the value of the implied merger consideration had increased due to an increase in the trading price of Pebblebrook common shares since April 20, 2018. At the conclusion of the meeting, the Pebblebrook Board directed management to submit an offer letter and draft merger agreement to LaSalle that day as requested by LaSalle in the bid process letter.

Also on May 16, 2018, as authorized by the Pebblebrook Board and in accordance with the LaSalle bid process letter, Pebblebrook sent to LaSalle its proposal to acquire LaSalle, which we refer to as the May 16 proposal. The May 16 proposal included the same 0.9085 exchange ratio set forth in the April 20 proposal. The implied price of Pebblebrook's May 16 proposal was \$34.58 per LaSalle common share based on the exchange ratio of 0.9085 and the closing price per Pebblebrook common

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share on the NYSE on May 16, 2018 of \$38.06, and assuming an all-shares transaction. The May 16 proposal also included the same 20% cash election provision included in the April 20 proposal. Pebblebrook included with the May 16 proposal a copy of a commitment letter with BAML to fund any cash required by Pebblebrook to complete the proposed transaction.

Also on May 16, 2018, Blackstone presented a revised written proposal to acquire LaSalle in an all-cash transaction at a price of \$33.00 per LaSalle common share, which price was predicated on no additional dividends being paid to LaSalle common shareholders other than its next regularly scheduled dividend. Blackstone's proposal also provided that it would expire at 5:00 p.m. on May 20, 2018 if Blackstone and LaSalle had not entered into a definitive agreement prior to that time or if another bidder was granted exclusivity. On May 16, 2018, the closing price per LaSalle common share on the NYSE was \$31.39.

Later on May 16, 2018, representatives of Goodwin provided a revised draft of the merger agreement to representatives of each of Blackstone's outside legal counsel and Hunton and instructed each of them that any further revisions should be presented by noon on May 18, 2018.

In connection with the submission of their proposals, Party B, Blackstone and Pebblebrook were informed that the LaSalle Board would hold a meeting later in the week to consider their proposals with the goal of selecting a winning bidder, finalizing definitive documentation and publicly announcing a transaction prior to opening of trading on May 21, 2018.

On May 17, 2018, Party B presented a written confirmation of its proposal at the same price of \$32.00 per LaSalle common share as set forth in Party B's May 4 proposal. Party B's proposal also stated that it expected to be able to complete all confirmatory due diligence and concurrently negotiate a definitive merger agreement within 20 days, and noted that the transaction remained subject to final approval from Party B's investment committee. Party B also presented initial comments on the draft merger agreement with its May 17 proposal, and stated that additional comments would be provided if Party B were to continue in the strategic process. Party B did not provide comments on the drafts of the equity commitment letter or limited guarantee.

Later on May 17, 2018, the LaSalle transaction committee met to discuss, among other things, the strategic process. Other members of the LaSalle Board, members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle transaction committee, with the assistance of management and in consultation with the LaSalle Board's financial and legal advisors, discussed the revised proposals received from Blackstone and Pebblebrook on May 16 and Party B on May 17. Representatives of Citi and Goldman Sachs also reviewed with the LaSalle transaction committee certain financial aspects of the three revised proposals and preliminary financial analyses with respect to LaSalle. Representatives of Goodwin reviewed with the LaSalle Board key execution risks associated with each of the three proposals and the material open points on the latest drafts of the merger agreements received from each of the three parties.

The LaSalle transaction committee discussed the advantages and risks of a proposed transaction with Blackstone or Pebblebrook, including, among other things, whether the proposals represented an attractive valuation of LaSalle for shareholders when considered in light of the LaSalle Board's knowledge and understanding of the business, operations, management, financial condition and prospects of LaSalle, including the various challenges presented if the LaSalle Board were to reject both of the offers and LaSalle were to continue as a standalone company.

Based on the LaSalle transaction committee's discussion at this meeting and previous meetings of the LaSalle Board and of the LaSalle transaction committee, the LaSalle transaction committee concluded that both Blackstone's and Pebblebrook's revised proposals would, if consummated, provide greater certainty of value (and less risk) at that time to LaSalle shareholders relative to the potential trading price of LaSalle's common shares over a longer period as a standalone company. The LaSalle

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transaction committee determined to continue the discussion at meetings of the LaSalle Board scheduled for the following day.

On May 18, 2018, Blackstone's outside legal counsel provided a revised draft of the merger agreement to Goodwin.

On May 18, 2018, the LaSalle Board met to discuss, among other things, the strategic process. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle Board, with the assistance of management and in consultation with the LaSalle Board's financial and legal advisors, discussed each of the revised proposals received from Blackstone and Pebblebrook on May 16 and Party B on May 17. Representatives of Citi and Goldman Sachs also reviewed with the LaSalle Board certain financial aspects of the three revised proposals and preliminary financial analyses with respect to LaSalle and Pebblebrook's May 16 proposal. Representatives of Goodwin reviewed with the LaSalle Board key execution risks associated with each of the three proposals and the material open points on the latest drafts of the merger agreements received from each of the three parties.

The LaSalle Board discussed the advantages and risks of a proposed transaction with Blackstone or Pebblebrook, including, among other things, whether the proposals represented an attractive valuation of LaSalle for shareholders when considered in light of the LaSalle Board's knowledge and understanding of the business, operations, management, financial condition and prospects of LaSalle, including the various challenges presented if the LaSalle Board were to reject both of the offers and LaSalle were to continue as a standalone company. Based on the discussion at this meeting and previous board and transactions committee meetings, the LaSalle Board concluded that both Blackstone's and Pebblebrook's revised proposals would, if consummated, provide greater certainty of value (and less risk) to LaSalle shareholders relative to the potential trading price of LaSalle common shares over a longer period after accounting for the long-term risks to LaSalle's business resulting from operational execution risk and evolving industry dynamics. The LaSalle Board then discussed how best to further enhance shareholder value by encouraging each of Blackstone and Pebblebrook to increase its offer price and enter into definitive documentation for a transaction.

The LaSalle Board also discussed that, from a timing perspective, Party B was significantly behind Blackstone and Pebblebrook in its evaluation of LaSalle and would not be prepared to enter into a definitive agreement for at least 20 days. Additionally, the LaSalle Board noted that Party B had not improved its offer price in the second round of the strategic process and had reaffirmed a lower value than the revised proposal from Blackstone. The LaSalle Board discussed the substantial extra time that would be required by Party B as compared to Blackstone and Pebblebrook and the risk that Blackstone would withdraw its all-cash proposal if LaSalle was to materially deviate from the proposed timing. Following these discussions, the LaSalle Board directed representatives of Citi and Goldman Sachs to contact Party B and indicate that the LaSalle Board would be pursuing a transaction with a different party unless Party B were to materially improve its proposed offer price and to expedite its timing to reach a definitive merger agreement.

The LaSalle Board also discussed, with the assistance of LaSalle management and in consultation with financial and legal advisors, the certainty of value in Blackstone's all-cash offer as opposed to the share consideration offered by Pebblebrook. The LaSalle Board discussed concerns including, among others, that Pebblebrook's proposal used a fixed exchange ratio pursuant to which LaSalle shareholders would receive a specific fraction of a Pebblebrook common share for each of their LaSalle common shares regardless of the value of Pebblebrook common shares at the time of the closing of a transaction with Pebblebrook, and that at the time of LaSalle agreeing to merger with Pebblebrook, LaSalle shareholders would have no certainty of the value of the consideration they would receive at the merger's closing. In this regard, representatives of Citi and Goldman Sachs reviewed with the LaSalle Board that as of March 27, 2018, the last trading day prior to public announcement of Pebblebrook's

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unsolicited proposal, the 52-week intraday trading range per Pebblebrook common share was \$27.57 to \$39.74, and that as recently as March 23, 2018 the closing price per Pebblebrook common share was \$32.73. The LaSalle Board also discussed its concerns that Pebblebrook common shares trade at a significantly higher EBITDA multiple as compared to other publicly-traded lodging REITs and that it is difficult to predict whether this would continue in the future. The LaSalle Board also considered that LaSalle shareholders would be provided with the option to elect to receive a cash amount per LaSalle common share equal to the exchange ratio multiplied by the five-day volume weighted average price per Pebblebrook common share ending on the trading day immediately before execution of a definitive merger agreement (which was a price of \$34.41 per LaSalle common share based on a five-day volume weighted average price of Pebblebrook's common shares ending on May 16, 2018), up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration. Given the certainty of Blackstone's all-cash proposal, the LaSalle Board determined that it would request that Pebblebrook revise its proposal to provide more protection to LaSalle shareholders in the event that the price per Pebblebrook common share declined between the signing and the closing of the transaction. The LaSalle Board noted that this could be accomplished in various ways, including by increasing the cash component of its proposed merger consideration, or implementing a pricing collar or similar type of pricing protection mechanism with respect to the share consideration.

During the meeting of the LaSalle Board, a representative of Goodwin received a call from a representative of Pebblebrook's financial advisor who requested an update on the status of LaSalle's sale process and the LaSalle Board's deliberations. The representative of Goodwin indicated that representatives of LaSalle's financial advisors would contact representatives of Pebblebrook's financial advisors following the conclusion of the board meeting.

Following these discussions, the LaSalle Board instructed representatives of Citi and Goldman Sachs to inform representatives of Pebblebrook's financial advisors that the LaSalle Board was seeking an increase in Pebblebrook's proposed exchange ratio and also requesting that Pebblebrook revise its proposal to provide more protection to LaSalle shareholders in the event that the share price per Pebblebrook common share declined between the signing and the closing of the transaction, which protection could be accomplished in various ways, including by increasing the cash component of its proposed merger consideration, offering a fixed value transaction or implementing a pricing collar with respect to the share consideration. The LaSalle Board also instructed representatives of Citi and Goldman Sachs, following receipt of feedback from Pebblebrook, to request that Blackstone submit a best and final revised offer. Following the meeting, representatives of Citi and Goldman Sachs communicated these points to representatives of each of Blackstone's and Pebblebrook's financial advisors.

The independent trustees of LaSalle then met in executive session and continued discussions. Representatives of Goodwin and DLA Piper were in attendance. The independent trustees discussed the merits of the different proposals and agreed to discuss them again after final proposals had been received.

On the afternoon of May 18, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs contacted representatives of Pebblebrook's financial advisors and informed them of the feedback from the LaSalle Board on Pebblebrook's proposal. In these discussions, as directed by the LaSalle Board, the representatives of Citi and Goldman Sachs indicated that the LaSalle Board was seeking an increase in the exchange ratio and more protection for LaSalle shareholders in the event that the share price per Pebblebrook common share declined between the signing and the closing of the transaction. The representatives of Citi and Goldman Sachs indicated, as directed by the LaSalle Board, that the LaSalle Board was open to discussing various different ways to accomplish these objectives with Pebblebrook and its financial advisors, including by increasing the cash component of its proposed merger consideration or implementing a pricing collar or similar type of pricing protection

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mechanism with respect to the share consideration. In response, representatives of Pebblebrook's financial advisors provided no specific feedback to the requests presented by the representatives of Citi and Goldman Sachs. At the direction of Pebblebrook management, representatives of Pebblebrook's financial advisors concluded by stating that Pebblebrook was considering whether or not it wanted to continue participating in LaSalle's sale process.

Later on the afternoon of May 18, 2018, at the direction of Pebblebrook management, representatives of Pebblebrook's financial advisors contacted representatives of Citi and Goldman Sachs and indicated that Pebblebrook would continue to participate in LaSalle's sale process, but that Pebblebrook was not willing to increase the exchange ratio or provide more protection for LaSalle shareholders in the event that the share price per Pebblebrook common share declined between the signing and the closing of the transaction.

On May 18, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs contacted representatives of Blackstone and indicated that the LaSalle Board had met that day and was continuing its review of Blackstone's latest proposal.

On May 18, 2018, representatives of Citi and Goldman Sachs contacted Party B as directed by the LaSalle Board. Per the LaSalle Board's direction, representatives of Citi and Goldman Sachs indicated that Party B needed to materially improve its proposed offer price and to expedite its timing to reach a definitive merger agreement with LaSalle. Thereafter, there were no further discussions with Party B.

Later on May 18, 2018, representatives of Hunton provided a revised draft of the merger agreement to representatives of Goodwin, which reflected no progress on the open points in the merger agreement, as it was in substantially the same form as the revised draft of the merger agreement provided to representatives of Goodwin on May 14, 2018. On May 18, 2018, the closing price per Pebblebrook common share on the NYSE was \$39.01.

Later in the evening on May 18, 2018, representatives of Goodwin and representatives of Blackstone's outside legal counsel had discussions regarding the merger agreement. During these discussions, representatives of Blackstone's outside legal counsel indicated that Blackstone did not want to further discuss open points on the merger agreement until LaSalle had responded to Blackstone's May 16 proposal.

Also, later on the evening on May 18, 2018, further to the direction of the LaSalle Board, representatives of Citi had a discussion with representatives of Pebblebrook's financial advisor and indicated that the next morning LaSalle would provide Pebblebrook, through representatives of LaSalle's financial advisors, with specific guidance on what improvements Pebblebrook would need to make to its proposal in order to increase its chance of being successful.

Early in the morning of May 19, 2018, the LaSalle Board met to discuss the strategic process. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs updated the LaSalle Board as to the discussions they had with representatives of each of Blackstone's and Pebblebrook's financial advisors at the direction of the LaSalle Board. Representatives of Citi and Goldman Sachs reviewed with the LaSalle Board that, based on the previous day's closing prices, Pebblebrook's proposal had had an implied value of \$35.44 per share for 100% of the outstanding LaSalle common shares. Representatives of Citi and Goldman Sachs also reviewed with the LaSalle Board that Pebblebrook had declined to increase the value of its proposal from what it offered in its April 20 proposal or provide LaSalle shareholders with any protection in the event of a decrease in Pebblebrook's share price between signing and closing of the transaction. Representatives of Citi and Goldman Sachs also reported that representatives of Pebblebrook's financial advisors had asked for specific guidance on valuation. Representatives of Citi and Goldman Sachs acknowledged that symmetrical collars were more common in these types of transactions than asymmetrical collars, and the LaSalle Board discussed being open to

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a symmetrical collar. The LaSalle Board also discussed the risk that Blackstone would withdraw its all-cash proposal if LaSalle was to materially deviate from its proposed timing to announce a transaction prior to market opening on May 21, 2018.

Following these discussions, the LaSalle Board instructed representatives of Citi and Goldman Sachs to inform representatives of Pebblebrook's financial advisors that by noon on May 19, 2018, Pebblebrook would need to improve its proposed exchange ratio from 0.9085 to 0.9250, provide for an asymmetrical collar with 10% downside protection for LaSalle and provide a revised draft of the merger agreement which was more responsive than the draft merger agreement provided by representatives of Hunton to representatives of Goodwin on May 18, 2018. The LaSalle Board indicated that if Pebblebrook agreed to these terms the LaSalle Board would seek to enter into definitive documentation for a transaction with Pebblebrook as soon as possible. The LaSalle Board determined to meet again later in the day to further consider the status of the current proposals from Blackstone and Pebblebrook.

At approximately 9:00 a.m. on May 19, 2018, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs communicated the feedback from the LaSalle Board to representatives of Pebblebrook's financial advisors on the following business terms:

Pebblebrook would need to improve its proposed exchange ratio from 0.9085 to 0.9250;

Pebblebrook would need to agree to an asymmetrical collar with 10% downside protection for LaSalle; and

Pebblebrook would need to submit a new revised draft of the merger agreement which was more responsive than the draft merger agreement provided by representatives of Hunton to representatives of Goodwin on May 18, 2018.

In these discussions, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs emphasized that the LaSalle Board was focused on the risk to LaSalle shareholders of a decline in the price per Pebblebrook common share between signing and closing of the transaction and that the LaSalle Board would be open to considering any potential mechanisms which Pebblebrook could suggest to ameliorate these concerns. Representatives of Citi and Goldman Sachs concluded by acknowledging that symmetrical collars were more common in these types of transactions than asymmetrical collars and suggested that the LaSalle Board could be open to a symmetrical collar.

In these discussions, as directed by Pebblebrook management, representatives of Raymond James and BAML responded that Pebblebrook would not provide a pricing collar, whether symmetrical or asymmetrical, because such collars are not appropriate or customary in a REIT industry share-for-share transaction when the target's common shares are listed on a major stock exchange. Representatives of Raymond James and BAML further stated that a collar would be particularly inappropriate in this situation because Pebblebrook's several offers to merge with LaSalle had already been publicly disclosed and supported by research analysts and institutional investors and Pebblebrook common shares thus traded at price levels that reflected the potential of a merger.

Also in these discussions, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs indicated to representatives of Pebblebrook's financial advisors that LaSalle would need definitive responses from Pebblebrook on LaSalle's request to increase the exchange ratio, to provide protection against a decline in the price per Pebblebrook common share between signing and closing, and a revised draft of the merger agreement by noon on May 19, 2018. As directed by the LaSalle Board, representatives of Citi and Goldman Sachs also indicated that in the meantime LaSalle would not have discussions with any other parties regarding a transaction. As directed by the LaSalle Board, representatives of Citi and Goldman Sachs further indicated that if Pebblebrook would agree with the above terms, LaSalle would seek to execute a definitive merger agreement with Pebblebrook as soon as possible. Alternatively, representatives of Citi and Goldman Sachs indicated, as directed by the LaSalle

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Board, that if Pebblebrook did not agree to these terms the LaSalle Board was likely to move forward with a proposal from another party.

Shortly before noon on May 19, 2018, at the direction of Pebblebrook management, representatives of Pebblebrook's financial advisors orally provided representatives of Citi and Goldman Sachs with a revised proposal that was subject to the approval of the Pebblebrook Board and consisted of the following terms, which we refer to as the May 19 proposal, and indicated to the representatives of Citi and Goldman Sachs that this was Pebblebrook's best and final offer:

Pebblebrook would improve its proposed exchange ratio to 0.92 (which would have resulted in a price of \$35.05 per LaSalle common share for the cash election shares);

Pebblebrook would not agree to provide LaSalle shareholders with a collar (whether symmetrical or asymmetrical) or any other protection from a decrease in the share price per Pebblebrook common share between the signing and closing of the transaction, and representatives of Pebblebrook's financial advisors did not indicate that Pebblebrook was open to providing any type of such protection for LaSalle's shareholders; and

Pebblebrook wanted to have a call to discuss the merger agreement rather than submitting a revised draft.

Shortly thereafter, on May 19, 2018, at the direction of the LaSalle Board, representatives of Goodwin had a call with representatives of Hunton to discuss the open issues in the merger agreement. Thereafter, Pebblebrook and its financial and legal advisors received no further communication from LaSalle or its financial and legal advisors prior to LaSalle's May 21, 2018 press release announcing the execution of the Blackstone merger agreement.

In the afternoon of May 19, 2018, the LaSalle Board met to discuss the status of the negotiations with Blackstone and Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed the financial aspects of the latest proposal from Pebblebrook and the latest discussions with representatives of Pebblebrook's financial advisors. Representatives of Goodwin updated the LaSalle Board on the status of the merger agreement negotiation with Pebblebrook. The LaSalle Board discussed that while Pebblebrook had improved the exchange ratio, it again refused to include a collar or any other mechanism to protect the value of the transaction for LaSalle shareholders. The LaSalle Board determined that because Pebblebrook had not met the LaSalle Board's request for a collar (whether symmetrical or asymmetrical) or any other protection from a decrease in Pebblebrook's share price between the signing and closing of the transaction, the best pathway to maximize value for LaSalle shareholders was to expeditiously seek an improved offer price from Blackstone, in light of the expiration of Blackstone's offer at 5:00 p.m. on May 20, 2018. The LaSalle Board considered, among other things, the certainty of value in Blackstone's all-cash offer as opposed to the share consideration offered by Pebblebrook and Blackstone's proven ability to complete large acquisition transactions on the agreed terms. Following these discussions, the LaSalle Board instructed representatives of Citi and Goldman Sachs to request that Blackstone increase its purchase price to \$34.25 per share. Following the meeting, representatives of Citi and Goldman Sachs communicated this information to Blackstone. The LaSalle Board determined to meet again later in the day to further consider the status of the current proposals from Blackstone and Pebblebrook.

Later on May 19, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs had discussions with a representative of Blackstone in which they asked Blackstone to increase its price to \$34.25 per share.

In a subsequent discussion also on May 19, 2018, the Blackstone representative indicated that Blackstone would not be able to pay \$34.25 per share, but that it would increase its price to \$33.50 per share, assuming no additional dividends were paid to LaSalle common shareholders other than

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LaSalle's regular dividend for the quarter ending June 30, 2018 and that the LaSalle termination fee would equal \$112 million (representing approximately 3.0% of its equity value and 2.3% of its enterprise value, based on the merger consideration) and the reverse termination fee payable to LaSalle would equal \$336 million (representing approximately 9.0% of its equity value and 6.9% of its enterprise value, based on the merger consideration). During that discussion, the Blackstone representative stated that Blackstone was not willing to increase its offer beyond \$33.50 per share and that LaSalle should not contact Blackstone again other than to accept its revised offer of \$33.50 per share.

Later in the afternoon on May 19, 2018, the LaSalle Board met to discuss the status of the negotiations with Blackstone and Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs provided the LaSalle Board with an update regarding the discussions with Blackstone and Pebblebrook since the last board meeting, including that Blackstone had offered \$33.50 per share, plus the regular dividend for the quarter ending June 30, 2018, as its best and final offer, and that Pebblebrook was not willing to improve its offer presented earlier that day. Although the exchange ratio last proposed by Pebblebrook resulted in an implied price of \$35.89 per share for 100% of the outstanding LaSalle common shares based on the closing price per Pebblebrook common share of \$39.01 on May 18, 2018, representatives of Citi and Goldman Sachs reviewed with the LaSalle Board that based on 30-, 60- and 90-day volume weighted average share prices, the implied consideration of Pebblebrook's last proposal was less than \$33.50 per LaSalle common share. Representatives of Goodwin then summarized the material terms of the merger agreement and ancillary documentation that had been negotiated with Blackstone, including that the LaSalle termination fee would equal \$112 million (which the LaSalle Board viewed as reasonable and not likely to preclude any other party from making a competing acquisition proposal) and that the reverse termination fee payable to LaSalle would equal \$336 million. The LaSalle Board again considered, among other things, the certainty of value in Blackstone's all-cash offer as opposed to the share consideration offered by Pebblebrook and Blackstone's proven ability to complete large acquisition transactions on the agreed terms.

The LaSalle Board further discussed the advantages and risks of the proposed transaction with Blackstone. The LaSalle Board believed that Blackstone would not improve upon its latest offer and that asking for additional improvement on this offer would put at risk the ongoing negotiations with Blackstone to finalize the terms of the merger agreement. In light of these discussions, the LaSalle Board concluded that Blackstone's improved and final offer would, if consummated, provide greater certainty of value (and less risk) to LaSalle shareholders relative to the potential trading price of LaSalle common shares over a longer period as a standalone company after accounting for the long-term risks to LaSalle's business resulting from operational execution risk and evolving industry dynamics. The LaSalle Board also considered that Blackstone could withdraw from the process if the LaSalle Board did not accept its proposal by the stated deadline of entering into a definitive merger agreement by 5:00 p.m. May 20, 2018. After considering LaSalle's strategic alternatives to a potential transaction with Blackstone and LaSalle's ability to continue as a standalone company, the LaSalle Board instructed Goodwin to work with Blackstone's outside legal counsel to finalize the merger agreement and related documents. The independent trustees then met in executive session and continued discussions. Representatives of Goodwin and DLA Piper were in attendance.

Subsequently on May 19, 2018, as directed by the LaSalle Board, representatives of Citi and Goldman Sachs informed a representative of Blackstone that the LaSalle Board was willing to move forward with negotiating and finalizing a definitive merger agreement concerning Blackstone's offer of \$33.50 per share. The representatives of Blackstone indicated that it expected LaSalle to work with Blackstone to finalize and execute a definitive merger agreement by 5:00 p.m. on May 20, 2018.

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Subsequently on May 19, 2018, Goodwin and Blackstone's outside legal counsel had a call to resolve open issues on the merger agreement. Thereafter, Goodwin and Blackstone's outside legal counsel exchanged revised drafts of the merger agreement and related documents.

In the morning of May 20, 2018, the LaSalle Board met to receive an update on the status of the discussions with Blackstone. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi, Goldman Sachs and Goodwin provided an update on the discussions with Blackstone since the last board meeting, including that negotiations between LaSalle and Blackstone were substantially complete. Following discussion, the LaSalle Board instructed LaSalle management and the LaSalle Board's advisors to work with Blackstone and its advisors to finalize the merger agreement and related documents. The LaSalle Board determined to meet again later in the day to further consider the final terms of the proposed transaction with Blackstone.

In the afternoon of May 20, 2018, the LaSalle Board held a meeting to discuss the final terms of the proposed transaction with Blackstone. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi, Goldman Sachs and Goodwin updated the LaSalle Board on the discussions with Blackstone since the last board meeting. Representatives of Goodwin provided an overview of the negotiation process to date with Blackstone's representatives, indicating that negotiations with Blackstone were complete, as well as a presentation regarding the terms of the merger agreement and related documents. Representatives of Goodwin also reviewed with the LaSalle Board its fiduciary duties in connection with a potential sale of LaSalle. The LaSalle Board considered, among other things, the terms of the draft Blackstone merger agreement that addressed LaSalle's ability to consider third-party proposals following the execution and announcement of the Blackstone merger agreement and to terminate the Blackstone merger agreement to accept a superior proposal, including the termination fee payable by LaSalle and the circumstances in which it would be required to be paid. The LaSalle Board also discussed that to date Blackstone had not had, and had not requested to have, discussions with LaSalle management regarding their future roles, compensation, retention or investment arrangements in connection with the proposed transaction.

Also at this meeting, representatives of Citi and Goldman Sachs reviewed the financial analyses supporting their proposed opinions. After discussion among the LaSalle Board and its financial advisors, representatives of each of Citi and Goldman Sachs each delivered an oral opinion, subsequently confirmed by the delivery of a written opinion from each financial advisor, both dated May 20, 2018, to the LaSalle Board to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken described in each financial advisor's written opinion, the \$33.50 in cash per outstanding LaSalle common share to be paid to the holders (other than BRE Landmark Parent L.P. and its affiliates) of the outstanding LaSalle common shares pursuant to the merger agreement was fair from a financial point of view to such holders.

After the discussion, and taking into account the opinions delivered by Citi and Goldman Sachs, and other factors, including the LaSalle Board's belief that a merger with Blackstone, which we refer to as the Blackstone merger, was more favorable to LaSalle shareholders than other strategic transactions available to LaSalle, the LaSalle Board unanimously adopted resolutions which, among other things, approved the Blackstone merger agreement, the Blackstone merger and the other transactions contemplated by the Blackstone merger agreement, which we refer to as the Blackstone transaction, and recommended that LaSalle shareholders approve the Blackstone transaction.

Later on May 20, 2018, LaSalle and Blackstone executed the Blackstone merger agreement and all signatories to the equity commitment letter and limited guarantee executed such agreements.

On the morning of May 21, 2018, prior to the opening of trading on the NYSE, LaSalle and Blackstone issued a joint press release announcing the execution of the Blackstone merger agreement.

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On June 10, 2018, the Pebblebrook Board held a meeting to discuss, among other things, LaSalle's announcement of the Blackstone merger agreement and Pebblebrook's ongoing interest in combining with LaSalle. Members of the Pebblebrook management team and representatives of each of Hunton, Raymond James and BAML were present. During this meeting, Pebblebrook management and representatives of its financial advisors reviewed various financial aspects of the potential transaction, including the termination fee payable to Blackstone in the event LaSalle terminated its agreement with Blackstone to enter into a merger agreement with Pebblebrook. Following discussion, the Pebblebrook Board directed Pebblebrook management to submit another proposal to LaSalle on the terms set forth in the June 11 proposal described below. The Pebblebrook Board also directed Pebblebrook management and representatives of Hunton to submit a new merger agreement to LaSalle.

On the morning of June 11, 2018, prior to the opening of trading on the NYSE, Mr. Bortz, on behalf of Pebblebrook and as authorized by the Pebblebrook Board, sent a letter to the LaSalle Board, which we refer to as the June 11 letter, and the proposal set forth therein as the June 11 proposal. The June 11 proposal provided for a fixed exchange ratio of 0.92 Pebblebrook common share for each LaSalle common share (the same exchange ratio as set forth in Pebblebrook's oral proposal on May 19, 2018). As in Pebblebrook's April 20 proposal and May 19 proposal, the June 11 letter stated that LaSalle shareholders would be provided with the option to elect cash for up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration. As in Pebblebrook's May 19 proposal, the per-share cash amount was based on the exchange ratio multiplied by the five-day volume weighted average price per Pebblebrook common share as of the end of the last trading day before the proposal was made. The June 11 letter indicated that the per-share cash amount for the June 11 proposal was fixed at \$37.80 per share and would not fluctuate, the per-share cash amount was based on the exchange ratio multiplied by the five-day volume weighted average price per Pebblebrook common share ending on June 8, 2018, as opposed to the per share cash amount for the May 19 proposal of \$35.05 per share, based on the exchange ratio multiplied by the five-day volume weighted average price per Pebblebrook common share ending on May 18, 2018. The letter also included a summary of certain proposed key terms which included: Pebblebrook executives would manage the combined company; the June 11 proposal was not contingent on financing or further due diligence; a break-up fee of \$112 million; and no payments or vesting under change in control severance agreements for Pebblebrook's executive officers. The June 11 letter also stated that Pebblebrook was prepared to enter into a merger agreement essentially identical to the Blackstone merger agreement adapted to reflect the terms of the June 11 proposal and that Pebblebrook would send LaSalle a draft merger agreement under separate cover. Representatives of Hunton subsequently sent the draft merger agreement to representatives of Goodwin.

On the morning of June 11, 2018, prior to the opening of trading on the NYSE, Pebblebrook issued a press release disclosing its June 11 letter and Pebblebrook also publicly disclosed a related investor presentation.

On the morning of June 11, 2018, prior to the opening of trading on the NYSE, LaSalle issued a press release confirming receipt of Pebblebrook's June 11 proposal and indicating that the LaSalle Board would carefully review Pebblebrook's June 11 proposal in accordance with the provisions of the Blackstone merger agreement.

Later on June 11, 2018, the LaSalle transaction committee met to discuss, among other things, Pebblebrook's June 11 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed with the LaSalle transaction committee certain preliminary financial analyses with respect to the June 11 proposal. Representatives of Goodwin provided an overview of their fiduciary duties under applicable law and the application of those principles to Pebblebrook's June 11 proposal. Representatives of Goodwin also reviewed LaSalle's obligations under the Blackstone merger agreement related to the June 11 proposal. Thereafter, the information discussed at this meeting was provided to the other members of the LaSalle Board and Mr. Barnello briefed and consulted with other members of the LaSalle Board regarding the June 11 proposal.

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On June 12, 2018, HG Vora filed an amendment to its Schedule 13D reporting beneficial ownership of 9.1% of the outstanding LaSalle common shares. The amendment to HG Vora's Schedule 13D also disclosed a letter that it had sent to the LaSalle Board stating that it believed that Pebblebrook's June 11 proposal constituted a superior proposal under the Blackstone merger agreement.

Also on June 12, 2018, the Pebblebrook Board authorized Pebblebrook OP to acquire up to 9.8% of the outstanding LaSalle common shares on terms approved by the Pebblebrook Board through open market purchases or by private agreement.

On June 14, 2018, the LaSalle Board met to discuss Pebblebrook's June 11 proposal. Members of LaSalle management and representatives of Goodwin and DLA Piper were present. The LaSalle Board, with the assistance of management and in consultation with representatives of Goodwin, discussed Pebblebrook's June 11 proposal. Representatives of Goodwin reviewed with the LaSalle Board that in connection with Pebblebrook's June 11 proposal, and in accordance with the Blackstone merger agreement, the LaSalle Board was permitted to determine whether or not in comparison to the Blackstone transaction, Pebblebrook's June 11 proposal constituted a superior proposal (as defined under the Blackstone merger agreement, which we refer to as a superior proposal) or could reasonably be expected to lead to a superior proposal. Representatives of Goodwin also provided the LaSalle Board with an overview of their fiduciary duties under applicable law and the application of those principles to Pebblebrook's June 11 proposal.

The LaSalle Board discussed the terms of Pebblebrook's June 11 proposal including: that the price per share for the cash election shares had been increased from \$35.05 in the May 19 proposal to \$37.80 in the June 11 proposal; that Pebblebrook would have to pay the cash termination fee of \$112 million to Blackstone if LaSalle were to terminate the Blackstone merger agreement to execute a merger agreement with Pebblebrook, which we refer to as the Blackstone termination fee (Pebblebrook's June 11 draft merger agreement did not contemplate Pebblebrook paying the Blackstone termination fee); that Pebblebrook had not improved the exchange ratio from its last proposal on May 19, 2018; that the June 11 proposal continued to have a fixed exchange ratio pursuant to which LaSalle shareholders would receive a specific fraction of a Pebblebrook common share for each LaSalle common share regardless of the value of Pebblebrook common shares at the time of the closing of a transaction with Pebblebrook, and LaSalle shareholders would have no certainty of the value of the consideration they would receive at the closing of the transaction; and that despite multiple requests from the LaSalle Board and its financial advisors between May 18 and 19, 2018, the June 11 proposal did not contain a pricing collar or similar type of pricing protection mechanism with respect to the share consideration. The LaSalle Board again considered, among other things, the certainty of value in Blackstone's all-cash offer as opposed to the share consideration offered by Pebblebrook, and Blackstone's proven ability to complete large acquisition transactions on the agreed terms. Following these discussions, the LaSalle Board determined to meet again to further consider Pebblebrook's June 11 proposal.

On June 17, 2018, the LaSalle Board held another meeting to further discuss Pebblebrook's June 11 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Goodwin reviewed with the LaSalle Board that, in connection with the June 11 proposal and in accordance with the Blackstone merger agreement, the LaSalle Board was permitted to determine in good faith, after consultation with its outside legal counsel and financial advisors, whether in comparison to the Blackstone transaction, Pebblebrook's June 11 proposal constituted a superior proposal or could reasonably be expected to lead to a superior proposal. Representatives of Goodwin also reviewed with the LaSalle Board its fiduciary duties under applicable law and the application of those principles to an evaluation of Pebblebrook's June 11 proposal. Also at this meeting, representatives of Citi and Goldman Sachs reviewed certain financial aspects of Pebblebrook's June 11 proposal, including the implied value of the consideration set

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forth in Pebblebrook's June 11 proposal since the announcement of the Blackstone merger agreement and a comparison of Blackstone's price of \$33.50 per LaSalle common share and Pebblebrook's June 11 proposal.

The LaSalle Board discussed that, among other things, the key terms included in Pebblebrook's June 11 proposal were substantially similar to the prior proposal submitted by Pebblebrook on May 19, 2018, which the LaSalle Board previously evaluated alongside the Blackstone proposal submitted on the same date. The LaSalle Board also discussed that, as in Pebblebrook's May 19 proposal, the June 11 proposal included the same 80% share consideration and provided that LaSalle shareholders would be provided with the option to elect cash up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration; however, unlike the May 19 proposal, under the June 11 proposal the shareholders of the combined company resulting from the combination of LaSalle and Pebblebrook would bear the expense of the \$112 million termination fee that would be payable to Blackstone under the Blackstone merger agreement. The LaSalle Board also discussed that Pebblebrook's June 11 proposal continued to fail to address the significant price risks and uncertainties for LaSalle shareholders that the LaSalle Board had previously communicated to Pebblebrook, and that in previous discussions, Pebblebrook refused to agree to any possible terms that would protect LaSalle shareholders against downside risks in the event of a decline in Pebblebrook's share price between the signing and closing of a transaction with Pebblebrook. The LaSalle Board also discussed that the Blackstone merger agreement represented immediate and certain cash value, was in the best interest of LaSalle shareholders and was expected to close as early as August 2018, and Blackstone's proven ability to complete large acquisition transactions on the agreed terms. Based on the discussions at this meeting and prior board meetings, the LaSalle Board unanimously determined in good faith, after consultation with its outside legal counsel and financial advisors, that in comparison to the Blackstone transaction, Pebblebrook's June 11 proposal did not constitute a superior proposal and could not reasonably be expected to lead to a superior proposal.

On the morning of June 18, 2018, prior to the opening of trading on the NYSE, LaSalle issued a press release disclosing that the LaSalle Board had determined that Pebblebrook's June 11 proposal did not constitute a superior proposal and could not reasonably be expected to lead to a superior proposal. The press release further disclosed that the LaSalle Board had reaffirmed its recommendation in support of the Blackstone merger agreement.

Also on the morning of June 18, 2018, prior to the opening of trading on the NYSE, LaSalle filed a proxy statement regarding the Blackstone transaction in preliminary form with the SEC.

Also on the morning of June 18, 2018, Pebblebrook issued a press release disclosing that it had increased its ownership of LaSalle to approximately 9.0% of the outstanding LaSalle common shares.

On June 22, 2018, Pebblebrook filed a Schedule 13D reporting beneficial ownership of 9.8% of the outstanding LaSalle common shares.

On July 10, 2018, Pebblebrook filed a preliminary proxy statement with the SEC in order to solicit proxies from LaSalle shareholders to vote against the Blackstone transaction.

On the morning of July 20, 2018, prior to the opening of trading on the NYSE, Pebblebrook issued a press release disclosing a letter to the LaSalle Board reconfirming Pebblebrook's June 11 proposal, which we refer to as the July 20 letter, and the proposal set forth therein as the July 20 proposal. The July 20 proposal provided for a fixed exchange ratio of 0.92 Pebblebrook common share for each LaSalle common share (the same exchange ratio as set forth in Pebblebrook's May 19 proposal and in its June 11 proposal). As in Pebblebrook's April 20, May 19 and June 11 proposals, the July 20 letter stated that LaSalle shareholders would be provided with the option to elect cash for up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration. The July 20 proposal included a fixed per share cash amount

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of \$37.80 per share (the same per share cash amount as set forth in the June 11 proposal, which was based on the five-day VWAP of Pebblebrook common shares ending on June 8, 2018). The July 20 letter included the same summary of certain proposed key terms which were included with the June 11 letter. The July 20 letter also stated that Pebblebrook was prepared to enter into the draft merger agreement that Pebblebrook provided to LaSalle in connection with its June 11 proposal. Later that day, Pebblebrook sent a copy of the July 20 letter to LaSalle.

Later on July 20, 2018, LaSalle issued a press release confirming receipt of Pebblebrook's July 20 proposal and indicating that the LaSalle Board would carefully review Pebblebrook's July 20 proposal in accordance with the provisions of the Blackstone merger agreement and a separate press release announcing that LaSalle had set July 20, 2018 as the record date for the LaSalle special meeting for the purpose of obtaining shareholder approval of the Blackstone transaction.

On July 29, 2018, the LaSalle Board met to discuss, among other things, Pebblebrook's July 20 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle Board, with the assistance of management and in consultation with representatives of Citi, Goldman Sachs and Goodwin, discussed Pebblebrook's July 20 proposal. Representatives of Goodwin reviewed with the LaSalle Board that, in connection with the July 20 proposal and in accordance with the Blackstone merger agreement, the LaSalle Board was permitted to determine in good faith, after consultation with its outside legal counsel and financial advisors, whether or not in comparison to the Blackstone transaction, Pebblebrook's July 20 proposal constituted a superior proposal or could reasonably be expected to lead to a superior proposal. Representatives of Goodwin also reviewed with the LaSalle Board its fiduciary duties under applicable law and the application of those principles to an evaluation of Pebblebrook's July 20 proposal. Also at this meeting, representatives of Citi and Goldman Sachs reviewed certain financial aspects of Pebblebrook's July 20 proposal, including the implied value of the consideration set forth in Pebblebrook's July 20 proposal since the announcement of the Blackstone merger agreement and a comparison of Blackstone's price of \$33.50 per LaSalle common share and Pebblebrook's July 20 proposal.

The LaSalle Board discussed that, among other things, the key terms included in Pebblebrook's July 20 proposal were the same as the prior proposal submitted by Pebblebrook on June 11, 2018, which the LaSalle Board previously evaluated and determined did not constitute a superior proposal and could not reasonably be expected to lead to a superior proposal. The LaSalle Board also discussed that, as in Pebblebrook's April 20, May 19 and June 11 proposals, the July 20 proposal included the same 80% share consideration and provided that LaSalle shareholders would be provided with the option to elect cash up to a maximum of 20% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration. The LaSalle Board also discussed that under the terms of Pebblebrook's July 20 proposal, LaSalle shareholders would ultimately bear the majority of the \$112 million termination fee that would be payable to Blackstone under the Blackstone merger agreement, given that LaSalle shareholders would own the majority of the combined company. The LaSalle Board also discussed that Pebblebrook had not improved either the exchange ratio or the cash amount from its June 11 proposal. The LaSalle Board also discussed that Pebblebrook's July 20 proposal continued to fail to address the significant price risks and uncertainties for LaSalle shareholders that the LaSalle Board had previously communicated to Pebblebrook and publicly disclosed, and that Pebblebrook refused to agree to any possible terms that would protect LaSalle shareholders against downside risks in the event of a decline in the price per Pebblebrook common shares between the signing and closing of a transaction with Pebblebrook. The LaSalle Board also considered the most recent publicly announced financial performance and 2018 outlook of Pebblebrook as well as LaSalle management's view of such performance and outlook. The LaSalle Board also reviewed certain updated financial projections regarding LaSalle for the fiscal years ended December 31, 2018 through December 31, 2022, prepared by LaSalle management, which were the same in all respects as the forecasts that LaSalle management had prepared and provided to the

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LaSalle Board on May 10, 2018, except that they incorporated LaSalle's actual performance for the fiscal quarters ended March 31, 2018 and June 30, 2018, and a corresponding roll forward for the fiscal years ending December 31, 2018 through December 31, 2022 (which updated projections are summarized below under the section entitled " Certain Prospective Financial Information Financial Projections" and which we refer to as the LaSalle projections). The LaSalle Board discussed the risks, challenges, and strategic opportunities facing LaSalle in the context of the LaSalle projections. Following discussion and questions of LaSalle management regarding various matters relating to the LaSalle projections, including the assumptions on which they were based, the LaSalle Board confirmed the LaSalle projections for use by Citi and Goldman Sachs. The LaSalle Board also discussed that the Blackstone merger agreement represented immediate and certain cash value, was in the best interest of LaSalle shareholders, was expected to close in early September 2018 and Blackstone's proven ability to complete large acquisition transactions on the agreed terms. Based on the discussions at this meeting and prior board meetings, the LaSalle Board unanimously determined in good faith, after consultation with its outside legal counsel and financial advisors, that in comparison to the Blackstone transaction, Pebblebrook's July 20 proposal did not constitute a superior proposal and could not reasonably be expected to lead to a superior proposal.

On the morning of July 30, 2018, prior to the opening of trading on the NYSE, LaSalle issued a press release disclosing that the LaSalle Board had determined that Pebblebrook's July 20 proposal did not constitute a superior proposal and could not reasonably be expected to lead to a superior proposal. The press release further disclosed that the LaSalle Board had reaffirmed its recommendation in support of the Blackstone merger agreement.

Also on the morning of July 30, 2018, prior to the opening of trading on the NYSE, LaSalle filed a definitive proxy statement regarding the Blackstone transaction with the SEC.

Later on July 30, 2018, Pebblebrook filed a definitive proxy statement with the SEC in order to solicit proxies from LaSalle shareholders to vote against the Blackstone transaction.

On August 6, 2018, LaSalle issued a press release announcing that it had filed an investor presentation with the SEC in connection with the Blackstone transaction for use with LaSalle shareholders and proxy advisory firms.

On August 9, 2018, LaSalle announced its financial results for the second quarter of 2018. LaSalle reported second quarter results that exceeded LaSalle's expectations. On August 9, 2018, the LaSalle common share closing price on the NYSE was \$34.21.

On August 10, 2018, Pebblebrook issued a press release announcing that it had filed an investor presentation with the SEC in connection with its opposition to the Blackstone transaction.

On August 13, 2018, LaSalle delivered an investor presentation to proxy advisory firm Glass Lewis & Co., which we refer to as Glass Lewis.

On August 13, 2018, Pebblebrook delivered an investor presentation to proxy advisory firm Glass Lewis.

On August 13, 2018, the LaSalle Board held a meeting to receive an update on the Blackstone transaction. Members of LaSalle management and representatives of Goodwin and DLA Piper were present. Mr. Barnello provided an update on the Blackstone transaction and discussed, among other matters, LaSalle's recent meeting with Glass Lewis and upcoming meeting with proxy advisory firm Institutional Shareholder Services, which we refer to as ISS, and recent actions taken by Pebblebrook in furtherance of its unsolicited proposal to acquire LaSalle.

On August 20, 2018, in anticipation of LaSalle terminating the Blackstone merger agreement and entering into an agreement and plan of merger with Pebblebrook, Pebblebrook entered into an agreement with a third-party purchaser, unaffiliated with either Pebblebrook or LaSalle, Saddletree

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Capital Partners, LLC, a Delaware limited liability company, which we refer to as Saddletree, to sell three of LaSalle's hotels to Saddletree, which we refer to as the portfolio sale agreement, contingent upon, among other things, LaSalle entering into a merger agreement with Pebblebrook, certain of LaSalle's affiliates joining the portfolio sale agreement upon entering into such merger agreement and the shareholders of both companies providing the requisite approvals. See "Financing Related to the Mergers Contingent Purchase and Sale Agreement" beginning on page 232 for more information.

On August 20, 2018, LaSalle delivered an investor presentation to ISS.

On August 20, 2018, Pebblebrook delivered an investor presentation to ISS.

On August 20, 2018, the LaSalle Board held a meeting to receive an update on the Blackstone transaction. Members of LaSalle management and representatives of Goodwin and DLA Piper were present. Mr. Barnello provided an update on LaSalle's pending transaction with Blackstone and discussed, among other matters, LaSalle's recent meeting with ISS.

On August 20, 2018 the Pebblebrook Board held a meeting to discuss LaSalle's responses to Pebblebrook's prior proposals and Pebblebrook's ongoing interest in combining with LaSalle. Members of the Pebblebrook management team and representatives of each of Hunton, Raymond James and BAML were present. At this meeting, Pebblebrook management reviewed with the Pebblebrook Board, among other things, the terms of the portfolio sale agreement with Saddletree and how the aggregate proceeds of approximately \$715 million resulting from the consummation of the portfolio sale agreement transactions could be used to fund an increase in the cash portion of the proposed merger consideration. Pebblebrook management also reviewed with the Pebblebrook Board certain financial aspects of the proposed transaction, including with respect to an increase in the cash portion of the merger consideration from 20% to 30%. Pebblebrook management also updated the Pebblebrook Board on the status of Pebblebrook's discussions with BAML regarding a commitment letter for a bridge loan to fund the cash consideration of the proposed transaction. At the conclusion of the meeting and with input from Pebblebrook management and representatives of Pebblebrook's financial advisors and legal advisors, the Pebblebrook Board authorized management to submit a revised proposal to the LaSalle Board on the terms set forth in the August 21 proposal described below, which included an increase in the cash consideration of the prior proposal from 20% to 30%.

On August 21, 2018, after the closing of trading on the NYSE, Pebblebrook issued a press release disclosing a letter to the LaSalle Board, which we refer to as the August 21 letter, and the proposal set forth therein as the August 21 proposal. The August 21 letter provided a revised proposal with respect to merger consideration. The August 21 proposal provided for a fixed exchange ratio of 0.92 Pebblebrook common shares for each LaSalle common share (the same exchange ratio as set forth in Pebblebrook's May 19, June 11 and July 20 proposals). The August 21 letter stated that LaSalle shareholders would be provided with the option to elect cash up to a maximum of 30% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to proration (which was an increase from the 20% provided in Pebblebrook's April 20, May 19, June 11 and July 20 proposals). The fixed per share cash amount for the August 21 proposal was fixed at \$37.80 per share (the same per share cash amount as set forth in Pebblebrook's June 11 and July 20 proposals). The August 21 letter included the same summary of certain proposed key terms which were included with the June 11 and July 20 letters. The August 21 letter also stated that Pebblebrook was prepared to enter into the draft merger agreement that Pebblebrook provided to LaSalle in connection with its June 11 proposal. Pebblebrook's August 21 press release also indicated that Pebblebrook recently entered into an agreement to sell certain LaSalle properties in connection with the closing of a Pebblebrook-LaSalle merger. On August 21, 2018, Pebblebrook also sent a copy of the August 21 letter to LaSalle.

From August 22 through 26, 2018, representatives of LaSalle and Blackstone discussed Pebblebrook's August 21 proposal and the upcoming special meeting of LaSalle shareholders scheduled

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for September 6, 2018 relating to the Blackstone transaction, including options that Blackstone could take under the Blackstone merger agreement in response to Pebblebrook's August 21 proposal.

On the morning of August 22, 2018, prior to the opening of trading on the NYSE, LaSalle issued a press release confirming receipt of Pebblebrook's August 21 proposal and indicating that the LaSalle Board would carefully review Pebblebrook's August 21 proposal in accordance with the provisions of the Blackstone merger agreement.

On August 22, 2018, HG Vora filed an amendment to its Schedule 13D reporting beneficial ownership of 8.2% of the outstanding LaSalle common shares. The amendment to HG Vora's Schedule 13D also disclosed a letter that it had sent to the LaSalle Board stating that it held 9.1% of the outstanding LaSalle common shares as of the record date for the special meeting of the LaSalle for the Blackstone transaction, that it intended to vote against the Blackstone transaction and that it believed that Pebblebrook's August 21 proposal constituted a superior proposal.

On August 23, 2018, Glass Lewis recommended that LaSalle shareholders vote against the proposal to approve the Blackstone transaction.

On August 23, 2018, the LaSalle transaction committee met to discuss, among other things, Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed certain preliminary financial analyses with respect to the August 21 proposal. Representatives of Goodwin reviewed LaSalle's obligations under the Blackstone merger agreement related to the August 21 proposal. Thereafter, the information discussed at this meeting was provided to the other members of the LaSalle Board and Mr. Barnello briefed and consulted with other members of the LaSalle Board with respect thereto.

On August 24, 2018, proxy advisory firm ISS recommended that the LaSalle shareholders vote against the proposal to approve the Blackstone transaction.

On August 26, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Goodwin reviewed with the LaSalle Board that, in connection with the August 21 proposal and in accordance with the Blackstone merger agreement, the LaSalle Board was permitted to determine in good faith, after consultation with its outside legal counsel and financial advisors, whether or not in comparison to the Blackstone transaction, Pebblebrook's August 21 proposal constituted a superior proposal or could reasonably be expected to lead to a superior proposal. Representatives of Goodwin also reviewed with the LaSalle Board its fiduciary duties under applicable law and the application of those principles to an evaluation of Pebblebrook's August 21 proposal. Also at this meeting, representatives of Citi and Goldman Sachs reviewed certain financial aspects of Pebblebrook's August 21 proposal, including the implied value of the consideration set forth in Pebblebrook's August 21 proposal and a comparison of Blackstone's price of \$33.50 per share and Pebblebrook's August 21 proposal. The LaSalle Board discussed that based on the closing price per Pebblebrook common share on August 24, 2018 of \$36.37 multiplied by the proposed exchange ratio of 0.92 in Pebblebrook's August 21 proposal, this represented a premium of 8.6% above Blackstone's price of \$33.50 per LaSalle common share. The LaSalle Board also discussed the recommendations of both ISS and Glass Lewis that LaSalle shareholders vote against the Blackstone transaction, recent unsolicited correspondence from shareholders regarding the vote on the Blackstone transaction and the current voting expectations regarding the shareholder vote on the Blackstone transaction.

The LaSalle Board discussed that, among other things, Pebblebrook's August 21 proposal increased the maximum number of LaSalle common shares that could receive \$37.80 in cash to 30% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing, subject to

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proration (a 50% increase in the cash consideration compared to Pebblebrook's prior proposals). The LaSalle Board also discussed whether Pebblebrook had agreed that its LaSalle common shares would be excluded from the cash election in the mergers, which would effectively increase the maximum number of LaSalle common shares that could receive the cash election price to approximately 33% of the aggregate number of LaSalle common shares outstanding. The LaSalle Board also discussed that the increased cash component of Pebblebrook's August 21 proposal mitigated the price risks and uncertainties for LaSalle shareholders that the LaSalle Board had previously publicly disclosed regarding Pebblebrook's prior proposals, and provided a certain degree of protection to the LaSalle shareholders against downside risks in the event of a decline in price per Pebblebrook common share between the signing and closing of a transaction with Pebblebrook. The LaSalle Board also discussed that the other key terms included in Pebblebrook's August 21 proposal were substantially similar to Pebblebrook's June 11 and July 20 proposals.

Following these discussions, the LaSalle Board determined in good faith, after consultation with its outside legal counsel and financial advisors, that in comparison to the Blackstone transaction, Pebblebrook's August 21 proposal could reasonably be expected to lead to a superior proposal. The LaSalle Board did not, however, determine that Pebblebrook's August 21 proposal in fact constituted a superior proposal and did not change its recommendation in support of the Blackstone transaction. Following this determination, the LaSalle Board was permitted under the Blackstone merger agreement to engage in discussions with Pebblebrook and to seek improvements with respect to the August 21 proposal, including clarification regarding Pebblebrook's proposed asset sales and Pebblebrook's position regarding the composition of the Pebblebrook Board following the closing of the proposed transaction and confirmation that Pebblebrook would pay the Blackstone termination fee on behalf of LaSalle. The LaSalle Board also instructed LaSalle management to provide due diligence access to Pebblebrook and instructed the representatives of Citi, Goldman Sachs, Goodwin and DLA Piper to engage in discussions with Pebblebrook and its advisors regarding the August 21 proposal. At the conclusion of the meeting, the independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper to further discuss Pebblebrook's August 21 proposal and the Blackstone transaction.

On the morning of August 27, 2018, prior to the opening of trading on the NYSE, LaSalle issued a press release disclosing that the LaSalle Board had determined that Pebblebrook's August 21 proposal could reasonably be expected to lead to a superior proposal. The press release stated that under the Blackstone merger agreement, the LaSalle Board's determination allowed LaSalle to conduct discussions and negotiations with Pebblebrook. The press release further disclosed that the LaSalle Board had not determined that that the Pebblebrook's August 21 proposal in fact constituted a superior proposal and had not changed its recommendation in support of the Blackstone merger agreement.

On August 27, 2018, representatives of Goodwin provided a revised draft of Pebblebrook's June 11 draft merger agreement to representatives of Hunton. The revised draft provided, among other things, certain revisions to conform to the Blackstone merger agreement, that Pebblebrook would pay the Blackstone termination fee on behalf of LaSalle, that the Pebblebrook termination fee would equal 3.0% of Pebblebrook's equity value, clarifications regarding Pebblebrook's proposed asset sales, that LaSalle would be permitted to continue to pay its regular quarterly dividend to LaSalle common shareholders and that three LaSalle trustees would join the board of trustees of the proposed combined company at closing.

Also on August 27, 2018, Pebblebrook was provided access to an online data room containing nonpublic information regarding LaSalle, which was the same data room to which Blackstone also had access. In addition, LaSalle was provided access to an online data room containing nonpublic information regarding Pebblebrook.

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Also on August 27, 2018, the LaSalle Board held a meeting to discuss the status of discussions with Pebblebrook. Members of LaSalle management and representatives of Goodwin and DLA Piper were present. The LaSalle Board received an update regarding the interactions between representatives of LaSalle's and Pebblebrook's financial and legal advisors that day.

On August 28, 2018, LaSalle made available to Pebblebrook and Blackstone the LaSalle projections.

On August 28, 2018, representatives of Hunton provided a revised draft of the merger agreement to representatives of Goodwin. The revised draft provided, among other things, that the LaSalle common shares owned by Pebblebrook would be considered cash election shares in the merger (effectively reducing the number of cash election shares available to LaSalle shareholders other than Pebblebrook), that LaSalle would cooperate with Pebblebrook's efforts to sell certain LaSalle assets in connection with the closing, that LaSalle would not be permitted to continue to pay its regular quarterly dividend to the LaSalle common shareholders and that no LaSalle trustees would join the board of trustees of the proposed combined company at closing.

On August 28, 2018, the LaSalle transaction committee held a meeting to discuss the status of discussions with Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Goodwin reviewed Hunton's revised draft of the merger agreement and discussed the differences between Goodwin's prior draft and Hunton's revised draft. The LaSalle transaction committee discussed, among other matters, certain terms of the draft merger agreement with Pebblebrook and other matters related to a potential transaction with Pebblebrook. The LaSalle transaction committee also discussed the current voting expectations for LaSalle's shareholders meeting scheduled for September 6, 2018, LaSalle management's recent discussions with investors and research analysts and LaSalle management's diligence session with the Pebblebrook management team scheduled for the following day.

On August 29, 2018, members of LaSalle management and Pebblebrook management conducted in-person, reciprocal high-level management presentations with representatives of their respective financial advisors also present. Following those management presentations, members of LaSalle and Pebblebrook management and their respective financial and legal advisors participated in follow-up due diligence discussions.

Also from August 29 through September 6, 2018, representatives of Goodwin, with input from LaSalle management and with the benefit of the views of the LaSalle trustees provided at meetings of the LaSalle Board and of the LaSalle transaction committee, and representatives of Hunton exchanged drafts and participated in discussions regarding the terms of the merger agreement and related agreements. The key issues negotiated with respect to the merger agreement and related agreements included, among other things: the restrictions on the conduct of the parties' businesses until completion of the transaction; the treatment of the LaSalle common shares owned by Pebblebrook; LaSalle's obligations to cooperate with Pebblebrook's planned sale of certain LaSalle properties concurrent with closing; the right of the parties' boards to change their recommendation that shareholders approve the merger in response to a material change in circumstances; the composition of the board of trustees of the proposed combined company; LaSalle's ability to continue to pay its regular quarterly dividend to LaSalle common shareholders; and the provisions regarding LaSalle's equity awards, employee benefit plans, severance and other compensation matters.

On August 29, 30 and 31, 2018, the LaSalle transaction committee held meetings to discuss the status of discussions with Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. At these meetings, Mr. Barnello and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper provided updates on Pebblebrook's due diligence review and on the merger agreement negotiations. LaSalle management reviewed with the LaSalle transaction committee LaSalle management's reverse due diligence of Pebblebrook and

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LaSalle management, with the assistance of representatives of Citi and Goldman Sachs, reviewed the financial aspects of Pebblebrook's updated five-year forecasts previously provided by Pebblebrook. Mr. Barnello also provided updates regarding his conversations with Blackstone representatives regarding Blackstone's alternatives under the Blackstone merger agreement in response to Pebblebrook's August 21 proposal. At these meetings, the LaSalle transaction committee directed the representatives of Citi, Goldman Sachs, Goodwin and DLA Piper to continue negotiations with Pebblebrook and its advisors. Following these discussions, the LaSalle transaction committee instructed representatives of Citi, Goldman Sachs and Goodwin to seek to have Pebblebrook agree that its LaSalle common shares be treated as share election shares in the proposed merger, that LaSalle be permitted to pay its regular quarterly dividend to LaSalle common shareholders prior to closing and that three LaSalle trustees join the board of trustees of the proposed combined company.

On August 31, 2018, at the direction of the LaSalle transaction committee, representatives of Citi and Goldman Sachs contacted representatives of Pebblebrook's financial advisors to communicate LaSalle's position on matters related to the draft merger agreement.

On August 31, 2018, representatives of Goodwin provided a revised draft of the merger agreement to representatives of Hunton.

During the weekend of September 1, 2018, Mr. Barnello had conversations with representatives of Blackstone regarding potential options that Blackstone could take regarding Pebblebrook's August 21 proposal.

On September 1, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello and representatives of Citigroup, Goldman Sachs and Goodwin provided an update on the status of LaSalle's negotiations with Pebblebrook since the LaSalle Board's determination that Pebblebrook's August 21 proposal could reasonably be expected to lead to a superior proposal. Mr. Barnello also summarized his recent discussions with Blackstone. Members of the LaSalle transaction committee also reported to the LaSalle Board on their discussions at recent meetings.

Later on September 1, 2018, representatives of Hunton provided a revised draft of the merger agreement to representatives of Goodwin.

On September 2, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper provided an update on merger agreement negotiations, including that Pebblebrook had agreed to exclude its LaSalle common shares from the cash election shares in the proposed merger. Pebblebrook agreed to permit LaSalle to pay a dividend to LaSalle common shareholders in the first quarter of 2019 if the transaction did not close by December 31, 2018, the parties were still discussing the treatment of LaSalle's equity awards in the company merger and that Pebblebrook remained unwilling to add any LaSalle trustees to the board of trustees of the proposed combined company. The LaSalle Board also discussed having Mr. Barnello meet with Mr. Bortz to discuss the composition of the board of trustees of the combined company. At the conclusion of the meeting, the independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper to further discuss Pebblebrook's August 21 proposal and the negotiations with Pebblebrook.

On the morning of September 3, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper provided an update on merger agreement negotiations. The LaSalle Board discussed, among other matters, open items in the draft merger agreement with Pebblebrook, including

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that Pebblebrook remained unwilling to invite any LaSalle trustees to join the board of trustees of the proposed combined company. Following this discussion, the LaSalle Board authorized Mr. Barnello to meet with Mr. Bortz to discuss the composition of the board of trustees of the proposed combined company.

In the afternoon of September 3, 2018, Mr. Barnello met with Mr. Bortz and indicated that it was important to the LaSalle Board that it have representation of its non-executive independent trustees on the board of trustees of the proposed combined company. Mr. Bortz stated that Pebblebrook remained unwilling to add any LaSalle trustees to the board of trustees of the proposed combined company.

Later on September 3, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello summarized for the LaSalle Board his discussion with Mr. Bortz earlier that day. Mr. Barnello and representatives of Goodwin provided an update on the merger agreement negotiations with the significant remaining open point being whether or not any LaSalle trustees would be added to the board of trustees of the proposed combined company. Representatives of Citi and Goldman Sachs reviewed certain financial aspects of Pebblebrook's August 21 proposal, including the implied value of the consideration set forth in Pebblebrook's August 21 proposal since the announcement of the Blackstone merger agreement and a comparison of Blackstone's price of \$33.50 per share and Pebblebrook's August 21 proposal. Representatives of Citi and Goldman Sachs also reviewed the 2018 outlook of Pebblebrook as well as LaSalle management's view of such performance and outlook which remained unchanged from the July 29, 2018 LaSalle Board meeting. Representatives of Goodwin also discussed the likely timeline of events if the LaSalle Board determined that Pebblebrook's August 21 proposal was a superior proposal and provided notice to Blackstone of its intent to terminate the Blackstone merger agreement. The LaSalle Board further discussed the advantages and risks of the proposed transaction with Pebblebrook that are described below in greater detail under the section entitled " Recommendation of the LaSalle Board and Its Reasons for the Mergers" beginning on page 118. Following this discussion, the LaSalle Board determined to defer a decision on whether Pebblebrook's August 21 proposal was a superior proposal, pending a final attempt to persuade Pebblebrook to provide for LaSalle trustees to join the board of trustees of the proposed combined company. At the conclusion of the meeting, the independent board members participating in the meeting met in executive session with Goodwin and DLA Piper and continued discussions.

Also later on September 3, 2018, the Pebblebrook Board held a meeting to discuss, among other things, the status of the negotiations with LaSalle. The Pebblebrook management team and representatives of each of Hunton, Raymond James and BAML were present. Representatives of Hunton reviewed with the Pebblebrook Board its fiduciary duties under applicable law. Representatives of Hunton also reviewed with the Pebblebrook Board the terms of the proposed merger agreement and the remaining open issues, including the composition of the board of trustees of the proposed combined company. Following this review, the Pebblebrook Board reaffirmed to management that the Pebblebrook Board remained unwilling to add any LaSalle trustees to the board of trustees of the combined company. Pebblebrook management also provided an update on the status of the negotiations regarding the commitment letter with BAML. Representatives of Raymond James discussed with the Pebblebrook Board certain financial aspects of the proposed transaction with LaSalle. The Pebblebrook Board further discussed the advantages and risks of the proposed transaction with LaSalle, including the advantages and risks that are described below in greater detail under the section entitled " Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121. At the conclusion of the meeting and following the input of Pebblebrook management and representatives of its financial advisors and legal advisors, the Pebblebrook Board authorized management to continue working towards a definitive merger agreement. The Pebblebrook Board also authorized management to enter into a term loan with BAML to provide Pebblebrook with additional funds to pay the Blackstone termination fee on behalf of LaSalle.

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On September 4, 2018, Mr. Barnello had a discussion with a representative of Blackstone regarding Blackstone's views regarding Pebblebrook's August 21 proposal and the status of the LaSalle shareholder meeting scheduled for September 6, 2018 to vote on the Blackstone transaction.

On September 4, 2018, the LaSalle Board met to receive an update on the status of the discussions with Pebblebrook and Blackstone. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Mr. Barnello summarized for the LaSalle Board his recent discussion with Blackstone. Mr. Barnello and representatives of Citi, Goldman Sachs and Goodwin provided an update on the merger agreement negotiations with Pebblebrook.

Later on September 4, 2018, Mr. Barnello had a conversation with a representative of Blackstone who indicated that if the LaSalle Board determined that Pebblebrook's August 21 proposal constituted a superior proposal, Blackstone would waive its four business day negotiation period under the Blackstone merger agreement.

Later on September 4, 2018, at the direction of the LaSalle Board, representatives of Citi and Goldman Sachs had a discussion with representatives of Pebblebrook's financial advisors regarding open points on the merger agreement. Shortly after this discussion, at the direction of the Pebblebrook Board, representatives of Pebblebrook's financial advisors informed representatives of Citi and Goldman Sachs that Pebblebrook remained unwilling to add any LaSalle trustees to the board of trustees of the proposed combined company.

Later on September 4, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. The LaSalle Board discussed that despite several attempts, Pebblebrook remained unwilling to add any LaSalle trustees to the board of trustees of the proposed combined company. Mr. Barnello also apprised the LaSalle Board that Blackstone had indicated that it would waive its match right under the Blackstone merger agreement. Following these discussions, the LaSalle Board directed LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper to concede the requirement that LaSalle trustees join the board of trustees of the proposed combined company and to finalize all other terms of the merger agreement and related documentation with Pebblebrook and its advisors. At the conclusion of the meeting, the independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper and continued discussions.

On the morning of September 5, 2018, the LaSalle Board met to receive an update on the status of the discussions with Pebblebrook. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi, Goldman Sachs and Goodwin provided an update on the discussions with Pebblebrook since the last meeting of the LaSalle Board. LaSalle management provided an update on the diligence information received from Pebblebrook related to its proposed asset sales. Following discussion, the LaSalle Board instructed LaSalle management and the LaSalle Board's advisors to continue to work with Pebblebrook to finalize the merger agreement and related documents. The LaSalle Board determined to meet later in the day to further consider the final terms of the proposed transaction with Pebblebrook, based on its August 21 proposal.

Later on September 5, 2018, the LaSalle Board held a meeting to discuss Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi and Goldman Sachs reviewed the terms and conditions of the Pebblebrook's August 21 proposal from a financial point of view. Representatives of Goodwin reported that the terms of the merger agreement and related documentation with Pebblebrook were substantially complete. Representatives of Goodwin led a discussion on the terms of the proposed merger agreement with Pebblebrook and advised the LaSalle Board regarding the expected timing for execution of a definitive agreement, the public announcement of the transaction

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and a projected closing timetable if the LaSalle Board determined that Pebblebrook's August 21 proposal constituted a superior proposal and Blackstone waived its four business day negotiation period under the Blackstone merger agreement. After the discussion, and taking into account the other factors described below in greater detail under the section entitled " Recommendation of the LaSalle Board and Its Reasons for the Mergers," including the LaSalle Board's belief that the merger is more favorable to the LaSalle shareholders than other strategic transactions available to LaSalle, including remaining as an independent public company, the LaSalle Board determined that the Pebblebrook August 21 proposal constituted a superior proposal and that LaSalle would notify Blackstone of its intent to terminate the Blackstone merger agreement. The LaSalle Board directed LaSalle management to provide notice to Blackstone of the LaSalle Board's determination that Pebblebrook's August 21 proposal constituted a superior proposal in accordance with the terms of the Blackstone merger agreement.

Following the meeting of the LaSalle Board on September 5, 2018, after the closing of trading on the NYSE, LaSalle provided notice to Blackstone of the LaSalle Board's intention to approve, recommend and enter into a definitive agreement with Pebblebrook with respect to a superior proposal in accordance with the terms of the Blackstone merger agreement.

Also on September 5, 2018, LaSalle also issued a press release disclosing that the LaSalle Board had determined that Pebblebrook's August 21 proposal constituted a superior proposal. The press release further disclosed that the Board had not yet terminated the Blackstone merger agreement nor changed its recommendation in support of the Blackstone transaction.

Later on September 5, 2018, representatives of Goodwin contacted representatives of Hunton, indicating that the LaSalle Board had determined that Pebblebrook's August 21 proposal represented a superior proposal and that LaSalle had notified Blackstone of the determination of the LaSalle Board as required by the Blackstone merger agreement, in order to afford Blackstone an opportunity for a four business day period to propose amendments to the Blackstone merger agreement to enable the LaSalle Board to maintain its recommendation of a transaction with Blackstone.

Later on September 5, 2018, Blackstone delivered to LaSalle a written waiver of Blackstone's right to revise the terms of the Blackstone merger agreement during the four business day negotiation period and would accept LaSalle's termination of the Blackstone merger agreement, subject to Blackstone's receipt of the Blackstone termination fee.

During the evening of September 5, 2018, the Pebblebrook Board held a meeting to discuss the final terms of the merger agreement with LaSalle. Pebblebrook management and representatives of each of Hunton, Raymond James and BAML were present. Pebblebrook management updated the Pebblebrook Board on the resolution of the outstanding open issues in the negotiations. Representatives of Hunton reviewed the final terms of the proposed merger agreement. Representatives of Raymond James reviewed the financial analysis supporting its proposed opinion to the Pebblebrook Board. The Pebblebrook Board further discussed the advantages and risks of the proposed transaction with LaSalle, including the advantages and risks that are described below in greater detail under the section entitled " Recommendation of the Pebblebrook Board and Its Reasons for the Mergers" beginning on page 121. Following further discussion, the Pebblebrook Board adopted resolutions approving and authorizing Pebblebrook management to pay, on behalf of LaSalle, the Blackstone termination fee and to enter into the merger agreement with LaSalle, in each case, on the following morning and in connection with LaSalle's termination of the Blackstone merger agreement, but subject to the receipt the following morning of the written opinion from Raymond James.

Later on September 5, 2018, representatives of Goodwin contacted representatives of Hunton to inform them of the written waiver delivered by Blackstone.

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On the morning of September 6, 2018, Raymond James delivered its opinion to the Pebblebrook Board to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Raymond James as set forth in its opinion, the merger consideration to be paid by Pebblebrook in the merger pursuant to the merger agreement was fair, from a financial point of view, to Pebblebrook.

Also on the morning of September 6, 2018, prior to the opening of trading on the NYSE, the LaSalle Board held a meeting to discuss the final terms of the proposed transaction with Pebblebrook based on Pebblebrook's August 21 proposal. Members of LaSalle management and representatives of Citi, Goldman Sachs, Goodwin and DLA Piper were present. Representatives of Citi, Goldman Sachs and Goodwin updated the LaSalle Board on the discussions with Pebblebrook since the last board meeting. Representatives of Goodwin provided an overview of the negotiation process to date with Pebblebrook's representatives, indicating that negotiations with Pebblebrook were complete, as well as a review of the terms of the merger agreement and related documents. Representatives of Goodwin also reviewed with the LaSalle Board its fiduciary duties in connection with a potential sale of LaSalle.

Also at this meeting, representatives of Citi and Goldman Sachs reviewed the financial analyses supporting their proposed opinions. After discussion among the LaSalle Board and its financial advisors, representatives of each of Citi and Goldman Sachs each delivered an oral opinion, subsequently confirmed by the delivery of a written opinion from each financial advisor, both dated September 6, 2018, to the LaSalle Board to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken described in each financial advisor's written opinion, the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of LaSalle common shares pursuant to the merger agreement was fair from a financial point of view to such holders.

After the discussion, and taking into account the opinions delivered by Citi and Goldman Sachs, and other factors described below in greater detail under the section entitled " Recommendation of the LaSalle Board and Its Reasons for the Mergers," including the LaSalle Board's belief that the merger is more favorable to the LaSalle shareholders than other strategic transactions available to LaSalle, including remaining as an independent public company, the LaSalle Board through a unanimous vote by the members of the LaSalle Board present (with only Mr. Scott not in attendance due to his recent hospitalization) adopted resolutions which, among other things, approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and recommended that the LaSalle shareholders approve the merger and the other transactions contemplated by the merger agreement.

Following the LaSalle Board meeting on September 6, 2018, representatives of Goodwin informed representatives of Hunton that the LaSalle Board had determined to change its recommendation in support of the transaction with Blackstone and to terminate the Blackstone merger agreement in order to enter into the merger agreement. LaSalle also delivered a notice to Blackstone terminating the Blackstone merger agreement, and Pebblebrook paid Blackstone the \$112,000,000 termination fee on behalf of LaSalle pursuant to the Blackstone merger agreement.

On September 6, 2018, prior to the opening of trading on the NYSE, LaSalle and Pebblebrook executed the merger agreement.

Later in the morning of September 6, 2018, prior to the opening of trading on the NYSE, LaSalle and Pebblebrook issued a joint press release announcing the execution of the merger agreement. The press release also announced that LaSalle had canceled its September 6, 2018 special meeting of LaSalle shareholders relating to the Blackstone transaction.

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On September 13, 2018, Pebblebrook and LaSalle hosted an investor call to discuss the pending merger of Pebblebrook and LaSalle, and Pebblebrook filed with the SEC the investor presentation used during the investor call.

On September 14, 2018, LaSalle received a draft report from a consultant engaged by LaSalle, which included a valuation of restrictive covenants to which several LaSalle senior officers would be subject following the termination of their employment with LaSalle upon completion of the mergers, which we refer to as the draft report. Representatives of LaSalle provided a copy of the draft report to representatives of Pebblebrook.

During the weekend of September 15, 2018, representatives of LaSalle and representatives of Pebblebrook had discussions regarding the draft report and the potential estimated tax saving of \$13 million to \$14 million available to the combined company based on the valuation of the restrictive covenants analyzed in the draft report and provided that the LaSalle senior officers agreed to such valuation. In consideration of the LaSalle senior officers' cooperation in coordination with the foregoing and in order to avoid uncertainty with respect to the number of LaSalle performance shares that could be earned and vested under the terms of the merger agreement, the representatives of LaSalle and representatives of Pebblebrook discussed amending the merger agreement to provide that immediately prior to the effective time of the merger each outstanding LaSalle performance share award, including those held by LaSalle's executive officers, would automatically become earned and vested with respect to 180% of the target number of common shares subject to such performance award.

During the course of September 17 and 18, 2018, representatives of Goodwin and representatives of Hunton prepared and finalized an amendment to the merger agreement and other transaction documents.

On September 17, 2018, the LaSalle Board held a meeting to discuss, among other things, the proposed amendment to the merger agreement. Members of LaSalle management and representatives of Goodwin and DLA Piper were present. Mr. Barnello and representatives of Goodwin and DLA Piper updated the LaSalle Board on the discussions with Pebblebrook regarding the proposed amendment to the merger agreement and related matters. The independent trustees participating in the meeting met in executive session with Goodwin and DLA Piper and continued discussions. Following these discussions, the LaSalle Board approved the execution of the amendment to the merger agreement.

Also on September 17, 2018, Pebblebrook management presented to the Pebblebrook Board the proposed amendment to the merger agreement, which the Pebblebrook Board considered. The Pebblebrook Board then unanimously approved by written consent the execution of the amendment.

On September 18, 2018, LaSalle and Pebblebrook executed the amendment to the merger agreement.

Recommendation of the LaSalle Board and Its Reasons for the Mergers

In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement and to recommend that LaSalle shareholders approve the merger and the other transactions contemplated by the merger agreement, the LaSalle Board consulted with LaSalle management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors which the LaSalle Board viewed as supporting its decisions:

LaSalle conducted a thorough and diligent transaction process, inviting 20 potential bidders to participate in the sale process (comprising six strategic parties, nine financial sponsors and five brand managing companies), ten of which conducted due diligence investigations of LaSalle, and

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despite the public disclosures of Pebblebrook's proposals to acquire LaSalle and the publication of the Bloomberg article speculating as to a potential sale of LaSalle, other than Blackstone, only Party A, Party B and Pebblebrook expressed interest in submitting an offer to acquire LaSalle and only Blackstone and Pebblebrook engaged in significant negotiations with LaSalle, and following the announcement of the Blackstone merger agreement, no party (including potential purchasers previously identified in connection with LaSalle's sale process, none of which are subject to standstill provisions that would prevent them from making such an offer), other than Pebblebrook contacted LaSalle to offer a competing proposal;

the merger consideration was the result of arm's-length negotiations between LaSalle and Pebblebrook, including five price increases from Pebblebrook's initial March 6, 2018 all-share proposal with an implied price of \$30.00 per share based on a 10-day volume weighted average price of Pebblebrook's common shares ending on March 5, 2018, and the LaSalle Board's belief that the merger consideration represented the highest price that Pebblebrook was willing to pay;

the current and historical trading prices of LaSalle common shares, and the fact that the implied merger consideration of \$36.20 per share (assuming 70% shares at 0.92 exchange rate / 30% cash at a fixed price of \$37.80 per share), based on the closing price of Pebblebrook's common shares on September 5, 2018, represents a 17x EBITDA multiple and premium of approximately 48% of the closing price per LaSalle common share of \$24.39 on March 27, 2018 (ex-dividend), the last trading day prior to public announcement of Pebblebrook's unsolicited proposal, and which is one of the largest premiums ever paid in a public company REIT transaction;

the merger consideration of \$36.20 per share (assuming 70% shares at 0.92 exchange rate / 30% cash at a fixed price of \$37.80 per share), based on the closing price of Pebblebrook's common shares on September 5, 2018, represents a premium of approximately 20% over LaSalle's FactSet consensus net asset value of \$30.11 per share and approximately \$495,000 implied price per key, as of September 5, 2018;

the cash component of the merger consideration of \$37.80 per share represents a premium of approximately 19% over LaSalle's unaffected intraday 52-week high of \$31.75 per share as of March 27, 2018, the fact that LaSalle shareholders may elect to receive, for each LaSalle common share that they hold, all-cash consideration, subject to an aggregate 30% cap and proration, and the LaSalle common shares held by Pebblebrook will be excluded from the cash election in the mergers, effectively increasing the maximum number of LaSalle common shares that could receive the cash election price to approximately 33% of the aggregate number of LaSalle common shares outstanding immediately prior to the closing;

the option for LaSalle shareholders to elect cash or share consideration, providing immediate cash value to electing shareholders, subject to the proration provisions of the merger agreement, while enabling shareholders receiving Pebblebrook common shares to participate in Pebblebrook's future upside potential;

the opportunity for LaSalle shareholders to participate in a significantly larger company that is one of the largest publicly-traded lodging REITs;

the financial analysis presentation of Citi and Goldman Sachs and the opinions of Citi and Goldman Sachs rendered to the LaSalle Board to the effect that, as of September 6, 2018 and based upon and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken described therein, the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares pursuant to the merger agreement was fair from a financial point of view to such holders (as more fully described below in the sections entitled " Opinions of

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LaSalle's Financial Advisors Opinion of Citi" and " Opinions of LaSalle's Financial Advisors Opinion of Goldman Sachs");

the risks and uncertainties of remaining as an independent public company and being able to expand LaSalle's portfolio through acquisitions and development, including, among other things, the cyclical nature of the lodging industry and the advanced stage of the lodging industry's current economic recovery cycle, the risk of a slowdown of the economy, expected increases in the interest rates which could increase the cost of debt, the increase in supply in the lodging industry, which over time could drive down both hotel occupancy and room rates, and the challenges of acquiring assets on an accretive basis to expand the portfolio in light of the intensely competitive environment and strong price appreciation for luxury, upper upscale and upscale hotels in LaSalle's core markets;

favorable conditions for sale transactions in the real estate and lodging markets generally, including prices for urban upscale lodging real estate assets being at or near historical highs while capitalization rates are at or near historical lows, the moderate interest rate environment and the possibility that interest rates may rise in the near future;

the ability to complete the mergers in a timely manner given the commitment of both parties to complete the mergers pursuant to their respective obligations under the merger agreement and that the transaction is expected to close in the fourth quarter of 2018;

the terms and conditions of the merger agreement, which were reviewed by the LaSalle Board with its legal advisors, and the fact that such terms were the product of arm's-length negotiations between the parties;

the fact that LaSalle is entitled to specific performance of Pebblebrook's obligations under the merger agreement;

the fact that the merger of LaSalle and Pebblebrook Merger Sub is intended to qualify as a "reorganization" within the meaning of the Code and, therefore, is not expected to be taxable to LaSalle shareholders to the extent they receive solely Pebblebrook common shares, except with respect to cash received in lieu of fractional shares;

the fact that Pebblebrook has entered into an agreement for the sale of three LaSalle hotels concurrently with the closing, which if consummated would decrease the leverage ratio of the combined company following closing;

LaSalle's ability under the merger agreement, in response to unsolicited acquisition proposals, to furnish information to, and conduct negotiations with, third parties in certain circumstances;

LaSalle's ability to terminate the merger agreement, under certain circumstances, in order to enter into a definitive agreement providing for the implementation of a superior proposal if the LaSalle Board determines in good faith, after consultation with financial advisors and outside legal counsel, taking into account any changes to the merger agreement proposed in writing by Pebblebrook, that the superior proposal continues to constitute a superior proposal, upon payment of a termination fee of \$112 million; and

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the fact that the merger would be subject to the approval of LaSalle shareholders, and LaSalle shareholders would be free to reject the merger by voting against the merger for any reason, including if a higher offer were to be made prior to the shareholders' meeting (although LaSalle may be required to pay a \$112 million termination fee under certain circumstances if it subsequently were to enter into a definitive agreement relating to, or to consummate, an acquisition proposal).

The LaSalle Board also considered the following potentially negative factors in its consideration of the mergers, the merger agreement and the other transactions contemplated by the merger agreement:

the adverse effect on LaSalle shareholders who receive Pebblebrook common shares in the merger of any decline in the price per Pebblebrook common share between the announcement of the transaction and the completion of the mergers, due to the fixed exchange ratio; and the fact that LaSalle is not permitted to terminate the merger agreement solely because of changes in the market price of Pebblebrook common shares;

the limitation that in no event will the aggregate consideration paid in cash be paid with respect to more than 30% of LaSalle common shares issued and outstanding immediately prior to the consummation of the merger (including LaSalle common shares that become or are considered outstanding pursuant to the treatment of the LaSalle compensatory awards under the merger agreement);

the risk that Pebblebrook's leverage ratio could increase if the asset sales contemplated by Pebblebrook are not completed upon closing, which could impact the value of the Pebblebrook common shares that LaSalle shareholders will receive as consideration;

no members of the LaSalle Board will join the board of trustees of the combined company upon closing;

the mergers might not be consummated in a timely manner or at all, due to a failure of certain conditions precedent to the closing of the mergers;

the restrictions on the conduct of LaSalle's business prior to the completion of the mergers, which could delay or prevent LaSalle from undertaking business opportunities that may arise pending completion of the mergers;

the fact that under Maryland law, LaSalle shareholders are not entitled to appraisal rights, dissenters' rights or similar rights of an objecting shareholder in connection with the company merger;

the significant costs involved in connection with entering into the merger agreement and completing the mergers and the substantial time and effort of management required to consummate the mergers and related disruptions to the operation of LaSalle's business;

the announcement and pendency of the transactions contemplated by the merger agreement, or the failure to complete the mergers, may have an adverse impact on LaSalle's employees and its existing and prospective business relationships with hotel operators and other third parties; and

some of LaSalle's trustees and executive officers have interests in the mergers that are different from, or in addition to, those of its shareholders generally (see "Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers" beginning on page 154).

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The foregoing discussion of the factors considered by the LaSalle Board is not intended to be exhaustive, but rather includes the material factors considered by the LaSalle Board. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the LaSalle Board did not quantify or assign any relative weights to, and did not make specific assessments of, the factors considered, and individual trustees may have given different

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weights to different factors. The LaSalle Board did not reach any specific conclusion with respect to any of the factors or reasons considered.

The above factors are not presented in any order of priority. The explanation of the factors and reasoning set forth above contains forward-looking statements and should be read in conjunction with the section of this proxy statement entitled "Cautionary Statement Concerning Forward-Looking Statements."

After careful consideration, for the reasons set forth above, the LaSalle Board by a unanimous vote of all the trustees present (with only Stuart L. Scott not in attendance due to his hospitalization) has approved the merger agreement, the mergers and the other transactions contemplated thereby and has determined that the transactions contemplated by the merger agreement are advisable and in the best interests of LaSalle, its shareholders and the limited partners of LaSalle OP and recommends to the LaSalle common shareholders that they vote "FOR" the merger proposal, "FOR" the LaSalle advisory (non-binding) proposal on specified compensation and "FOR" the LaSalle adjournment proposal.

Recommendation of the Pebblebrook Board and Its Reasons for the Mergers

In evaluating the mergers, the Pebblebrook Board consulted with its legal and financial advisors and Pebblebrook management and, after consideration, the Pebblebrook Board has unanimously determined and declared that the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of Pebblebrook common shares pursuant to the merger agreement, are advisable and in the best interests of Pebblebrook and its shareholders. The Pebblebrook Board has unanimously approved the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of Pebblebrook common shares pursuant to the merger agreement.

In deciding to declare advisable and approve and adopt the merger agreement, the mergers and the other transactions contemplated by the merger agreement, including the issuance of Pebblebrook common shares in connection with the mergers, and to recommend that Pebblebrook shareholders vote to approve the issuance of Pebblebrook common shares pursuant to the merger agreement, the Pebblebrook Board considered various factors that it viewed as supporting its decision, including the following material factors described below:

the resulting portfolio of 69 hotels (66 hotels and 15,810 guest rooms if the sale of three LaSalle hotels as currently contemplated is consummated in connection with completion of the mergers) and approximately 17,424 guest rooms in 11 states, will provide Pebblebrook greater diversification and add properties in high barriers-to-entry markets;

the enhanced negotiating leverage with brands, managers and vendors that are expected to result from a combined company representing the second-largest lodging REIT by equity market capitalization;

the ability to create cost synergies from the combination of similar portfolios with similar portfolio strategies;

the expected cash flows resulting from the transaction which are expected to create a strong and flexible financial platform, generating significant free cash flow over time, with improved liquidity and investment capacity to allow for the pursuit of value-creation opportunities, and the return of capital to shareholders through all parts of the cycle;

general economic, industry and financial market conditions and opportunities and competitive factors within the markets in which Pebblebrook and LaSalle invest;

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the Pebblebrook Board's and management's knowledge of the business, operations, financial condition, earnings and prospects of Pebblebrook and LaSalle, taking into account the results of Pebblebrook's due diligence review of LaSalle, as well as Pebblebrook's knowledge of the current and prospective environment in which Pebblebrook and LaSalle operate, including economic and market conditions;

the expected benefits of combining the two companies' hotel portfolios under the proven leadership of the Pebblebrook management team, the strong track record established by the Pebblebrook management team and the fact that the Pebblebrook Board and management team will lead the combined company after completion;

the Pebblebrook Board's conclusion that the mergers will result in a combined company with a stronger financial condition, increased financial stability, superior pro forma capital levels, better access to capital, greater ability to spread business strategy execution risks across a larger enterprise and additional options for future potential strategic alternatives than either Pebblebrook or LaSalle would have on an independent basis;

the financial analysis reviewed by Raymond James with the Pebblebrook Board on September 5, 2018, and its written opinion to the Pebblebrook Board, dated September 6, 2018, with respect to the fairness, from a financial point of view, of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement, as of September 6, 2018, based upon and subject to the procedures followed, assumptions made, matters considered, qualifications and limitations on the review undertaken and other matters considered by Raymond James in preparing its opinion, as further described in the section entitled "The Mergers Opinion of Pebblebrook's Financial Advisor";

the likelihood that the mergers will be completed based on, among other things, (i) each party's obligation to use its reasonable best efforts to complete the mergers as promptly as practicable, (ii) the limited closing conditions contained in the merger agreement and (iii) the likelihood that the requisite shareholder approvals will be obtained in a timely manner;

the ability to obtain financing under the debt commitment letter from the lender and Pebblebrook's ability to raise capital by selling hotel properties in connection with the completion of the mergers;

the fixed exchange ratio, which will not fluctuate as a result of changes in the market prices of Pebblebrook common shares or LaSalle common shares, which provides certainty as to the maximum number of Pebblebrook shares issuable pursuant to the merger agreement and limits the impact of external factors on the mergers; and

the terms and conditions of the merger agreement, including, but not limited to, the representations, warranties and covenants of the parties, the conditions to completion and the form and structure of the merger consideration.

The Pebblebrook Board also identified and considered a variety of uncertainties and risks concerning the mergers, including, but not limited to, the following:

the possibility that the mergers may not be completed, or that their completion may be unduly delayed, for reasons beyond the control of Pebblebrook or LaSalle, including the effect of the pendency of the mergers and the effect such failure to be completed may have on the trading price of Pebblebrook common shares and Pebblebrook's operating results;

the potential impact on the market price of Pebblebrook common shares as a result of the issuance of the merger consideration to LaSalle shareholders;

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the time, attention and effort required from Pebblebrook management and employees to complete the mergers and the resulting effects on operational matters and other strategic opportunities;

the requirement that Pebblebrook conduct its business in the ordinary course and the other restrictions on the conduct of Pebblebrook's business prior to completion of the mergers, which may delay or prevent Pebblebrook from undertaking business opportunities that may arise pending completion of the mergers;

the substantial costs and expenses that will be incurred in connection with the mergers, including transaction expenses arising from the mergers and the costs of integrating Pebblebrook's and LaSalle's businesses;

the possible effects of the pendency or consummation of the mergers, including any suits, actions or proceedings initiated in respect of the mergers;

the risk that the benefits and synergies currently expected to result from the mergers may not be realized or may not be realized in the expected manner or within the expected time periods, including as a result of possible changes in the real estate market or the lodging industry affecting the markets in which the combined company will operate and the risks associated with the integration of Pebblebrook and LaSalle;

the merger agreement's provisions permitting LaSalle to terminate the merger agreement in order to enter into a superior proposal (as defined in the merger agreement) (subject to compliance with the provisions of the merger agreement regarding non-solicitation of acquisition proposals);

the fact that Pebblebrook has paid a non-refundable termination fee of \$112 million on behalf of LaSalle to BRE Landmark L.P. in connection with LaSalle's termination of the Blackstone merger agreement; and

the fact that, under the terms of the merger agreement, Pebblebrook must pay LaSalle a termination fee of \$81 million if the merger agreement is terminated under specified circumstances.

The foregoing discussion of information and factors considered by the Pebblebrook Board is not intended to be exhaustive. In light of the variety of factors considered in connection with its evaluation of the merger agreement and the mergers, the Pebblebrook Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Pebblebrook Board applied his or her own personal business judgment to the process and may have given different weight to different factors than other members of the Pebblebrook Board gave to such factors.

The Pebblebrook Board collectively made its determinations and recommendations based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the mergers are in the best interests of Pebblebrook and Pebblebrook's shareholders.

This explanation of the reasoning of the Pebblebrook Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 62.

After careful consideration, for the reasons set forth above, the Pebblebrook Board unanimously recommends that Pebblebrook shareholders vote "**FOR**" the issuance of Pebblebrook common shares in connection with the mergers and "**FOR**" the proposal to approve one or more adjournments of the Pebblebrook special meeting to another date, time or place, if necessary or appropriate, to solicit

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additional proxies in favor of the proposal to approve the issuance of Pebblebrook common shares in connection with the mergers.

Opinion of Pebblebrook's Financial Advisor

At the September 5, 2018 meeting of the Pebblebrook Board, representatives of Raymond James discussed their financial analyses with the Pebblebrook Board. On September 6, 2018, Raymond James rendered its written opinion to the Pebblebrook Board as to the fairness, as of that date, from a financial point of view, to Pebblebrook of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement, based upon and subject to the procedures followed, qualifications, limitations, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Raymond James is attached as *Annex B* to this joint proxy statement/prospectus. The summary of the opinion of Raymond James set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the written opinion of Raymond James. Raymond James provided its opinion for the information of the Pebblebrook Board (solely in its capacity as such) in connection with its consideration of the proposed mergers. No limitations were imposed by the Pebblebrook Board upon Raymond James with respect to the investigations made or procedures followed in rendering its opinion. The opinion only addresses the fairness, from a financial point of view, to Pebblebrook of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement, and does not address any other term, aspect or implication of the merger agreement, the mergers or any other agreement, arrangement or understanding entered into in connection therewith or otherwise. Holders of Pebblebrook common shares are urged to read such opinion carefully and in its entirety. Raymond James' opinion speaks only as of the date of its opinion. Raymond James' opinion does not reflect any developments that may occur or may have occurred after the date of its opinion and prior to the completion of the mergers. Raymond James' opinion does not constitute a recommendation to the Pebblebrook Board, any Pebblebrook shareholder or any other party as to how to vote or act on any matter relating to the proposed company merger or otherwise. Furthermore, as provided by the terms of Raymond James' engagement by Pebblebrook, Raymond James' opinion should not be construed as creating any fiduciary duty on the part of Raymond James to the Pebblebrook Board, any Pebblebrook shareholder or any other party, regardless of any prior or ongoing advice or relationships.

In connection with its review of the proposed company merger and the preparation of its opinion, Raymond James, among other things:

reviewed the financial terms and conditions as stated in the draft dated September 6, 2018 of the merger agreement;

reviewed certain information related to the historical, current and future operations, financial condition and prospects of Pebblebrook and LaSalle made available to Raymond James by Pebblebrook, including, but not limited to, (i) financial projections prepared by the management of Pebblebrook relating to Pebblebrook for each year in the five-year period ending December 31, 2022, and (ii) financial projections prepared by the management of LaSalle, as adjusted by management of Pebblebrook relating to LaSalle for each year in the five-year period ending December 31, 2022, each as approved for Raymond James' use by Pebblebrook (together, referred to as the projections);

reviewed recent public filings of Pebblebrook and LaSalle and certain other publicly available information regarding Pebblebrook and LaSalle;

reviewed financial, operating and other information regarding Pebblebrook and LaSalle and the industry in which they operate;

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reviewed the financial and operating performance of Pebblebrook and LaSalle and those of certain other public companies that Raymond James deemed to be relevant;

reviewed the current and historical market prices for LaSalle common shares and Pebblebrook common shares, and the current market prices of the publicly traded securities of certain other companies that Raymond James deemed to be relevant;

compared the relative contributions of Pebblebrook and LaSalle to certain financial statistics of the combined company;

conducted other financial studies, analyses and inquiries and considered other information and factors as Raymond James deemed appropriate;

reviewed a certificate addressed to Raymond James from a member of senior management of Pebblebrook regarding, among other things, the accuracy of the information, data and other materials (financial or otherwise) provided to, or discussed with, Raymond James by or on behalf of Pebblebrook; and

discussed with members of the senior management of Pebblebrook and LaSalle certain information relating to the aforementioned and other matters which Raymond James deemed to be relevant.

With Pebblebrook's consent, Raymond James assumed and relied upon the accuracy and completeness of all information supplied by or on behalf of Pebblebrook or otherwise reviewed by or discussed with Raymond James, and Raymond James did not undertake any duty or responsibility to verify independently, and did not so verify, any of that information. In addition, Raymond James did not make or obtain an independent appraisal or valuation of the assets or liabilities (fixed, contingent, derivative, off-balance sheet or otherwise) of Pebblebrook or LaSalle, nor was Raymond James provided with any appraisals or evaluations. With respect to the projections and other information and data provided to or otherwise reviewed by or discussed with Raymond James, Raymond James, with Pebblebrook's consent, assumed that the projections and other information and data were reasonably prepared in good faith on bases reflecting the best available estimates and judgments of management of Pebblebrook and LaSalle, as applicable, and Raymond James relied upon Pebblebrook to advise Raymond James promptly if any information previously provided became inaccurate or was required to be updated during the period of its review. Raymond James was authorized by Pebblebrook to rely upon the projections and Raymond James expressed no view as to the projections or other information or data, or the bases or assumptions on which they were based. Raymond James relied on all such information without independent verification or analysis and has not in any respect assumed any responsibility or liability for the accuracy or completeness thereof. Raymond James assumed that the final form of the merger agreement, when executed by the parties thereto, would be consistent in all material respects to the draft of the merger agreement reviewed by Raymond James, and that the mergers would be consummated in accordance with the terms of the merger agreement without waiver or amendment of any conditions thereto. Furthermore, Raymond James assumed, in all respects material to its analyses, that the representations and warranties of each party contained in the merger agreement were true and correct and that each such party would perform all of the covenants and agreements required to be performed by it under the merger agreement without being waived. Raymond James relied upon and assumed, without independent verification, that (i) the mergers would be consummated in a manner that complies in all respects with all applicable international, federal and state statutes, rules and regulations, (ii) all governmental, regulatory and other consents and approvals necessary for the consummation of the mergers would be obtained and (iii) no delay, limitations, restrictions or conditions would be imposed or amendments, modifications or waivers made that would have an effect on the mergers, Pebblebrook or LaSalle that would be material to its analyses or its opinion.

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Raymond James expressed no opinion as to the legal, regulatory, accounting and tax matters relating to the mergers and relied upon, without independent verification, the assessment of Pebblebrook management and its legal, tax, accounting and regulatory advisors with respect to all legal, tax, accounting and regulatory matters, including without limitation that the company merger would qualify as a "reorganization" within the meaning of Section 368(a) of the Code and that Pebblebrook and LaSalle have each operated in conformity with the requirements for qualification as a real estate investment trust for U.S. federal income tax purposes for all taxable years commencing with its taxable year ended December 31, 2009 and December 31, 1998, respectively, through December 31, 2017, and Raymond James assumed, at the direction of Pebblebrook, that the mergers would not adversely affect the status or operations of Pebblebrook or LaSalle.

Raymond James relied upon and assumed, without independent verification, that there were no changes in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of Pebblebrook or LaSalle since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to Raymond James that would be material to Raymond James' analyses or its opinion, and that there was no information or any facts that would make any of the information reviewed by Raymond James incomplete or misleading in any material respect.

Raymond James served as financial advisor to Pebblebrook with respect to the mergers but Raymond James expressed no opinion as to the underlying business decision of the Pebblebrook Board to effect the mergers, the structure or tax consequences of the mergers or the availability or advisability of any alternatives to the mergers. Raymond James did not recommend any specific amount of consideration or that any specific consideration constituted the only appropriate consideration for the mergers. Raymond James did not express any opinion as to the value of Pebblebrook common shares following the mergers or the likely trading range of Pebblebrook common shares following the mergers, which may vary depending on numerous factors that generally impact the price of securities or on the financial condition of Pebblebrook at that time.

Raymond James' opinion is limited to the fairness, from a financial point of view, to Pebblebrook of the merger consideration to be paid by Pebblebrook in the company merger pursuant to the merger agreement. Raymond James expressed no opinion with respect to any other reasons, legal, business or otherwise, that may support the decision of the Pebblebrook Board to approve or consummate the mergers.

In formulating its opinion, Raymond James considered only what it understood to be the consideration to be paid by Pebblebrook in the company merger as described in its opinion, and Raymond James did not consider and Raymond James expressed no opinion on the fairness of the amount or nature of any compensation to be paid or payable to any of LaSalle's officers, trustees or employees, or class of such persons, whether relative to the merger consideration to be paid by Pebblebrook or otherwise. Raymond James was not requested to opine as to, and its opinion did not express an opinion as to or otherwise address, among other things, (i) the fairness of the mergers, relative or otherwise, to the holders of any class of securities, creditors or other constituencies of Pebblebrook, or to any other party, or (ii) the fairness of the mergers to any one class or group of Pebblebrook's or any other party's security holders or other constituencies vis-à-vis any other class or group of Pebblebrook's or such other party's security holders or other constituents (including, without limitation, the allocation of any consideration to be received in the mergers amongst or within such classes or groups of security holders or other constituents). Raymond James did not express any opinion as to the impact of the mergers on the solvency or viability of Pebblebrook or LaSalle or the ability of Pebblebrook or LaSalle to pay their respective obligations when they come due.

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Material Financial Analyses

The following summarizes the material financial analyses reviewed by Raymond James with the Pebblebrook Board during its meeting on September 5, 2018. Unless the context indicates otherwise, the analyses relied upon the closing price of the common stock of the selected companies listed below as of September 5, 2018. Unless otherwise indicated, for each of the following analyses performed by Raymond James, financial and market data and earnings estimates for the selected companies were based on the companies' filings with the SEC and certain publicly available research analyst estimates for those companies. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by Raymond James, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by Raymond James. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Raymond James.

Selected Companies Analysis

Raymond James reviewed certain data for domestic lodging real estate investment trusts with an equity market capitalization greater than \$1 billion and ownership in more than ten assets, excluding those with a select-service concentration or net debt to 2018E consensus earnings before interest, taxes, depreciation and amortization (or EBITDA) of greater than 8.0x. The financial data reviewed included publicly available analysts' consensus estimates for EBITDA for the fiscal year 2018. None of the companies described in the analysis below is identical or directly comparable to Pebblebrook or LaSalle. The selected companies and resulting data are below:

Host Hotels & Resorts, Inc. (HST)

Park Hotels & Resorts, Inc. (PK)

LaSalle

Sunstone Hotel Investors, Inc. (SHO)

Pebblebrook

Xenia Hotels & Resorts, Inc. (XHR)

DiamondRock Hospitality Company (DRH)

Chesapeake Lodging Trust (CHSP)

Multiples

	Low	Mean	Median	High
Enterprise Value / 2018E Consensus EBITDA	12.6x	13.9x	13.2x	15.8x

Taking into account the results of the selected companies analysis, Raymond James applied the low and high of the enterprise value to 2018 estimated consensus EBITDA multiples and 2018 adjusted EBITDA based on the projections provided to Raymond James by Pebblebrook management to corresponding financial data for each of Pebblebrook and LaSalle. Raymond James reviewed the ranges of implied per share equity values and calculated a range of implied exchange ratios by dividing the higher implied per share value of LaSalle by the lower implied per share value of Pebblebrook to calculate the high implied exchange ratio, and by dividing the lower implied per share value of LaSalle

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by the higher implied per share value of Pebblebrook to calculate the low implied exchange ratio. The results of the selected companies analysis are summarized below:

	Implied Equity Value per share				Implied Exchange Ratio
	Pebblebrook		LaSalle		
	Low	High	Low	High	
2018E Consensus EBITDA Approach	\$ 28.79	\$ 40.44	\$ 25.70	\$ 35.02	1.22x - 0.64x
2018E Management Adj. EBITDA Approach	27.49	38.81	25.81	35.15	1.28x - 0.66x

Selected Transaction Analysis

Raymond James analyzed publicly available information relating to selected transactions announced since January 1, 2007 involving lodging real estate investment trusts in the United States. For each of the selected transactions, Raymond James reviewed the enterprise value of the selected transaction as a multiple of the relevant target company's trailing twelve-months EBITDA as of the end of the most recently completed fiscal quarter prior to the close of the transaction. None of the companies described in the analysis below is identical or directly comparable to Pebblebrook or LaSalle. The selected transactions (with respective transaction announcement dates shown) included:

Acquisition of FelCor Lodging Trust Inc. by RLJ Lodging Trust (Announced April 2017)

Acquisition of Apple REIT Ten by Apple Hospitality REIT (Announced April 2016)

Acquisition of Strategic Hotels & Resorts by Blackstone (Announced September 2015)

Acquisition of Apple REIT Six by BRE Select Hotels Corp. (Announced November 2012)

Acquisition of Apple Hospitality Five, Inc. by Inland American Real Estate Trust, Inc. (Announced July 2007)

Acquisition of Equity Inns, Inc. by Whitehall Street Global Real Estate Fund (Announced June 2007)

Acquisition of Eagle Hospitality Properties Trust by Apollo Real Estate Advisors, Aimbridge Hospitality, JF Capital Advisors (Announced April 2007)

Acquisition of Highland Hospitality Corporation by J.E. Robert Companies (Announced April 2007)

Acquisition of Innkeepers USA Trust by Apollo Investment Corporation (Announced April 2007)

Acquisition of Winston Hotels, Inc. by Inland American Real Estate Trust, Inc. (Announced March 2007)

Acquisition of Apple Hospitality Two, Inc. by ING Clarion Partners, LLC (Announced February 2007)

	Multiples			
	Low	Mean	Median	High
Enterprise Value / Trailing Twelve Month EBITDA	10.2x	13.9x	13.6x	18.1x

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Taking into account the results of the selected transactions analysis, Raymond James applied the low and high of the enterprise value to trailing twelve month EBITDA multiples based on the financial information provided to Raymond James by Pebblebrook management to corresponding financial data for each of Pebblebrook and LaSalle. Raymond James reviewed the ranges of implied per share values and calculated a range of implied exchange ratios by dividing the higher implied per share value of

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LaSalle by the lower implied per share value of Pebblebrook to calculate the high implied exchange ratio, and by dividing the lower implied per share value of LaSalle by the higher implied per share value of Pebblebrook to calculate the low implied exchange ratio. The results of the selected transactions analysis are summarized below:

	Implied Equity Value per share				Implied Exchange Ratio High - Low
	Pebblebrook		LaSalle		
	Low	High	Low	High	
Trailing Twelve Month EBITDA Approach	\$ 19.86	\$ 47.73	\$ 19.61	\$ 42.70	2.15x - 0.41x

Discounted Cash Flow Analysis

Raymond James performed a discounted cash flow analysis of Pebblebrook and LaSalle based on the projections provided to Raymond James and approved for use by Pebblebrook management. Based on Raymond James professional judgment, Raymond James applied a range of terminal values using multiples of 14.0x to 16.0x applied to estimated 2022 adjusted EBITDA for Pebblebrook and LaSalle. For each of LaSalle and Pebblebrook, Raymond James used discount rates ranging from 7.9% to 9.9%. Raymond James arrived at its discount ranges by using the Modified CAPM methodology as presented in the 2017 Duff & Phelps Valuation Handbook. Raymond James reviewed the ranges of implied per share values indicated by the discounted cash flow analysis for each of Pebblebrook and LaSalle and calculated a range of implied exchange ratios by dividing the maximum implied per share value of LaSalle by the minimum implied per share value of Pebblebrook common shares to calculate the maximum implied exchange ratio, and by dividing the minimum implied per share value of LaSalle by the maximum implied per share value of Pebblebrook to calculate the minimum implied exchange ratio. The results of the discounted cash flow analysis are summarized in the table below:

	Implied Equity Value per share				Implied Exchange Ratio High - Low
	Pebblebrook		LaSalle		
	Low	High	Low	High	
Discounted Cash Flow Approach	\$ 36.74	\$ 47.23	\$ 29.43	\$ 37.50	1.02x - 0.62x

Relative Contribution Analysis

Raymond James analyzed the relative contribution of Pebblebrook and LaSalle to certain financial and operating metrics for the pro forma combined company resulting from the mergers. Such financial and operating metrics included: (i) rooms; (ii) gross investment in hotel properties; (iii) management estimated gross real estate value; (iv) analysts' consensus net asset value (which we refer to as NAV); (v) 2018 estimated consensus EBITDA; and (vi) 2018 estimated adjusted EBITDA based on the projections provided to Raymond James by Pebblebrook management. The relative contribution analysis did not give effect to any synergies that may result from the mergers. The results of this analysis are summarized in the table below:

	Relative Contribution		Implied Exchange Ratio
	Pebblebrook	LaSalle	
Rooms	40.0%	60.0%	1.04x
Gross Investment in Hotel Properties	38.1	61.9	1.13
Management Estimated Gross Real Estate Value	41.5	58.5	0.98
Consensus NAV	43.4	56.6	0.90
2018E Consensus EBITDA	43.9	56.1	0.89
2018E Management Estimated EBITDA	43.2	56.8	0.91

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Additional Considerations

The preparation of an opinion regarding fairness from a financial point of view is a complex process and is not susceptible to a partial analysis or summary description. Raymond James believes that its analyses must be considered as a whole and that selecting portions of its analyses, without considering the analyses taken as a whole, would create an incomplete view of the process underlying its opinion. In addition, Raymond James considered the results of all its analyses and did not assign relative weights to any of the analyses, but rather made qualitative judgments as to significance and relevance of each analysis and factor.

In performing its analyses, Raymond James made numerous assumptions with respect to industry performance, general business, economic and regulatory conditions and other matters, many of which are beyond the control of Pebblebrook and LaSalle. The analyses performed by Raymond James are not necessarily indicative of actual values, trading values or actual future results which might be achieved, all of which may be significantly more or less favorable than suggested by its analyses. The analyses do not purport to be appraisals or to reflect the prices at which companies may actually be sold, and estimates are inherently subject to uncertainty. The opinion of Raymond James was one of many factors taken into account by the Pebblebrook Board in making its determination to approve the mergers. Neither Raymond James' opinion nor the analyses described above should be viewed as determinative of positions held by the Pebblebrook Board or Pebblebrook management with respect to Pebblebrook, LaSalle, the combined company or the mergers.

Raymond James' opinion was based upon market, economic, financial and other circumstances and conditions existing and disclosed to Raymond James as of September 5, 2018. Although subsequent developments may affect the opinion of Raymond James, Raymond James does not have any obligation to update, revise or reaffirm its opinion. The issuance of Raymond James' opinion was authorized by an opinion committee of Raymond James. Raymond James is actively engaged in the investment banking business and regularly undertakes the valuation of investment securities in connection with public offerings, private placements, business combinations and similar transactions. Pebblebrook selected Raymond James to serve as financial advisor with request to the mergers in part because it is a nationally recognized investment banking firm that regularly advises companies in connection with mergers and acquisitions and because of its familiarity with Pebblebrook and the real estate industry generally. For its services as financial advisor to Pebblebrook in connection with the mergers, Raymond James will receive a transaction fee of \$12 million, which fee is contingent upon successful completion of the mergers. Upon the rendering of its opinion, Raymond James became entitled to a fee of \$1.25 million, which fee is not contingent upon the successful completion of the mergers or the conclusion reached in its opinion. In addition, Pebblebrook agreed to reimburse certain of Raymond James' expenses and to indemnify Raymond James against certain liabilities arising out of its engagement.

In the ordinary course of Raymond James' business, Raymond James may trade in the securities of Pebblebrook for its own account or for the accounts of its customers and, accordingly, may at any time hold a long or short position in those securities. In the ordinary course of Raymond James' business, Raymond James may trade in the securities of LaSalle for its own account or for the accounts of its customers and, accordingly, may at any time hold a long or short position in those securities. Raymond James has provided certain services to Pebblebrook and LaSalle (in the previous two years), including as a lender to each of Pebblebrook and LaSalle and assisting Pebblebrook in buying back some of the Pebblebrook common shares and in executing open market purchases of the LaSalle common shares, for which it has been paid fees of less than \$1 million from each of Pebblebrook and LaSalle, respectively. Furthermore, Raymond James may provide investment banking, financial advisory and other financial services to Pebblebrook and/or LaSalle or other participants in the merger in the future, for which Raymond James may receive compensation.

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Opinions of LaSalle's Financial Advisors

Opinion of Citi

On September 6, 2018, Citi delivered to the LaSalle Board an oral opinion, subsequently confirmed by the delivery of a written opinion dated September 6, 2018, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of Citi's written opinion, dated September 6, 2018, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement/prospectus as *Annex C* and is incorporated into this joint proxy statement/prospectus by reference in its entirety. The summary of Citi's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. We urge you to read the opinion carefully and in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided for the information of the LaSalle Board (in its capacity as such) in its evaluation of the proposed mergers and was limited to the fairness, from a financial point of view, as of the date of the opinion, of the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares pursuant to the merger agreement. Citi's opinion does not address any other aspects or implications of the transactions contemplated by the merger agreement and does not constitute a recommendation to any LaSalle shareholder as to how such LaSalle shareholder should vote or act on any matters relating to the proposed mergers. Citi's opinion does not address LaSalle's underlying business decision to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for LaSalle or the effect of any other transaction in which LaSalle might engage. The following is a summary of Citi's opinion.

In arriving at its opinion, Citi, among other things:

reviewed the merger agreement;

held discussions with certain of LaSalle's senior officers, trustees and other representatives and advisors, and the LaSalle Board's advisors, and certain senior officers and other representatives and advisors of Pebblebrook, concerning LaSalle's and Pebblebrook's respective businesses, operations and prospects;

examined certain publicly available business and financial information relating to LaSalle and Pebblebrook;

examined certain financial forecasts and other information and data relating to LaSalle standalone which were provided to or discussed with Citi by LaSalle management, which are referred to as the LaSalle projections, certain financial forecasts and other information and data relating to the combined company for the mergers which were provided to or discussed with Citi by LaSalle management, which are referred to as the pro-forma combination analysis, certain financial forecasts and other information and data relating to Pebblebrook standalone, as adjusted by LaSalle management, which were provided to or discussed with Citi by LaSalle management, which are referred to as the LaSalle adjusted Pebblebrook projections and, together with the LaSalle projections and pro-forma combination analysis, the forecasts and selected elements of which are presented below in the section entitled " Certain LaSalle Unaudited Prospective Financial Information," and certain information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the management of LaSalle and Pebblebrook to result from the mergers, which are referred to as the synergies;

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reviewed the financial terms of the mergers as set forth in the merger agreement in relation to, among other things: current and historical market prices and trading volumes of LaSalle common shares and Pebblebrook common shares, historical and projected earnings and other operating data of LaSalle and Pebblebrook and the capitalization and financial condition of LaSalle and Pebblebrook;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the mergers;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of LaSalle and Pebblebrook;

evaluated certain value implications to holders of LaSalle common shares under certain valuation assumptions for the combined company; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of LaSalle management and Pebblebrook management that they were not aware of any relevant information that was omitted or that remained undisclosed to Citi. With respect to the forecasts, including adjustments to the forecasts and other information and data relating to LaSalle and Pebblebrook discussed with Citi by the management of LaSalle and Pebblebrook and other information and data relating to LaSalle and Pebblebrook provided to or otherwise reviewed by or discussed with Citi, Citi was advised by the management of LaSalle that the forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of LaSalle as to the future financial performance of LaSalle and Pebblebrook and the potential strategic implications and operations benefits anticipated to result from the mergers and the other matters covered thereby. Citi also relied, at LaSalle's direction, upon the assessments of LaSalle management as to the partnership merger, including with respect to the timing thereof and financial and other terms involved, and as to the potential impact on LaSalle of certain market trends and other developments in and prospects for, and governmental or other regulatory matters relating to or affecting, the lodging real estate market and related credit and financial markets and potential future acquisitions and dispositions (including, in each case, the timing and amount thereof) of lodging properties contemplated to be undertaken by LaSalle. Citi assumed, with LaSalle's consent, that there would be no developments with respect to any such matters that would have an adverse effect on LaSalle, Pebblebrook or the mergers or that otherwise would be meaningful in any respect to Citi's analyses or opinion. In connection with Citi's engagement and at LaSalle's direction, Citi was requested to approach, and Citi held discussions with, third parties to solicit indications of interest in the possible acquisition of LaSalle.

Citi also assumed, with LaSalle's consent, that the mergers would be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third-party approvals, consents and releases for the mergers, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on LaSalle, Pebblebrook or the mergers. Citi also assumed, with LaSalle's consent, that LaSalle would not take any action that would result in any adjustment of the type contemplated by Section 5.16(a) of the merger agreement. Citi did not make and it was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of LaSalle or Pebblebrook and Citi did not make any physical inspection of the properties or assets of LaSalle or Pebblebrook. Citi was advised by the respective management of LaSalle and Pebblebrook and assumed, with LaSalle's consent, that each of LaSalle and Pebblebrook has operated

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in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes since its respective election to be taxed as a REIT and that the mergers would not adversely affect such status or operations of the pro forma entity resulting from the mergers. Citi further assumed, with LaSalle's consent, that the mergers would qualify for the intended tax treatment contemplated by the merger agreement. Citi's opinion did not address LaSalle's underlying business decision to effect the mergers, the relative merits of the mergers as compared to any alternative business strategies that might exist for LaSalle or the effect of any other transaction in which LaSalle might engage. Citi expressed no opinion as to what the value of the Pebblebrook common shares actually would be when issued pursuant to the merger or the price at which the Pebblebrook common shares would trade at any time. Pursuant to Section 5.16(e) of the merger agreement, the holders of LaSalle common shares may be paid a special dividend in certain circumstances, as to which Citi expresses no opinion. Citi also expressed no view as to, and Citi's opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, trustees or employees of any parties to the mergers, or any class of such persons, relative to the aggregate consideration or otherwise. Citi's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of the date of its written opinion. For a summary of the material financial analyses presented by Citi to the LaSalle Board in connection with the delivery of Citi's opinion, see the section entitled " Summary of Material Financial Analyses" beginning on page 136.

Pursuant to an engagement letter between LaSalle and Citi, LaSalle has agreed to pay Citi an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the delivery of its opinion described in this section, \$6.5 million of which became payable at or prior to the announcement of the mergers (including \$1.5 million of which that became payable upon Citi's delivery of the opinion described in this section) and the remainder of which is contingent upon the completion of the company merger. Subject to certain limitations, LaSalle also has agreed to reimburse Citi, subject to certain conditions, for reasonable expenses incurred by Citi in performing its services, and to indemnify Citi and related persons against certain liabilities arising out of its engagement.

Citi and its affiliates in the past have provided, and currently provide, services to LaSalle unrelated to the mergers, for which services Citi and such affiliates have received and expect to receive compensation, including, without limitation, between January 1, 2016 and September 6, 2018, having acted or acting as (i) senior co-manager for LaSalle's preferred equity offering in 2016, (ii) administrative agent, joint lead arranger and joint bookrunner for a term loan in 2017, (iii) administrative agent, joint lead arranger and joint bookrunner for a revolving credit facility and term loan in 2017, and (iv) administrative agent, joint lead arranger and joint bookrunner for the Westin Copley Place mortgage loan in 2018. Citi has also provided services to LaSalle with respect to securitization lending, LaSalle's common share buyback program and, in 2016, Citi provided derivative-related services to LaSalle. For the foregoing services, Citi and its affiliates received aggregate fees between January 1, 2016 and September 6, 2018 of approximately \$6 million. Citi and its affiliates in the past have also provided, and currently provide, services to Pebblebrook unrelated to the mergers, for which services Citi and its affiliates have received and expect to receive compensation, including, without limitation, between January 1, 2016 and September 6, 2018, (i) having acted as senior co-manager with respect to Pebblebrook's preferred equity offering in 2016 and (ii) providing committed capital in connection with the amendment and restatement in 2016 and the extension in 2017 of Pebblebrook's senior unsecured credit facility, for which services Citi and its affiliates received aggregate fees between January 1, 2016 and September 6, 2018 of approximately \$2 million.

In the ordinary course of Citi's business, Citi and its affiliates may actively trade or hold the securities of LaSalle or Pebblebrook for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its

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affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with LaSalle, Pebblebrook and LaSalle and Pebblebrook's respective affiliates.

The LaSalle Board selected Citi to act as one of its financial advisors in connection with the mergers to assist and advise the LaSalle Board because of Citi's qualifications, experience and reputation, long-standing relationship with LaSalle (serving as an underwriter in LaSalle's equity offerings and as a lender under LaSalle's credit facility and term loans) and substantial knowledge of the lodging REIT industry.

Opinion of Goldman Sachs

At a meeting of the LaSalle Board held on September 6, 2018, Goldman Sachs delivered to the LaSalle Board its opinion, subsequently confirmed in writing, to the effect that, as of such date and based upon and subject to the factors and assumptions set forth therein, the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated September 6, 2018, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as *Annex D* and is incorporated into this joint proxy statement/prospectus by reference in its entirety. Goldman Sachs provided advisory services and its opinion for the information and assistance of the LaSalle Board in connection with its consideration of the transactions contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any holder of LaSalle common shares should vote or make any election with respect to the mergers or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

the annual reports to shareholders and Annual Reports on Form 10-K for the five years ended December 31, 2017 of LaSalle and Pebblebrook;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of LaSalle and Pebblebrook;

certain other communications from LaSalle and Pebblebrook to their respective shareholders;

certain publicly available research analyst reports for LaSalle and Pebblebrook; and

certain internal financial analyses and forecasts for LaSalle prepared by its management, which are referred to as the LaSalle projections, certain internal financial analyses and forecasts for Pebblebrook standalone prepared by its management, as adjusted by the management of LaSalle, which are referred to as the LaSalle adjusted Pebblebrook projections, and certain financial analyses and forecasts for the combined company for the transactions contemplated by the merger agreement prepared by the management of LaSalle, which are referred to as the pro-forma combination analysis and, together with the LaSalle projections and the LaSalle adjusted Pebblebrook projections, the forecasts, and selected elements of which are presented below in the section entitled " Certain LaSalle Unaudited Prospective Financial Information," in each case, as approved for Goldman Sachs' use by LaSalle, including certain cost savings and operating synergies projected by the management of LaSalle and Pebblebrook to result from the transactions contemplated by the merger agreement, as approved for Goldman Sachs' use by LaSalle, which are referred to as the synergies.

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Goldman Sachs also held discussions with members of the senior management of LaSalle and Pebblebrook regarding their assessment of the strategic rationale for, and the potential benefits of, the transactions contemplated by the merger agreement and the past and current business operations, financial condition and future prospects of LaSalle and Pebblebrook; reviewed the reported price and trading activity for LaSalle common shares and Pebblebrook common shares; compared certain financial and stock market information for LaSalle and Pebblebrook with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the U.S. REIT industry; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with LaSalle's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with LaSalle's consent that the forecasts, including the synergies, were reasonably prepared on a basis reflecting the best currently available estimates and judgments of LaSalle management. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of LaSalle or Pebblebrook or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed with LaSalle's consent that LaSalle would not take any action that would result in any adjustment of the type contemplated by Section 5.16(a) of the merger agreement. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transactions contemplated by the merger agreement would be obtained without any adverse effect on LaSalle, Pebblebrook or on the expected benefits of the transactions contemplated by the merger agreement in any way meaningful to its analysis. Goldman Sachs also assumed that the transactions contemplated by the merger agreement would be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address LaSalle's underlying business decision to engage in the transactions contemplated by the merger agreement, or the relative merits of the transactions contemplated by the merger agreement as compared to any strategic alternatives that may be available to LaSalle; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares, as of the date of the opinion, of the aggregate consideration to be paid to such holders pursuant to the merger agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the transactions contemplated by the merger agreement or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transactions contemplated by the merger agreement, including the merger of Pebblebrook Merger OP with and into LaSalle OP, the fairness of the transactions contemplated by the merger agreement to, or any consideration received in connection therewith by, the holders of any other class of securities of LaSalle, including the LaSalle Series I preferred shares and LaSalle Series J preferred shares, any class of securities of LaSalle OP, or any other person, creditors, or other constituencies of LaSalle or LaSalle OP; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of LaSalle's officers, trustees or employees, or class of such persons in connection with the transactions contemplated by the merger agreement, whether relative to the aggregate consideration to be paid to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares pursuant to the merger agreement or otherwise. Pursuant to Section 5.16(e) of the merger agreement, the holders of LaSalle common shares may be paid a special dividend in certain circumstances, as to which Goldman Sachs expresses no opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which Pebblebrook common shares will

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trade at any time or as to the impact of the transactions contemplated by the merger agreement on the solvency or viability of LaSalle or Pebblebrook or the ability of LaSalle or Pebblebrook to pay its respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions, as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of LaSalle, Pebblebrook, any of LaSalle's or Pebblebrook's respective affiliates and third parties or any currency or commodity that may be involved in the transactions contemplated by the merger agreement for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs acted as LaSalle's financial advisor in connection with, and participated in certain of the negotiations leading to, the transactions contemplated by the merger agreement. During the two-year period ended September 6, 2018, other than acting as LaSalle's financial advisor in connection with the transactions contemplated by the merger agreement, the Investment Banking Division of Goldman Sachs has not been engaged by LaSalle or LaSalle's affiliates to provide financial advisory and/or underwriting services for which Goldman Sachs has recognized compensation. During the two-year period ended September 6, 2018, the Investment Banking Division of Goldman Sachs has not been engaged by Pebblebrook or Pebblebrook's affiliates to provide financial advisory and/or underwriting services for which Goldman Sachs has recognized compensation.

Goldman Sachs may also in the future provide financial advisory and/or underwriting services to LaSalle, Pebblebrook, and LaSalle and Pebblebrook's respective affiliates, for which the Investment Banking Division of Goldman Sachs may receive compensation.

The LaSalle Board selected Goldman Sachs to act as one of its financial advisors in connection with the mergers to assist and advise the LaSalle Board because of Goldman Sachs' qualifications, experience and reputation, its knowledge of and involvement in recent transactions in the REIT industry and its experience with shareholder activism and acquisition transactions generally. Pursuant to an engagement letter between LaSalle and Goldman Sachs, LaSalle agreed to pay Goldman Sachs an aggregate fee of approximately \$22 million to \$23 million, based on the information available as of the delivery of its opinion described in this section, \$3.5 million of which became payable at or prior to the announcement of the mergers and the remainder of which is contingent upon completion of the company merger. Subject to certain limitations, LaSalle also has agreed to reimburse Goldman Sachs, subject to certain conditions, for reasonable expenses incurred by Goldman Sachs in performing its services, and to indemnify Goldman Sachs and related persons against certain liabilities arising out of its engagement.

Summary of Material Financial Analyses

The following is a summary of the material financial analyses delivered by Citi and Goldman Sachs to the LaSalle Board in connection with rendering their respective opinions described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Citi and Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Citi and Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of the financial

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analyses of Citi and Goldman Sachs. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before September 5, 2018, and is not necessarily indicative of current market conditions.

The preparation of financial opinions is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, financial opinions are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth below, without considering the analyses as a whole, could create an incomplete view of the processes underlying each financial opinion. In arriving at their respective fairness determinations, Citi and Goldman Sachs each considered the results of all of their analyses and did not attribute any particular weight to any factor or analysis considered by them. Rather, each of Citi and Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the following analyses as a comparison is directly comparable to LaSalle, Pebblebrook or the mergers.

LaSalle's financial advisors prepared these analyses for purposes of providing their respective opinions to the LaSalle Board as to the fairness, from a financial point of view, to the holders (other than Pebblebrook and its affiliates) of outstanding LaSalle common shares, as of the date of the opinions, of the aggregate consideration to be paid to such holders pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of LaSalle, Pebblebrook, Citi, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The aggregate consideration was determined through arm's-length negotiations between LaSalle and Pebblebrook, rather than by Citi and Goldman Sachs, and was approved by the LaSalle Board and the Pebblebrook Board. Citi and Goldman Sachs provided advice to LaSalle during these negotiations. Citi and Goldman Sachs did not, however, recommend any specific amount of consideration to LaSalle or the LaSalle Board or that any specific amount of consideration constituted the only appropriate consideration for the mergers.

As described above, the respective opinions of Citi and Goldman Sachs to the LaSalle Board was one of many factors taken into consideration by the LaSalle Board in making its determination to approve the merger agreement. The following summary does not purport to be a complete description of the analyses performed by Citi and Goldman Sachs in connection with their respective opinions and is qualified in its entirety by reference to their respective written opinions attached as "*Annex C*" for Citi and "*Annex D*" for Goldman Sachs.

Illustrative Discounted Cash Flow Analysis

Illustrative Discounted Cash Flow Analysis LaSalle Standalone

Citi

Using discount rates ranging from 8.0% to 9.1%, reflecting estimates of LaSalle's weighted average cost of capital, Citi discounted to present value as of June 30, 2018 (i) estimates of LaSalle's unlevered free cash flow for the period from July 1, 2018 to December 31, 2022, as reflected in the LaSalle projections and (ii) a range of illustrative terminal values for LaSalle, which were calculated by applying terminal forward multiples ranging from 12.4x to 14.4x, to a terminal year estimate of LaSalle's adjusted EBITDA, as reflected in the LaSalle projections. As directed by LaSalle

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management, Citi derived the estimate of LaSalle's unlevered free cash flow for the period from July 1, 2018 through December 31, 2018 by subtracting LaSalle's actual unlevered free cash flow for the period from January 1, 2018 through June 30, 2018, as provided by LaSalle management, from the estimate of LaSalle's unlevered free cash flow for the fiscal year ended December 31, 2018 reflected in the LaSalle projections. Citi derived such discount rates from a weighted average cost of capital calculation for LaSalle, which Citi performed utilizing the Capital Asset Pricing Model with inputs that Citi determined were relevant based on publicly available data and Citi's professional judgment. The range of multiples was derived by Citi utilizing its professional judgment and experience, primarily taking into account LaSalle's 2018 EBITDA trading multiple during the period prior to the public announcement of an unsolicited proposal from Pebblebrook to acquire LaSalle and also taking into account current EBITDA trading multiples of companies comparable to LaSalle (see also our discussion under the section entitled "Comparable Companies Analysis" below). Citi derived ranges of illustrative enterprise values for LaSalle by adding the ranges of present values it derived above. Citi then subtracted from the range of illustrative enterprise values it derived for LaSalle net debt, preferred equity and noncontrolling interests (other than LaSalle OP common units not held by LaSalle) as of June 30, 2018, in each case, as provided by LaSalle management, to derive a range of illustrative equity values for LaSalle. Citi then divided the range of illustrative equity values it derived by the fully-diluted number of outstanding LaSalle common shares, as provided by LaSalle management, which fully-diluted number included LaSalle OP common units not held by LaSalle, to derive a range of illustrative present values per LaSalle common share of \$28.66 to \$35.47.

Goldman Sachs

Using discount rates ranging from 7.5% to 8.5%, reflecting estimates of LaSalle's weighted average cost of capital, Goldman Sachs discounted to present value as of June 30, 2018 (i) estimates of LaSalle's unlevered free cash flow for the period from July 1, 2018 to December 31, 2022, as reflected in the LaSalle projections and (ii) a range of illustrative terminal values for LaSalle, which were calculated by applying perpetuity growth rates ranging from 1.5% to 2.5%, to a terminal year estimate of LaSalle's unlevered free cash flow, as reflected in the LaSalle projections (which analysis implied terminal year enterprise value / adjusted EBITDA multiples ranging from 11.3x to 15.9x). As directed by LaSalle management, Goldman Sachs derived the estimate of LaSalle's unlevered free cash flow for the period from July 1, 2018 through December 31, 2018 by subtracting LaSalle's actual unlevered free cash flow for the period from January 1, 2018 through June 30, 2018, as provided by LaSalle management, from the estimate of LaSalle's unlevered free cash flow for the fiscal year ended December 31, 2018 reflected in the LaSalle projections. Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the U.S. financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the LaSalle projections and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for LaSalle by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for LaSalle net debt, preferred equity and noncontrolling interests (other than LaSalle OP common units not held by LaSalle) as of June 30, 2018, in each case, as provided by LaSalle management, to derive a range of illustrative equity values for LaSalle. Goldman Sachs then divided the range of illustrative equity values it derived by the fully-diluted number of outstanding LaSalle common shares, as provided by LaSalle management, which fully-diluted number included LaSalle OP common units not held by LaSalle, to derive a range of illustrative present values per LaSalle common share of \$26.38 to \$39.96.

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Illustrative Discounted Cash Flow Analysis Pebblebrook Standalone

Citi

Using discount rates ranging from 8.1% to 9.2%, reflecting estimates of Pebblebrook's weighted average cost of capital, Citi discounted to present value as of June 30, 2018 (i) estimates of Pebblebrook's unlevered free cash flow for the period from July 1, 2018 to December 31, 2022, as reflected in the LaSalle adjusted Pebblebrook projections and (ii) a range of illustrative terminal values for Pebblebrook, which were calculated by applying terminal forward multiples ranging from 12.4x to 14.4x, to a terminal year estimate of Pebblebrook's adjusted EBITDA, as reflected in the LaSalle adjusted Pebblebrook projections. As directed by LaSalle management, Citi derived the estimate of Pebblebrook's unlevered free cash flow for the period from July 1, 2018 through December 31, 2018 by subtracting Pebblebrook's actual unlevered free cash flow for the period from January 1, 2018 through June 30, 2018, as provided by Pebblebrook management, from the estimate of Pebblebrook's unlevered free cash flow for the fiscal year ended December 31, 2018 reflected in the LaSalle adjusted Pebblebrook projections. Citi derived such discount rates from a weighted average cost of capital calculation for Pebblebrook, which Citi performed utilizing the Capital Asset Pricing Model with inputs that Citi determined were relevant based on publicly available data and Citi's professional judgment. The range of terminal forward multiples was held constant to those used by Citi in its illustrative discounted cash flow analysis of LaSalle standalone. Citi derived ranges of illustrative enterprise values for Pebblebrook by adding the ranges of present values it derived above. Citi then subtracted from the range of illustrative enterprise values it derived for Pebblebrook net debt, preferred equity and noncontrolling interests (other than Pebblebrook OP common units not held by Pebblebrook) as of June 30, 2018, in each case, as provided by Pebblebrook management, to derive a range of illustrative equity values for Pebblebrook. Citi then divided the range of illustrative equity values it derived by the fully-diluted number of outstanding Pebblebrook common shares, as provided by Pebblebrook management, which fully-diluted number included Pebblebrook OP common units not held by Pebblebrook, to derive a range of illustrative present values per Pebblebrook common share of \$30.46 to \$38.35.

Goldman Sachs

Using discount rates ranging from 8.0% to 9.0%, reflecting estimates of Pebblebrook's weighted average cost of capital, Goldman Sachs discounted to present value as of June 30, 2018 (i) estimates of Pebblebrook's unlevered free cash flow for the period from July 1, 2018 to December 31, 2022, as reflected in the adjusted Pebblebrook projections and (ii) a range of illustrative terminal values for Pebblebrook, which were calculated by applying perpetuity growth rates ranging from 1.5% to 2.5%, to a terminal year estimate of Pebblebrook's unlevered free cash flow, as reflected in the adjusted Pebblebrook projections (which analysis implied terminal year enterprise value / adjusted EBITDA multiples ranging from 10.7x to 14.6). As directed by LaSalle management, Goldman Sachs derived the estimate of Pebblebrook's unlevered free cash flow for the period from July 1, 2018 through December 31, 2018 by subtracting Pebblebrook's actual unlevered free cash flow for the period from January 1, 2018 through June 30, 2018, as provided by Pebblebrook management, from the estimate of Pebblebrook's unlevered free cash flow for the fiscal year ended December 31, 2018 reflected in the adjusted Pebblebrook projections. Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the U.S. financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the adjusted Pebblebrook projections and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for Pebblebrook

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by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for Pebblebrook net debt, preferred equity and noncontrolling interests (other than common units in Pebblebrook OP not held by Pebblebrook) as of June 30, 2018, in each case, as provided by Pebblebrook management, to derive a range of illustrative equity values for Pebblebrook. Goldman Sachs then divided the range of illustrative equity values it derived by the fully-diluted number of outstanding Pebblebrook common shares, as provided by Pebblebrook management, which fully-diluted number included common units in Pebblebrook OP not held by Pebblebrook, to derive a range of illustrative present values per Pebblebrook common share of \$25.92 to \$39.48.

Illustrative Pro Forma Discounted Cash Flow Analysis Combined Company

Goldman Sachs

Using discount rates ranging from 7.5% to 9.0%, reflecting estimates of the combined company's weighted average cost of capital, Goldman Sachs discounted to present value as of June 30, 2018 in both a scenario in which all LaSalle shareholders elect to receive Pebblebrook common shares pursuant to the merger agreement, which we refer to as the all-stock election scenario, and a scenario in which 30% of outstanding LaSalle common shares elect to receive cash pursuant to the merger agreement, which we refer to as the maximum-cash election scenario, (i) estimates of the combined company's unlevered free cash flow for the period from July 1, 2018 to December 31, 2022 as reflected in the forecasts and (ii) a range of illustrative terminal values for the pro forma company, which were calculated by applying perpetuity growth rates ranging from 1.5% to 2.5%, to a terminal year estimate of the combined company's unlevered free cash flow, as reflected in the forecasts (which analysis implied terminal year enterprise value / adjusted EBITDA multiples ranging from 10.6x to 16.0x). As directed by LaSalle management, Goldman Sachs derived the estimate of the combined company's unlevered free cash flow for the period from July 1, 2018 through December 31, 2018 by subtracting the combined company's actual unlevered free cash flow for the period from January 1, 2018 through June 30, 2018, as provided by Landmark management and Pebblebrook management, from the estimate of the combined company's unlevered free cash flow for the fiscal year ended December 31, 2018 reflected in the forecasts. Goldman Sachs derived such discount rates by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including the company's target capital structure weightings, the cost of long-term debt, after-tax yield on permanent excess cash, if any, future applicable marginal cash tax rate and a beta for the company, as well as certain financial metrics for the U.S. financial markets generally. The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experience, taking into account the forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs derived ranges of illustrative enterprise values for the combined company by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for the combined company net debt, preferred equity and noncontrolling interests (other than common units in the pro forma company's operating partnership not held by the pro forma company) as of June 30, 2018, in each case, as provided by LaSalle management and Pebblebrook management, to derive a range of illustrative equity values for the combined company.

For the all-stock election scenario, Goldman Sachs then multiplied the range of illustrative equity values it derived by the percent of the combined company owned by holders of LaSalle common shares, adjusted for Pebblebrook-owned LaSalle common shares to be cancelled pursuant to the merger and the amount of cash consideration to be received, and then divided the product by the amount of combined company common shares to be issued to LaSalle shareholders, which took into account the exchange ratio and was adjusted for Pebblebrook-owned LaSalle common shares, to derive a range of illustrative present values of the combined company to be received per LaSalle common share. Goldman Sachs calculated a range of illustrative implied values for the pro forma value to be received per LaSalle common share of \$23.52 to \$40.18 for the all-stock election scenario.

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For the maximum-cash election scenario, Goldman Sachs calculated a range of illustrative implied values for the combined value to be received per LaSalle common share by multiplying the range of illustrative equity values it derived by the percent of the pro forma company owned by holders of LaSalle common shares, adjusted for Pebblebrook-owned LaSalle common shares to be cancelled pursuant to the merger and the amount of cash consideration to be received, and then divided the product by the amount of combined company common shares to be issued to LaSalle shareholders, which took into account the exchange ratio and was adjusted for Pebblebrook-owned LaSalle common shares. Goldman Sachs then added the cash consideration to be received per share, adjusted for Pebblebrook-owned LaSalle common shares, resulting in a range of \$26.04 to \$39.76 for the maximum-cash election scenario.

Comparable Companies Analysis

Citi

Comparable Companies Analysis LaSalle Standalone and Pebblebrook Standalone

Citi performed a comparable companies analysis, which is an analysis designed to estimate an implied value of a company through an analysis of the public valuation and trading multiples of similar publicly-traded companies. Citi reviewed financial and stock information of LaSalle, Pebblebrook and the selected publicly-traded companies described below, which we refer to as the selected companies, which include full-service lodging REITs. No publicly-traded company is identical to LaSalle or Pebblebrook, but the companies listed were selected because, among other reasons, they possessed certain financial, operational or business characteristics that, in Citi's view, were sufficiently comparable to those of LaSalle or Pebblebrook or otherwise relevant for purposes of comparison.

Citi reviewed, among other information, enterprise values of the selected companies, calculated as equity values (based on closing stock prices of the selected companies on September 5, 2018) plus net debt and any preferred equity and non-controlling interest, as a multiple of estimated EBITDA for calendar year 2018. The observed multiples of enterprise value to estimated 2018 EBITDA for the selected companies ranged from 12.6x to 15.3x (with a median of 13.0x), with such multiple for each of the selected companies being set forth in the table below.

Selected Company	Enterprise Value / 2018E EBITDA Multiple
Chesapeake Lodging Trust	15.3x
DiamondRock Hospitality Company	12.6x
Host Hotels & Resorts, Inc.	12.9x
Park Hotels & Resorts Inc.	12.6x
Sunstone Hotel Investors, Inc.	13.8x
Xenia Hotels & Resorts, Inc.	13.2x

Citi then applied this multiple range to LaSalle's estimated 2018 adjusted EBITDA, as reflected in the LaSalle projections, to calculate an implied enterprise value reference range for LaSalle. Citi then subtracted from the range of implied enterprise values it derived for LaSalle net debt, preferred equity and noncontrolling interests (other than LaSalle OP common units not held by LaSalle) as of June 30, 2018, in each case, as provided by LaSalle management, to derive a range of implied equity values for LaSalle. Citi then divided the range of implied equity values it derived by the fully-diluted number of outstanding LaSalle common shares, as provided by LaSalle management, which fully-diluted number included LaSalle OP common units not held by LaSalle. Financial data of the selected companies was based on publicly available research analysts' estimates, public filings and other information. Financial data of LaSalle were based on the LaSalle projections and LaSalle's public filings. From this analysis, Citi derived an implied per LaSalle common share equity value reference range of \$24.39 to \$31.73.

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Citi also applied this multiple range to Pebblebrook's estimated 2018 adjusted EBITDA, as reflected in the LaSalle adjusted Pebblebrook projections, to calculate an implied enterprise value reference range for Pebblebrook. Citi then subtracted from the range of implied enterprise values it derived for Pebblebrook net debt, preferred equity and noncontrolling interests (other than Pebblebrook OP common units not held by Pebblebrook) as of June 30, 2018, in each case, as provided by Pebblebrook management, to derive a range of implied equity values for Pebblebrook. Citi then divided the range of implied equity values it derived by the fully-diluted number of outstanding Pebblebrook common shares, as provided by Pebblebrook management, which fully-diluted number included Pebblebrook OP common units not held by Pebblebrook. Financial data of the selected companies was based on publicly available research analysts' estimates, public filings and other information. Financial data of Pebblebrook were based on the LaSalle adjusted Pebblebrook projections and Pebblebrook's public filings. From this analysis, Citi derived an implied per Pebblebrook common share equity value reference range of \$27.08 to \$36.11.

Illustrative Present Value of Future Share Price Analysis

Goldman Sachs

Illustrative Present Value of Future Share Price Analysis LaSalle Standalone

Using the LaSalle projections, Goldman Sachs derived a range of illustrative future values per LaSalle common share as of December 31 for each of the fiscal years 2018 to 2021, by: (i) applying a range of illustrative one-year forward enterprise value / adjusted EBITDA multiples of 12.0x to 14.0x, which illustrative multiple estimates were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account the historical average enterprise value / adjusted EBITDA multiples for LaSalle during the five-year period ended March 27, 2018, the last trading day prior to the public announcement of an unsolicited proposal from Pebblebrook to acquire LaSalle, to estimates of LaSalle's one-year forward adjusted EBITDA as of the end of that fiscal year, as reflected in the LaSalle projections, to derive a range of implied enterprise values for LaSalle as of December 31 of each year; (ii) subtracting from the range of implied enterprise values as of December 31 of each year estimated year-end net debt, preferred equity and noncontrolling interests (other than LaSalle OP common units not held by LaSalle), as provided by LaSalle management, to yield a range of implied equity values for LaSalle as of December 31 of each fiscal year; and (iii) dividing the range of implied equity values by the estimated fully-diluted number of LaSalle common shares outstanding as of December 31 of each fiscal year, as provided by LaSalle management, which fully-diluted number included LaSalle OP common units not held by LaSalle. Using an illustrative discount rate of 10.3%, reflecting an estimate of LaSalle's cost of equity derived by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including a beta for the company, as well as certain financial metrics for the U.S. financial markets generally, Goldman Sachs discounted to present value as of June 30, 2018 both the range of illustrative values it derived above and estimated accrued future dividends as of December 31 of each of the fiscal years 2018 to 2021 (excluding declared dividends as of June 30, 2018), as provided by LaSalle management, to yield illustrative present values per LaSalle common share ranging from \$24.17 to \$33.67.

Illustrative Present Value of Future Share Price Analysis Pebblebrook Standalone

Using the LaSalle adjusted Pebblebrook projections, Goldman Sachs derived a range of illustrative future values per Pebblebrook common share as of December 31 for each of the fiscal years 2018 to 2021, by: (i) applying a range of illustrative one-year forward enterprise value / adjusted EBITDA multiples of 13.0x to 15.0x, which illustrative multiple estimates were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account the historical average enterprise value / adjusted EBITDA multiples for Pebblebrook during the five-year period ended March 27, 2018, the last trading day prior to the public announcement of its unsolicited proposal to acquire LaSalle, to

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estimates of Pebblebrook's one-year forward adjusted EBITDA as of the end of that fiscal year, as reflected in the LaSalle adjusted Pebblebrook projections, to derive a range of implied enterprise values for Pebblebrook as of December 31 of each year; (ii) subtracting from the range of implied enterprise values as of December 31 of each year estimated year-end net debt, preferred equity and noncontrolling interests (other than Pebblebrook OP common units not held by Pebblebrook), as provided by Pebblebrook management, to yield a range of implied equity values for Pebblebrook as of December 31 of each fiscal year; and (iii) dividing the range of implied equity values by the estimated fully-diluted number of Pebblebrook common shares outstanding as of December 31 of each fiscal year, as provided by Pebblebrook management, which fully-diluted number included Pebblebrook OP common units not held by Pebblebrook. Using an illustrative discount rate of 11.1%, reflecting an estimate of Pebblebrook's cost of equity derived by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including a beta for the company, as well as certain financial metrics for the U.S. financial markets generally, Goldman Sachs discounted to present value as of June 30, 2018 both the range of illustrative values it derived above and estimated accrued future dividends as of December 31 of each of the fiscal years 2018 to 2021 (excluding declared dividends as of June 30, 2018), as provided by Pebblebrook management, to yield illustrative present values per Pebblebrook common share ranging from \$29.38 to \$38.36.

Illustrative Present Value of Future Share Price Analysis Combined Company

Assuming, alternatively, the all-stock election scenario and the maximum-cash election scenario, Goldman Sachs performed illustrative analyses of the implied present value, as of June 30, 2018, of the future price per share of the combined company. Goldman Sachs first calculated the implied values per share of the combined company as of December 31 for each of the fiscal years 2018 to 2021 by applying one-year forward EV/EBITDA multiples ranging from 12.5x to 14.5x to estimated EBITDA for each fiscal year as reflected in the forecasts. To derive illustrative implied equity values of the combined company, Goldman Sachs subtracted from the range of illustrative enterprise values it derived for the combined company (i) the amount of the combined company's net debt as of December 31 for each of the fiscal years 2018 to 2021, as provided by LaSalle management and Pebblebrook management, and (ii) as of December 31 of each year, estimates of the preferred equity and noncontrolling interests (other than common units in the combined company's operating partnership not held by the combined company), in each case, as provided by LaSalle management and Pebblebrook management. The illustrative multiple estimates were derived by Goldman Sachs utilizing its professional judgment and experience, taking into account the historical average enterprise value / adjusted EBITDA multiples for LaSalle and Pebblebrook during the five-year period ended March 27, 2018, the last trading day prior to the public announcement of an unsolicited proposal from Pebblebrook to acquire LaSalle. Goldman Sachs then multiplied the range of illustrative equity values it derived by the percent of the combined company owned by holders of LaSalle common shares, adjusted for Pebblebrook-owned LaSalle common shares to be cancelled pursuant to the merger and the amount of cash consideration to be received, and then divided the product by the amount of combined company common shares to be issued to holders of LaSalle shareholders, which took into account the exchange ratio and was adjusted for Pebblebrook-owned LaSalle common shares, to derive a range of illustrative present values of the combined company to be received per LaSalle common share. Goldman Sachs then discounted to present value as of June 30, 2018, using an illustrative discount rate of 10.7%, reflecting an estimate of the cost of equity for the combined company, the theoretical future value of the combined company as of December 31 of each fiscal year to derive a range of illustrative implied present values per share of the combined company. Goldman Sachs derived the illustrative discount rate by application of the Capital Asset Pricing Model, which requires certain company-specific inputs, including a beta for the company, as well as certain financial metrics for the United States financial markets generally. Goldman Sachs discounted to present value as of June 30, 2018 both the range of illustrative values it derived above and estimated accrued future

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dividends as of December 31 of each of the fiscal years 2018 to 2021 (excluding declared dividends as of June 30, 2018), as provided by LaSalle management and Pebblebrook management, to yield illustrative present values per share of the combined company.

For the all-stock election scenario, Goldman Sachs calculated a range of illustrative implied values for the pro forma value to be received per LaSalle common share of \$25.48 to \$32.70.

For the maximum-cash election scenario, Goldman Sachs calculated a range of illustrative implied values for the pro forma value to be received per LaSalle common share by also adding the cash consideration to be received per share, adjusted for Pebblebrook-owned LaSalle common shares, resulting in a range of \$27.66 to \$33.62.

Premia Analysis

Goldman Sachs

Goldman Sachs reviewed and analyzed, using publicly available information, the acquisition premia for all-cash, all-stock and mixed consideration acquisition transactions in the U.S. announced during the time period from October 23, 2013 through September 5, 2018 involving a public company in the REIT industry as the target where the disclosed enterprise values for such transaction were greater than \$1.0 billion, excluding mortgage and timber REIT transactions and the transaction contemplated by the Blackstone merger agreement. The following table lists the acquisition transactions:

Announcement Date	Acquiror	Target / Seller
July 2018	Brookfield Asset Management Inc.	Forest City Realty Trust, Inc.
June 2018	Greystar Real Estate Partners	Education Realty Trust, Inc.
May 2018	Blackstone	Gramercy Property Trust
April 2018	Prologis, Inc.	DCT Industrial Trust Inc.
March 2018	Brookfield Property Partners L.P.	GGP Inc.
July 2017	APG Asset Management N.V. / Greystar Real Estate Partners / GIC Pte Ltd. / Ivanhoe Cambridge	Monogram Residential Trust, Inc.
June 2017	Canada Pension Plan Investment Board	Parkway, Inc.
June 2017	Government Properties Income Trust	First Potomac Realty Trust
June 2017	Digital Realty Trust, Inc.	Dupont Fabros Technology, Inc.
May 2017	Sabra Health Care REIT, Inc.	Care Capital Properties, Inc.
April 2017	RLJ Lodging Trust	FelCor Lodging Trust Incorporated
February 2017	Tricon Capital Group Inc.	Silver Bay Realty Trust Corp.
January 2017	Starwood Capital	Milestone Apartments Real Estate Investment Trust
November 2016	Regency Centers Corp.	Equity One, Inc.
August 2016	Mid-America Apartment Communities, Inc.	Post Properties, Inc.
April 2016	Cousins Properties Inc.	Parkway Properties, Inc.
January 2016	Brookfield Asset Management Inc.	Rouse Properties, Inc.
December 2015	DRA Advisors LLC	Inland Real Estate Corporation
December 2015	American Homes 4 Rent	American Residential Properties, Inc.
October 2015	Harrison Street Real Estate Capital	Campus Crest Communities, Inc.
October 2015	Blackstone	BioMed Realty Trust, Inc.
September 2015	Blackstone	Strategic Hotels & Resorts, Inc.
June 2015	Lone Star Investment Advisors	Home Properties, Inc.
May 2015	Brookfield Asset Management Inc.	Associated Estates Realty Corporation
April 2015	Blackstone	Excel Trust
October 2014	Omega Healthcare Investors, Inc.	Aviv REIT, Inc.
September 2014	Washington Prime Group Inc.	Glimcher Realty Trust
June 2014	Ventas, Inc.	American Realty Capital Healthcare Trust, Inc.
December 2013	Essex Property Trust, Inc.	BRE Properties, Inc.
October 2013	American Realty Capital Properties, Inc.	Cole Real Estate Investments, Inc.

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For the entire period, using publicly available information, Goldman Sachs calculated the low, median, and high premia of the price paid in these transactions relative to the target's last undisturbed closing stock price prior to announcement of the transaction. This analysis indicated a low premium of 5.1%, a median premium of 15.0% and a high premium of 35.3%. Using this analysis, Goldman Sachs applied a reference range of illustrative premiums of 5.1% to 35.3% to the undisturbed closing price per LaSalle common share of \$24.84 as of March 27, 2018, the last trading day prior to the public announcement of an unsolicited proposal from Pebblebrook to acquire LaSalle, and calculated a range of implied equity values per LaSalle common share of \$26.11 to \$33.60.

Selected Transactions Analysis

Citi

Citi performed a selected transactions analysis, which is an analysis designed to estimate an implied illustrative value of a company through an analysis of the multiples paid in acquisitions of similar companies and businesses. Citi reviewed certain publicly available information for selected transactions in the lodging REIT industry announced between 2006 and 2018, which we refer to collectively as the selected transactions.

Although none of the target companies in the selected transactions are directly comparable to LaSalle and none of the selected transactions are directly comparable to the transactions contemplated by the merger agreement, the selected transactions were chosen because they involved lodging REITs with financial, operational or business characteristics that, in Citi's view, based on its professional judgment and experience, made them sufficiently comparable to LaSalle and/or the transactions contemplated by the merger agreement or otherwise relevant for purposes of analysis. For each of the selected transactions, Citi reviewed the total enterprise value, which we refer to as TEV, of the selected transaction as a multiple of the relevant target company's trailing 12 months (which we refer to as TTM) EBITDA as of the time of the most recently completed quarter prior to the close of the transaction. The observed TEV / TTM EBITDA multiples for the selected transactions are set forth in the table below and ranged from 10.4x to 18.6x.

Announcement Date	Target Name	Acquiror	TEV / TTM EBITDA
April 24, 2017	FelCor Lodging Trust Incorporated	RLJ Lodging Trust	12.9x
April 14, 2016	Apple REIT Ten, Inc.	Apple Hospitality REIT, Inc.	13.5x
September 8, 2015	Strategic Hotels & Resorts, Inc.	Blackstone	18.6x
November 29, 2012	Apple REIT Six Inc.	Blackstone	13.4x
July 25, 2007	Apple Hospitality Five, Inc.	Inland American Real Estate Trust, Inc.	14.9x
June 21, 2007	Equity Inns, Inc.	Whitehall Street Global Real Estate	15.0x
April 30, 2007	Eagle Hospitality Properties Trust, Inc.	Apollo Real Estate Consortium	12.1x
April 24, 2007	Highland Hospitality Corporation	JER Partners	16.2x
April 16, 2007	Innkeepers USA Trust	Apollo Investment Corporation	14.8x
April 3, 2007	Winston Hotels, Inc.	Inland American Real Estate Trust, Inc.	13.0x
February 15, 2007	Apple Hospitality Two, Inc.	ING Clarion Partners, LLC	10.4x
February 21, 2006	MeriStar Hospitality Corporation	Blackstone	13.4x

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Based on its professional judgment and experience, and taking into consideration the observed multiples for the selected transactions, Citi then applied a reference range of multiples of 13.0x to 14.9x (reflecting the 25th and 75th percentiles of TEV / TTM EBITDA multiples for the selected transactions) to derive an implied equity value per common share for LaSalle. Financial data of the selected transactions were based on public filings and other information. Financial data of LaSalle were based on financial information provided by, and used by Citi at the direction of, LaSalle management. Citi applied the 13.0x to 14.9x range of TEV / TTM EBITDA multiples to LaSalle's TTM EBITDA for the 12-month period ended June 30, 2018 to derive a range of implied enterprise values for LaSalle. Citi then subtracted from the range of implied enterprise values it derived for LaSalle net debt, preferred equity and noncontrolling interests (other than LaSalle OP common units not held by LaSalle) as of June 30, 2018, in each case, as provided by LaSalle management, to derive a range of implied equity values for LaSalle. Citi then divided the range of implied equity values it derived by the fully-diluted number of outstanding LaSalle common shares, as provided by LaSalle management, which fully-diluted number included LaSalle OP common units not held by LaSalle, resulting in an implied equity value per LaSalle common share of \$27.84 to \$33.47.

Certain Pebblebrook Unaudited Prospective Financial Information

Pebblebrook does not as a matter of course make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with the mergers and the other transactions contemplated by the merger agreement, Pebblebrook management prepared and provided to the Pebblebrook Board in connection with its evaluation of the mergers and the other transactions contemplated by the merger agreement, and to its financial advisors, Raymond James and BAML, and were made available to LaSalle and LaSalle's financial advisors, certain unaudited prospective financial information regarding Pebblebrook's operations for fiscal years 2018 through 2022, on a standalone basis without giving effect to the mergers, which we refer to as the Pebblebrook projections. Pebblebrook is electing to provide summaries of the unaudited prospective financial information in this section of this document to provide Pebblebrook shareholders access to certain non-public unaudited prospective financial information and estimated synergies that were made available to the Pebblebrook Board and Pebblebrook's financial advisors for purposes of considering and evaluating the mergers. For more information, see " Important Information About the Financial Projections."

Pebblebrook Projections

The Pebblebrook projections were provided to the Pebblebrook Board, each of Pebblebrook's financial advisors, Raymond James and BAML, and were made available to LaSalle, the LaSalle Board and its financial advisors. The following table presents a summary of Pebblebrook's projections for the calendar years ending 2018 through 2022 for Pebblebrook on a standalone basis.

Pebblebrook Projections(1)

	Fiscal Year Ending December 31				
	2018E	2019E	2020E	2021E	2022E
RevPAR(2)	\$ 210	\$ 224	\$ 233	\$ 241	\$ 249
Total Hotel Revenue	\$ 783	\$ 832	\$ 864	\$ 891	\$ 919
Hotel EBITDA(3)	\$ 263	\$ 291	\$ 308	\$ 321	\$ 335
Adjusted EBITDA(4)	\$ 240	\$ 267	\$ 284	\$ 297	\$ 310
Unlevered Free Cash Flow(5)	\$ 171	\$ 213	\$ 246	\$ 257	\$ 269

(1) Dollar amounts in millions, except RevPAR, which is in dollars.

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- (2) RevPAR represents hotel room revenue, which is the portion of hotel operating revenues attributable to rooms, divided by the total number of available room nights in Pebblebrook's portfolio during the respective period.
- (3) EBITDA represents net income or loss (computed in accordance with GAAP), excluding interest expense, income tax, depreciation and amortization. Hotel EBITDA represents total hotel revenue minus total hotel expenses.
- (4) Adjusted EBITDA represents EBITDA adjusted for certain additional items, including impairment losses (to the extent included in EBITDA), loss from extinguishment of debt, acquisition transaction costs, costs associated with management transitions or the departure of executive officers, costs associated with the recognition of issuance costs related to the redemption of preferred shares, non-cash ground rent and certain other items.
- (5) Unlevered Free Cash Flow represents Adjusted EBITDA less capital expenditures and income tax expense, plus income tax benefit.

Pebblebrook Adjusted LaSalle Projections

As noted in " Certain LaSalle Unaudited Prospective Financial Information LaSalle Projections," the LaSalle projections were made available to Pebblebrook. To assist the Pebblebrook Board in its evaluation of the quantitative and strategic rationale for the mergers, Pebblebrook management adjusted the LaSalle projections, which we refer to as the Pebblebrook adjusted LaSalle projections. The Pebblebrook adjusted LaSalle projections were also provided to Raymond James and BAML, and Pebblebrook management directed Raymond James to use and rely upon the Pebblebrook adjusted LaSalle projections in connection with its financial analyses and opinion to the Pebblebrook Board as described above in the section entitled " Opinion of Pebblebrook's Financial Advisor" beginning on page 124. The Pebblebrook adjusted LaSalle projections were based solely on the information available to Pebblebrook management at the time they were prepared. The following is a summary of the Pebblebrook adjusted LaSalle projections.

Pebblebrook Adjusted LaSalle Projections(1)

	Fiscal Year Ending December 31				
	2018E	2019E	2020E	2021E	2022E
RevPAR(2)	\$ 204	\$ 206	\$ 212	\$ 220	\$ 228
Total Revenue	\$ 1,076	\$ 1,088	\$ 1,113	\$ 1,150	\$ 1,188
Hotel EBITDA(3)	\$ 341	\$ 342	\$ 355	\$ 380	\$ 407
Adjusted EBITDA(4)	\$ 316	\$ 320	\$ 332	\$ 357	\$ 383
Unlevered Free Cash Flow(5)	\$ 178	\$ 180	\$ 264	\$ 284	\$ 305

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- (1) Dollar amounts in millions, except room revenue per available room, which we refer to as RevPAR, which is in dollars.
- (2) RevPAR represents hotel room revenue, which is the portion of hotel operating revenues attributable to rooms, divided by the total number of available room nights in LaSalle's portfolio during the respective period.
- (3) Earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, represents net income or loss (computed in accordance with generally accepted accounting principles, which we refer to as GAAP), excluding interest expense, income tax, depreciation and amortization. Hotel EBITDA represents total hotel revenue minus total hotel expenses.

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- (4) Adjusted EBITDA represents EBITDA adjusted for certain additional items, including impairment losses (to the extent included in EBITDA), loss from extinguishment of debt, acquisition transaction costs, costs associated with management transitions or the departure of executive officers, costs associated with the recognition of issuance costs related to the redemption of preferred shares, non-cash ground rent and certain other items.
- (5) Unlevered Free Cash Flow represents Adjusted EBITDA less capital expenditures and income tax expense, plus income tax benefit.

Certain LaSalle Unaudited Prospective Financial Information

LaSalle does not, as a matter of course, make public projections as to future performance or earnings beyond the current fiscal year and generally does not make public projections for extended periods due to, among other things, the inherent difficulty of predicting financial performance for future periods and the likelihood that the underlying assumptions and estimates may not be realized. However, in connection with LaSalle's evaluation of potential strategic alternatives and specifically the mergers, LaSalle management prepared certain long-term financial projections for LaSalle on a stand-alone basis, without giving effect to the mergers, for fiscal years ending December 31, 2018 through December 31, 2022, which we refer to as the LaSalle projections. In connection with LaSalle's evaluation of potential strategic alternatives and specifically the mergers, LaSalle management also prepared certain prospective financial information of the combined company based on estimated synergies arising in connection with the mergers on a pro-forma basis, which we refer to as the pro-forma combination analysis. LaSalle is electing to provide summaries of the unaudited prospective financial information and the estimated pro-forma financial information for the combined company in this section of this document to provide LaSalle shareholders access to certain non-public unaudited prospective financial information and estimated synergies that were made available to the LaSalle Board for purposes of considering and evaluating the mergers. For more information, See " Important Information About the Financial Projections."

Prior to the preparation of the LaSalle projections, in March 2018, LaSalle management prepared a preliminary set of long-term financial projections for LaSalle for fiscal years ending December 31, 2018 through December 31, 2022 that LaSalle provided to, and which were approved for use by, the LaSalle Board at its meeting held on March 20, 2018 in connection with its evaluation of a potential strategic transaction, which we refer to as the LaSalle preliminary March projections. Following the end of the fiscal quarter ended March 31, 2018 and based on LaSalle management's review of LaSalle's results for such period, LaSalle management updated the LaSalle preliminary March projections in early May 2018 to further refine certain of the assumptions and estimates included therein to better reflect the information available to LaSalle management at the time of such update, which we refer to as the LaSalle preliminary May projections and, together with the LaSalle preliminary March projections, the LaSalle preliminary projections. The LaSalle preliminary May projections replaced the LaSalle preliminary March projections and were the same in all respects as the LaSalle preliminary March projections except that they incorporated actual performance for the fiscal quarter ended March 31, 2018, an updated forecast for the fiscal quarter ending June 30, 2018, and a corresponding roll forward for the fiscal years ending December 31, 2018 through December 31, 2022. The LaSalle preliminary May projections were provided to, and approved for use by, the LaSalle Board at its meeting held on May 10, 2018. Following the end of the fiscal quarter ended June 30, 2018 and based on LaSalle management's review of LaSalle's results for such period, LaSalle management updated the LaSalle preliminary May projections in July 2018 to further refine certain of the assumptions and estimates included therein to better reflect the information available to LaSalle management at the time of such update. The LaSalle projections replaced the LaSalle preliminary May projections and were the same in all respects as the LaSalle preliminary May projections except that they incorporated actual performance for the fiscal quarter ended June 30, 2018.

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LaSalle Projections

The LaSalle projections were provided to, and confirmed for use by, the LaSalle Board at its meeting held on July 29, 2018. The LaSalle projections were also provided to Citi and Goldman Sachs, and LaSalle management directed Citi and Goldman Sachs to use and rely upon the LaSalle projections in connection with their respective financial analyses and opinions to the LaSalle Board as described above in the section entitled " Opinions of LaSalle's Financial Advisors" beginning on page 131. Consequently, neither Citi nor Goldman Sachs relied upon the LaSalle preliminary projections in connection with their respective financial analyses and opinions to the LaSalle Board as described above under the section entitled " Opinions of LaSalle's Financial Advisors" beginning on page 131. On August 28, 2018, LaSalle made available to Pebblebrook the LaSalle projections. The table below presents selected elements of the LaSalle projections.

LaSalle Projections(1)

	Fiscal Year Ending December 31				
	2018E	2019E	2020E	2021E	2022E
RevPAR(2)	\$ 202	\$ 207	\$ 212	\$ 220	\$ 228
Total Revenue	\$ 1,069	\$ 1,089	\$ 1,113	\$ 1,150	\$ 1,188
Hotel EBITDA(3)	\$ 328	\$ 342	\$ 355	\$ 380	\$ 407
Adjusted EBITDA(4)	\$ 306	\$ 320	\$ 332	\$ 357	\$ 383
Unlevered Free Cash Flow(5)	\$ 130	\$ 218	\$ 264	\$ 284	\$ 305

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- (1) Dollar amounts in millions, except room revenue per available room, which we refer to as RevPAR, which is in dollars.
- (2) RevPAR represents hotel room revenue, which is the portion of hotel operating revenues attributable to rooms, divided by the total number of available room nights in LaSalle's portfolio during the respective period.
- (3) Earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA, represents net income or loss (computed in accordance with generally accepted accounting principles, which we refer to as GAAP), excluding interest expense, income tax, depreciation and amortization. Hotel EBITDA represents total hotel revenue minus total hotel expenses.
- (4) Adjusted EBITDA represents EBITDA adjusted for certain additional items, including impairment losses (to the extent included in EBITDA), loss from extinguishment of debt, acquisition transaction costs, costs associated with management transitions or the departure of executive officers, costs associated with the recognition of issuance costs related to the redemption of preferred shares, non-cash ground rent and certain other items.
- (5) Unlevered Free Cash Flow represents Adjusted EBITDA less capital expenditures and income tax expense, plus income tax benefit.

LaSalle Adjusted Pebblebrook Projections

As noted in " Certain Pebblebrook Unaudited Prospective Financial Information Pebblebrook Projections," the Pebblebrook projections were made available to LaSalle, the LaSalle Board and its financial advisors. To assist the LaSalle Board in its evaluation of the quantitative and strategic rationale for the mergers, on May 15, 2018, LaSalle management adjusted the Pebblebrook projections, which we refer to as the LaSalle adjusted Pebblebrook projections. The LaSalle adjusted Pebblebrook projections were also provided to Citi and Goldman Sachs, and LaSalle management directed Citi and Goldman Sachs to use and rely upon the LaSalle adjusted Pebblebrook projections in connection with

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their respective financial analyses and opinions to the LaSalle Board as described above in the section entitled " Opinions of LaSalle's Financial Advisors" beginning on page 131. The LaSalle adjusted Pebblebrook projections were based solely on the information available to LaSalle management at the time they were prepared and were not shared with Pebblebrook. The following is a summary of the LaSalle adjusted Pebblebrook projections.

LaSalle Adjusted Pebblebrook Projections(1)

	Fiscal Year Ending December 31				
	2018E	2019E	2020E	2021E	2022E
RevPAR(2)	\$ 210	\$ 215	\$ 217	\$ 225	\$ 233
Total Hotel Revenue	\$ 785	\$ 810	\$ 825	\$ 851	\$ 880
Hotel EBITDA(3)	\$ 259	\$ 274	\$ 276	\$ 290	\$ 306
Adjusted EBITDA(4)	\$ 236	\$ 250	\$ 252	\$ 265	\$ 281
Unlevered Free Cash Flow(5)	\$ 167	\$ 193	\$ 196	\$ 209	\$ 224

-
- (1) Dollar amounts in millions, except RevPAR, which is in dollars.
- (2) RevPAR represents hotel room revenue, which is the portion of hotel operating revenues attributable to rooms, divided by the total number of available room nights in Pebblebrook's portfolio during the respective period.
- (3) EBITDA represents net income or loss (computed in accordance with GAAP), excluding interest expense, income tax, depreciation and amortization. Hotel EBITDA represents total hotel revenue minus total hotel expenses.
- (4) Adjusted EBITDA represents EBITDA adjusted for certain additional items, including impairment losses (to the extent included in EBITDA), loss from extinguishment of debt, acquisition transaction costs, costs associated with management transitions or the departure of executive officers, costs associated with the recognition of issuance costs related to the redemption of preferred shares, non-cash ground rent and certain other items.
- (5) Unlevered Free Cash Flow represents Adjusted EBITDA less capital expenditures and income tax expense, plus income tax benefit.

LaSalle Management's Pro-forma Combination Analysis

The following table presents summary estimated pro-forma financial information for the combined company based on synergies that LaSalle management prepared based on its assumptions in respect of the combined company following the completion of the mergers for the fiscal years ending December 31, 2018 through December 31, 2022 in connection with LaSalle's evaluation of the mergers. The pro-forma combination analysis was also provided to Citi and Goldman Sachs, and LaSalle management directed Citi and Goldman Sachs to use and rely upon the pro-forma combination analysis in connection with their respective financial analyses and opinions to the LaSalle Board as described above in the section entitled " Opinions of LaSalle's Financial Advisors" beginning on page 131.

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LaSalle Management's Pro-forma Combination Analysis (Post-Merger Basis)(1)(5)

	2018E	2019E	2020E	2021E	2022E
Total Revenue	\$ 1,853	\$ 1,900	\$ 1,938	\$ 2,001	\$ 2,068
Hotel EBITDA(2)	\$ 588	\$ 606	\$ 621	\$ 660	\$ 702
Adjusted EBITDA(3)	\$ 542	\$ 538	\$ 550	\$ 586	\$ 624
Unlevered Free Cash Flow(4)	\$ 297	\$ 392	\$ 434	\$ 465	\$ 499

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- (1) Dollar amounts in millions.
- (2) EBITDA represents net income or loss (computed in accordance with GAAP), excluding interest expense, income tax, depreciation and amortization. Hotel EBITDA represents total hotel revenue minus total hotel expenses.
- (3) Adjusted EBITDA represents EBITDA adjusted for certain additional items, including impairment losses (to the extent included in EBITDA), loss from extinguishment of debt, acquisition transaction costs, costs associated with management transitions or the departure of executive officers, costs associated with the recognition of issuance costs related to the redemption of preferred shares, non-cash ground rent and certain other items.
- (4) Unlevered Free Cash Flow represents Adjusted EBITDA less capital expenditures and income tax expense, plus income tax benefit.
- (5) Based in part on synergies and dis-synergies forecasted by LaSalle management. Key synergy and dis-synergy assumptions are as follows: (i) general and administrative synergies of \$20 million in 2019, grown at 2% annually in forward years; (ii) dis-synergies of \$10 million in 2019 due to property tax reassessments of certain properties in the pro-forma combined company's portfolio, grown at 2% annually in forward years; and (iii) certain asset sales in connection with the completion of the mergers which were assumed to generate \$715 million of net proceeds and result in both a \$42.5 million reduction in EBITDA in 2019, grown at portfolio growth rates in forward years, and a 12% reduction in capital expenditures in 2019 and in forward years.

Important Information About the Financial Projections

The prospective financial information set forth above under " Certain Pebblebrook Unaudited Prospective Financial Information" and " Certain LaSalle Unaudited Prospective Financial Information," which we refer to collectively as the financial projections, are included solely to give Pebblebrook shareholders and LaSalle shareholders access to certain long-term financial projections and estimated synergies that were made available to the Pebblebrook Board, Raymond James, the LaSalle Board, Citi and Goldman Sachs, as applicable, and are not included in this joint proxy statement/prospectus to influence any Pebblebrook shareholders or LaSalle shareholders to vote to approve any of the proposals to be voted upon at the special meetings or for any other purpose. The financial projections were not prepared with a view toward public disclosure and, accordingly, do not necessarily comply with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP. The financial projections, including the estimated synergies, were prepared solely for Pebblebrook's and LaSalle's internal uses, and for their respective financial advisors, and are subjective in many respects. Neither Pebblebrook's independent registered public accounting firm nor LaSalle's independent registered public accounting firm has compiled, examined, audited or performed any procedures with respect to the financial projections, nor has either expressed any opinion or any other form of assurance regarding this information or its achievability. The inclusion of the financial

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projections in this joint proxy statement/prospectus does not constitute an admission or representation by Pebblebrook or LaSalle that the information is material.

The financial projections were not prepared in accordance with GAAP, including RevPAR, Total Revenue, Hotel EBITDA, Adjusted EBITDA and Unlevered Free Cash Flow. Pebblebrook and LaSalle use these non-GAAP financial measures in analyzing their respective financial results and believe that they enhance investors' understanding of Pebblebrook's and LaSalle's financial performance and the comparability of Pebblebrook's and LaSalle's results to prior periods, as well as against the performance of other REITs. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Pebblebrook's and LaSalle's calculations of non-GAAP financial measures may differ from each other and from others in the industry and Hotel EBITDA, Adjusted EBITDA and Unlevered Free Cash Flow are not necessarily comparable with similar titles used by other companies. The non-GAAP financial measures used in the LaSalle projections, LaSalle adjusted Pebblebrook projections and LaSalle pro-forma combination analysis were relied upon by Citi and Goldman Sachs, as directed by LaSalle management, for purposes of their respective opinions to the LaSalle Board as described above in the section entitled " Opinions of LaSalle's Financial Advisors" beginning on page 131 and by the LaSalle Board in connection with its consideration of the mergers. The non-GAAP financial measures used in the Pebblebrook projections and Pebblebrook adjusted LaSalle projections were relied upon by Raymond James, as directed by the Pebblebrook Board, for purposes of its opinion to the Pebblebrook Board as described above in the section entitled " Opinion of Pebblebrook's Financial Advisor" beginning on page 124 and by the Pebblebrook Board in connection with its consideration of the mergers. Financial measures provided to a financial advisor are excluded from the definition of non-GAAP financial measures and, therefore, are not subject to SEC rules regarding disclosures of non-GAAP financial measures, which would otherwise require a reconciliation of a non-GAAP financial measure to a GAAP financial measure. Reconciliations of non-GAAP financial measures were not relied upon by Raymond James or by Citi or Goldman Sachs for purposes of their respective opinions to the Pebblebrook Board or the LaSalle Board, as applicable, as described above in the sections entitled " Opinion of Pebblebrook's Financial Advisor" and " Opinions of LaSalle's Financial Advisors" beginning on page 124 and page 131, respectively, or by the Pebblebrook Board or the LaSalle Board in connection with their consideration of the mergers. Accordingly, Pebblebrook and LaSalle have not provided a reconciliation of these financial measures included in the financial projections.

In the view of LaSalle management, the LaSalle projections, LaSalle adjusted Pebblebrook projections and LaSalle pro-forma combination analysis were prepared on a reasonable basis reflecting LaSalle management's best available estimates and judgments regarding LaSalle's or Pebblebrook's or the combined company's future financial performance at the time they were prepared.

In the view of Pebblebrook management, the Pebblebrook projections and Pebblebrook adjusted LaSalle projections were prepared on a reasonable basis reflecting Pebblebrook management's best available estimates and judgments regarding Pebblebrook's or LaSalle's or the combined company's future financial performance at the time they were prepared.

The financial projections, while presented with numerical specificity, were based on numerous variables, estimates and assumptions that necessarily involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions, all of which are difficult or impossible to predict and many of which are beyond Pebblebrook's and LaSalle's control. Except for the LaSalle pro-forma combination analyses, the financial projections were developed under the assumption of continued standalone operation, do not take into account any circumstances, transactions or events occurring after the date on which the financial projections were prepared and do not give effect to any changes or expenses as a result of the mergers or any effects of the mergers. Further, the financial projections do not take into account the effect of any failure of the mergers to be consummated and should not be viewed as accurate or continuing in that context. The financial

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projections also reflect assumptions as to certain business decisions that are subject to change. Given that the financial projections cover multiple years, by their nature they become subject to greater uncertainty with each successive year. Important factors that may affect actual results and the achievability of the financial projections include, but are not limited to, local market conditions, general economic conditions and disruptions in the financial, debt, capital, credit or securities markets, developing industry dynamics, competition, Pebblebrook's or LaSalle's ability to obtain financing, construction, development and redevelopment costs, changes in business strategy and those risks and uncertainties described in Pebblebrook's and LaSalle's respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2017, Pebblebrook's and LaSalle's respective Quarterly Reports on Form 10-Q for the fiscal quarter ended June 30, 2018 and Pebblebrook's and LaSalle's respective Current Reports on Form 8-K. For additional information on factors that may cause Pebblebrook's and LaSalle's future financial results to materially vary from the projected results summarized above, see the sections entitled "Risk Factors" beginning on page 50 and "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 62.

The financial projections also reflect assumptions that are subject to change and are susceptible to multiple interpretations and periodic revisions based on actual results, revised prospects for Pebblebrook's and LaSalle's businesses, changes in general business or economic conditions, certain accounting assumptions, timing of business investments, changes in actual or projected cash flows, competitive pressures and changes in tax or other laws or regulations or any other transaction or event that has occurred or that may occur and that was not anticipated when the financial projections were prepared. In addition, the financial projections may be affected by Pebblebrook's and LaSalle's ability to achieve strategic goals, objectives and targets over the applicable periods. Accordingly, actual results will differ, and may differ materially, from those contained in the financial projections.

The financial projections should be evaluated, if at all, in conjunction with the historical financial statements and other information contained in Pebblebrook's and LaSalle's public filings with the SEC. There can be no assurance that the financial results in the financial projections will be realized, or that future actual financial results will not materially vary from those estimated in the financial projections.

The inclusion of selected elements of the LaSalle financial projections and accompanying narrative in the tables above should not be regarded as an indication that LaSalle, Pebblebrook, LaSalle's or Pebblebrook's affiliates and/or any of LaSalle's or Pebblebrook's respective officers, trustees, advisors or other representatives consider the LaSalle financial projections to be necessarily predictive of actual future events, and this information should not be relied upon as such. **None of LaSalle, Pebblebrook, LaSalle's or Pebblebrook's affiliates nor any of LaSalle's or Pebblebrook's respective officers, trustees, advisors or other representatives gives any LaSalle shareholder, Pebblebrook shareholder or any other person any assurance that actual results will not differ materially from the financial projections, and LaSalle, Pebblebrook, LaSalle's and Pebblebrook's affiliates and LaSalle's and Pebblebrook's respective officers, trustees, advisors or other representatives undertake no obligation to update or otherwise revise or reconcile the financial projections to reflect circumstances existing after the dates on which the financial projections were prepared or to reflect the occurrence of future events, even in the event that any or all of the assumptions and estimates underlying the financial projections are shown to be in error.** Some or all of the assumptions that have been made in connection with the preparation of the financial projections may have changed since the date the financial projections were prepared. None of LaSalle, Pebblebrook and/or LaSalle's or Pebblebrook's respective affiliates intend to make publicly available any update or other revision to or reconciliation of the financial projections. These considerations should be taken into account in reviewing the financial projections, which were prepared as of their respective earlier dates. None of LaSalle, Pebblebrook, LaSalle's and/or Pebblebrook's respective affiliates and/or LaSalle's or Pebblebrook's respective officers, trustees, advisors or other representatives has made or makes any representation to any of LaSalle's shareholders or any of Pebblebrook's shareholders regarding LaSalle's or Pebblebrook's or the combined company's ultimate

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performance compared to the information contained in the financial projections or that the financial projections will be achieved.

In light of the foregoing factors and the uncertainties inherent in the financial projections set forth above, LaSalle shareholders and Pebblebrook shareholders are cautioned not to place undue, if any, reliance on the LaSalle financial projections set forth above.

Interests of Pebblebrook's Trustees and Executive Officers in the Mergers

None of Pebblebrook's executive officers or members of the Pebblebrook Board is party to an arrangement with Pebblebrook, or participates in any Pebblebrook plan, program or arrangement, that provides such executive officer or trustee with financial incentives that are contingent upon the consummation of the mergers.

In anticipation of Pebblebrook entering into the merger agreement, Pebblebrook and each of its three executive officers, Jon E. Bortz, Raymond D. Martz and Thomas C. Fisher, entered into waiver agreements pursuant to which the executive officers agreed that the mergers shall not be deemed to be a "Change in Control" as defined in the executives' change in control severance agreements and all of the executives' outstanding compensatory equity award agreements. As a result of entering into these waiver agreements, each executive officer has waived (i) the payment of any amounts of cash due to the executive and (ii) accelerated vesting of any unvested performance units, common shares or LTIP Class B Units, in each case that may otherwise have been due as a result of the mergers occurring.

Pebblebrook's trustees and executive officers will be the trustees and executive officers of the combined company as of immediately after completion of the company merger.

Interests of LaSalle's Trustees, Executive Officers and Employees in the Mergers

In considering the recommendation of the LaSalle Board to approve the company merger and the merger agreement and the other proposals described above, LaSalle shareholders should be aware that LaSalle trustees, executive officers and employees have certain interests in the mergers that are different from, or in addition to, the interests of LaSalle shareholders generally. These interests may create potential conflicts of interest. The LaSalle Board was aware of these interests and considered them, among other matters, in reaching its decision to approve the company merger and the merger agreement. These interests are discussed below.

For more information regarding the beneficial ownership of LaSalle securities by LaSalle trustees and executive officers, see "Security Ownership of Certain Beneficial Owners and Management."

LaSalle Deferred Shares

In accordance with the terms of the trustee fee deferral program, the merger agreement provides that each award of LaSalle deferred shares outstanding immediately prior to the effective time of the company merger will automatically be cancelled in exchange for the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. LaSalle deferred shares issued under the trustee fee deferral program represent amounts previously earned and voluntarily deferred by LaSalle non-management trustees.

The following table sets forth the number of LaSalle deferred shares held by LaSalle non-management trustees as of September 13, 2018, as well as the value of those shares based on an assumed election and receipt of 33% cash consideration (valued at \$37.80 per LaSalle common share) and 67% common share consideration (valued at \$34.44 per LaSalle common share, which is based on the average closing price of LaSalle common shares over the first five business days following the first public announcement of the mergers on September 6, 2018), which we refer to as the deemed election

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consideration. As noted above, the amounts in the table below reflect compensation previously earned and voluntarily deferred by the applicable trustee and are therefore not uniform.

Trustee	Number of LaSalle Deferred Shares (#)	Value of LaSalle Deferred Shares (\$)
Denise M. Coll		
Jeffrey T. Foland		
Darryl Hartley-Leonard	16,783	596,638
Jeffrey L. Martin	1,393	49,521
Stuart L. Scott	86,434	3,072,741
Donald A. Washburn		

LaSalle Restricted Common Shares

In accordance with the LaSalle 2014 Equity Incentive Plan, as amended, and the terms of the LaSalle restricted common share agreements, the merger agreement provides that, effective immediately prior to the effective time of the company merger, each LaSalle restricted common share that is outstanding immediately prior to the effective time of the company merger, including those held by LaSalle executive officers, will automatically become fully vested and non-forfeitable, and all restrictions and repurchase rights will lapse, and LaSalle common shares represented thereby will be considered outstanding for all purposes under the merger agreement. Each holder of LaSalle restricted common shares will have the right to submit an election and receive the merger consideration, less any required tax withholdings.

As of September 13, 2018, the LaSalle senior officers collectively owned 189,870 unvested LaSalle restricted common shares, including 107,635 unvested LaSalle restricted common shares granted to the LaSalle senior officers in January 2018. The following table sets forth the number of unvested LaSalle restricted common shares held by the LaSalle senior officers as of September 13, 2018, as well as the value of those shares based on the deemed election consideration.

Officer	Unvested LaSalle Restricted Common Shares (#)	Value of Unvested LaSalle Restricted Shares (\$)
Michael D. Barnello	93,820	3,335,314
Kenneth G. Fuller	28,860	1,025,977
Alfred L. Young, Jr.	44,499	1,581,946
Ian Gaum	22,691	806,668

LaSalle Performance Share Awards

The LaSalle performance share award agreements provide that the number of LaSalle common shares subject to each award that would become vested upon a change in control is based on the measurement of certain performance criteria as of the closing date of a change in control. Accordingly, the number of earned LaSalle performance shares under each such LaSalle performance share award could range between zero to 200% of the target number of LaSalle common shares subject to such LaSalle performance share award. As of the time the merger agreement was executed, LaSalle calculated that each of Messrs. Barnello, Fuller, Young and Gaum would be entitled to receive 179%, 174%, 180% and 172%, respectively, of the target number of LaSalle common shares under the pre-existing terms of their LaSalle performance share award agreements had the determination been made at the time the merger agreement was executed. Following the execution of the merger

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agreement, LaSalle and Pebblebrook evaluated the number of LaSalle common shares that could be earned and vested upon the effective time of the company merger and, in order to avoid uncertainty, LaSalle and Pebblebrook amended the merger agreement on September 18, 2018 to provide that, immediately prior to the effective time of the company, each outstanding LaSalle performance share award, including those held by LaSalle's senior officers, will automatically become earned and vested with respect to 180% of the target number of LaSalle common shares subject to such LaSalle performance share award agreement. Immediately prior to the effective time of the company merger, each earned LaSalle performance share will be cancelled in exchange for the right to submit an election and receive the merger consideration, without interest and less any required tax withholdings. Additionally, in accordance with the terms of the LaSalle performance share award agreements, in connection with the mergers, each holder of LaSalle performance share awards will receive a cash amount equal to all accrued and unpaid cash dividends that would have been paid on the earned LaSalle performance shares as if such earned LaSalle performance shares had been issued and outstanding from the grant date through the effective time of the company merger, without interest and less any required tax withholdings.

As of September 13, 2018, the LaSalle senior officers collectively owned 366,746 unearned and unvested LaSalle performance share awards (assuming "target" performance). The following table sets forth the number of LaSalle performance share awards held by the LaSalle senior officers as of September 13, 2018, as well as the value of those awards with a performance level equal to 180%. The dollar amounts set forth below are based on the deemed election consideration.

Officer	Number of LaSalle Performance Share Awards(#)	Value of LaSalle Performance Share Awards (\$)
Michael D. Barnello	357,140	12,696,370
Kenneth G. Fuller	100,487	3,572,320
Alfred L. Young, Jr.	169,337	6,019,947
Ian Gaum	33,179	1,179,532

Change in Control Severance Agreements

As previously disclosed, LaSalle entered into an amended and restated change in control severance agreement with Mr. Barnello, effective October 19, 2009, and change in control severance agreements with Mr. Fuller, effective April 25, 2016, Mr. Young, effective November 3, 2009, and Mr. Gaum, effective December 17, 2013.

Each severance agreement provides for certain severance payments and benefits, as described more fully below, upon termination by LaSalle without "cause" (as defined in the applicable severance agreement) or by the officer for "good reason" (as defined in the applicable severance agreement) in connection with or within one year following a change in control. The merger agreement provides that the occurrence of the effective time of the company merger will be deemed to constitute a change in control under each severance agreement. Immediately after the effective time of the company merger, the employment of each of the LaSalle senior officers will be deemed to have been terminated by LaSalle without "cause" as of the completion of the company merger and each officer will be entitled to the following severance payments and benefits provided under the terms of the applicable severance agreements, subject to the applicable individual's execution and non-revocation of a general release of claims:

an amount, which we refer to as the cash severance payment, equal to the sum of the officer's then-current annual base salary plus average bonus over the prior three years (as adjusted for such lesser number of years that the officer has been employed by us), multiplied by:

with respect to Mr. Barnello, three, or

with respect to Messrs. Fuller, Young and Gaum, two;

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the amount of any annual base salary and accrued vacation time earned but not paid to the date of termination;

an amount equal to the officer's average bonus over the prior three years (as adjusted for such lesser number of years that the officer has been employed by us) that is pro-rated for the portion of the year elapsed;

continuation of then-current health, dental, disability and life insurance benefits at the same level as in effect immediately preceding such termination for (a) three years for Mr. Barnello, (b) 18 months for Mr. Fuller and (c) two years for Messrs. Young and Gaum, following the respective officer's termination of employment; and

additional benefits, if any, as are provided under applicable plans, programs and/or arrangements of LaSalle.

The severance agreements with Messrs. Barnello and Young provide for tax gross-up payments to the executive if any amounts paid or payable to the executive are subject to the excise tax imposed on certain so-called "excess parachute payments" under Section 4999 of the Code.

As a condition to receiving accelerated vesting under the existing terms of the LaSalle performance share awards, each of Messrs. Barnello, Fuller, Young and Gaum agreed to a 12-month limited non-compete with LaSalle that restricts such officer from participating in any business operation primarily engaged in owning (as compared to, for example, franchising or managing) luxury or upscale hotels in urban, resort or convention markets in the United States. The severance agreements also contain non-solicitation provisions which apply during the term of the officer's employment and the 12-month period following employment termination.

None of the LaSalle senior officers has an employment arrangement or agreement with Pebblebrook, Pebblebrook OP, the serving entity or any of their affiliates, and Pebblebrook has publicly stated that its existing executive team will continue to manage the combined company following the completion of the mergers.

The table below under "Quantification of Payments and Benefits" reflects the amount of severance payments and benefits that the LaSalle executive officers would be entitled to receive under the applicable executive officer's severance agreement upon termination of such executive officer's employment by LaSalle without "cause" or by the executive officer for "good reason" following the mergers.

Payment of Employee Bonuses

In order to reduce uncertainty in connection with the mergers, the merger agreement provides that Pebblebrook will cause the surviving entity to pay pro-rated annual bonuses for the 2018 performance year for certain LaSalle employees (other than the LaSalle senior officers) no later than January 15, 2019 at 125% of the applicable employee's target bonus amount. The amount of any 2018 annual bonus due to any employee who is terminated by Pebblebrook or the surviving entity without "cause" prior to January 15, 2019 will be pro-rated based on 2018 service through the termination date and paid upon expiration of the seven-day revocation period following the execution and delivery by the applicable employee of a release agreement.

Following LaSalle's receipt of an unsolicited proposal for the acquisition of LaSalle in March 2018, the LaSalle Board adopted an employee retention bonus plan to assure that LaSalle will retain and have the continued dedication of employees during a period of uncertainty at LaSalle. The aggregate value of the awards payable to certain LaSalle employees (other than the LaSalle senior officers) under the employee retention bonus plan is approximately \$7,500,000. Pebblebrook will cause the surviving entity to pay, following completion of the mergers, the amounts and benefits due to certain employees

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(other than the LaSalle senior officers) under LaSalle's employee retention bonus plan upon expiration of the seven-day revocation period following the execution and delivery by the applicable participant of a release agreement.

Payment of Trustee Compensation

In exchange for their services to LaSalle in connection with the mergers and the terminated Blackstone merger agreement, each member of the transaction committee of the LaSalle Board received compensation of \$20,000 per month, subject to an overall limit of \$100,000 per member. The members of the transaction committee of the LaSalle Board are Messrs. Foland, Hartley-Leonard and Scott.

Upon the completion of the mergers, the LaSalle non-management trustees will be paid by LaSalle in cash in respect of their earned and unpaid 2018 LaSalle Board compensation.

Indemnification of LaSalle Trustees and Executive Officers

The merger agreement provides that from and after the effective time of the partnership merger, each of Pebblebrook and the surviving entity will indemnify and hold harmless each individual who at the effective time of the partnership merger is, or at any time prior to the effective time of the partnership merger was, LaSalle's or LaSalle's subsidiaries' trustee, director or officer, which persons we refer to as the indemnified persons, for any and all costs and expenses (including reasonable fees and expenses of legal counsel), judgments, fines, penalties or liabilities (including amounts paid in settlement or compromise) imposed upon or reasonably incurred by such indemnified person in connection with or arising out of any action, suit, arbitration or other proceedings (whether civil or criminal) in which such indemnified person may be involved or with which he or she may be threatened (regardless of whether as a named party or as a participant other than as a named party, including as a witness), which we refer to as an indemnified person proceeding, (1) by reason of such indemnified person's being or having been such trustee, director or officer or an employee or agent of LaSalle or any of LaSalle's subsidiaries or otherwise in connection with any action taken or not taken at the request of LaSalle or any of LaSalle's subsidiaries at, or at any time prior to, the effective time of the partnership merger or (2) arising out of such indemnified person's service in connection with any other corporation or organization for which he or she serves or has served as a trustee, director, officer, employee, agent, trustee or fiduciary at LaSalle's request (including in any capacity with respect to any employee benefit plan) at, or at any time prior to, the effective time of the partnership merger, in each of (1) or (2), whether or not the indemnified person continues in such position at the time such indemnified person proceeding is brought or threatened, to the fullest extent permitted under applicable law, subject to certain limitations set forth in the merger agreement.

The parties have agreed not to terminate or modify the obligations described above regarding indemnification of indemnified persons in such a manner as to adversely affect such indemnified persons, and such obligations must be assumed by any successor entity to the surviving entity as a result of any consolidation or merger or transfer or conveyance of all or substantially all of its properties and assets.

The merger agreement also provides that for a period of six years from and after the effective time of the partnership merger, Pebblebrook will, or will cause the surviving entity to, maintain officers' and directors' liability insurance in respect of acts or omissions occurring prior to the effective time of the partnership covering each such person currently covered by LaSalle's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date of the merger agreement. This requirement is subject to a maximum cost of 300% of LaSalle's annual premium paid for such insurance in the fiscal year ended December 31, 2017, which we refer to as the maximum cost. If the cost to maintain or procure such insurance coverage

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would exceed the maximum cost, the surviving entity must cause to be maintained policies of insurance that, in the surviving entity's good faith judgment, provide the maximum coverage available at an aggregate amount for such insurance policy equal to the maximum cost. Additionally, Pebblebrook and the surviving entity are required to fulfill and honor in all respects LaSalle's obligations pursuant to specified agreements in effect as of the date of the merger agreement between LaSalle and any indemnified person; and any indemnification provision (including advancement of expenses) and any exculpation provision set forth in LaSalle's or LaSalle's subsidiaries' organizational documents as in effect on the date of the merger agreement.

Quantification of Payments and Benefits

The following table sets forth the information required by Item 402(t) of Regulation S-K promulgated by the SEC regarding certain compensation which each of the LaSalle "named executive officers" may receive that is based on or that otherwise relates to the mergers. This compensation is referred to as "golden parachute" compensation in Item 402(t) of Regulation S-K. This compensation payable to the LaSalle named executive officers is subject to a non-binding advisory vote of holders of LaSalle common shares as described above under the section entitled "Proposals Submitted to LaSalle Shareholders LaSalle Advisory (Non-Binding) Proposal on Specified Compensation." For additional details regarding the terms of the payments quantified below, see the sections entitled " LaSalle Restricted Common Shares," " LaSalle Performance Share Awards" and " Change in Control Severance Agreements" above.

The amounts indicated in the first table below, which we refer to as the deemed election table, are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, including the assumptions described below. The actual value to be received by the LaSalle named executive officers may be greater or less than the amounts presented below. For purposes of calculating such amounts, we have assumed, among other things:

December 31, 2018 as the completion date of the mergers;

per share consideration equal to the deemed election consideration, which assumes receipt of 33% cash consideration (valued at \$37.80 per LaSalle common share) and 67% common share consideration (valued at \$34.44 per LaSalle common share, which is based on the average closing market price of LaSalle common shares over the first five business days following the first public announcement of the mergers on September 6, 2018, as required by Item 402(t) of Regulation S-K); and

the deemed termination of the LaSalle named executive officers' employment by LaSalle without "cause" in connection with the completion of the mergers.

The amounts indicated in the Maximum Cash Consideration Table make all the same assumptions as the Deemed Election Table, except it estimates the value to be received by the LaSalle named executive officers by assuming each LaSalle named executive officer elects to, and does receive, only cash consideration of \$37.80 per LaSalle common share and such election is not subject to any pro-rata reduction under the terms of the merger agreement. The actual value to be received by the LaSalle named executive officers may be greater or less than the amounts presented below.

Table of Contents**"Golden Parachute" Compensation***Deemed Election Table*

Name	Cash (\$)(1)	Equity (\$)(2)	Perquisites/ Benefits (\$)(3)	Tax Reimbursement (\$)(4)	Total (\$)
Michael D. Barnello	9,052,583	16,811,432	150,000	10,558,593	36,572,608
Kenneth G. Fuller	2,160,230	4,787,754	50,000		6,997,984
Alfred L. Young, Jr.	2,795,936	7,972,773	80,000	4,240,530	15,089,239

Maximum Cash Consideration Table

Name	Cash (\$)(1)	Equity (\$)(2)	Perquisites/ Benefits (\$)(3)	Tax Reimbursement (\$)(4)	Total (\$)
Michael D. Barnello	9,052,583	17,826,028	150,000	11,079,762	38,108,374
Kenneth G. Fuller	2,160,230	5,078,767	50,000		7,288,997
Alfred L. Young, Jr.	2,795,936	8,453,873	80,000	4,464,975	15,794,784

- (1) This figure represents an estimate of the sum of (a) the cash severance payment, and (b) an amount equal to the applicable executive's average bonus over the prior three years (as adjusted for such lesser number of years that the executive has been employed by LaSalle) that is pro-rated for the portion of the year elapsed.

The cash severance payment, as further described above under "Interests of LaSalle Trustees, Executive Officers and Employees in the Mergers Change in Control Severance Agreements," is an amount equal to the sum of the executive's then-current annual base salary plus average bonus over the prior three years (as adjusted for such lesser number of years that the executive has been employed by us), multiplied by (a) three, for Mr. Barnello, or (b) two, for Messrs. Fuller and Young. The calculations in the table are based on each executive's 2018 annual base salary (\$850,000 for Mr. Barnello, \$475,000 for Mr. Fuller and \$530,000 for Mr. Young) and each executive's average bonus for the three-year period (as adjusted for such lesser period that the executive has been employed by us) ended December 31, 2017 (\$1,625,646 for Mr. Barnello, \$403,410 for Mr. Fuller and \$578,645 for Mr. Young). The cash severance payment will be paid in a lump sum upon expiration of the seven-day revocation period following the executive's execution and non-revocation of a general release of claims.

- (2) Represents the value of the accelerated vesting of LaSalle restricted common shares and LaSalle performance share awards (assuming 180% of "target" performance of the LaSalle performance share awards and including the value of all accrued and unpaid cash dividends that would have been paid with respect to the earned LaSalle performance shares), as applicable, for each LaSalle named executive officer. See the sections entitled "LaSalle Restricted Common Shares" and "LaSalle Performance Share Awards" above for more information. Estimated amounts included in this column with respect to LaSalle restricted common shares and LaSalle performance share awards are "single trigger" benefits that will be paid in cash within three business days after the effective time of the company merger to LaSalle named executive officers.

- (3) This figure represents an estimate of the sum of the amount needed to pay for then-current health, dental, disability and life insurance benefits for (a) 36 months for Mr. Barnello, (b) 18 months for Mr. Fuller, and (c) 24 months for Mr. Young, with such amounts payable following the executive's termination of employment at the same level as in effect immediately preceding his termination of employment. The health insurance benefits amounts were determined using the estimated premiums currently in effect. Estimated amounts included in this column will

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be paid in a lump sum upon expiration of the seven-day revocation period following the executive's execution and non-revocation of a general release of claims.

(4)

The severance agreements with Messrs. Barnello and Young provide for tax gross-up payments to the executive if any amounts paid or payable to the executive would be subject to the excise tax imposed on certain so-called "excess parachute payments" under Section 4999 of the Code. This figure represents the estimated potential cost of such tax gross-up but does not reflect any reduction in the value of the parachute payments that may be attributable to the value of their covenants against competitive employment.

Security Ownership of LaSalle's Trustees and Executive Officers and Certain Beneficial Owners

The following table sets forth as of September 13, 2018, except as otherwise set forth in the footnotes to the table, the beneficial ownership of LaSalle common shares, for (1) each person who is a beneficial owner of 5% or more of the outstanding LaSalle common shares, (2) each of LaSalle's named executive officers, (3) each LaSalle trustee and (4) LaSalle's executive officers and trustees as a group. In accordance with SEC rules, each listed person's beneficial ownership includes all LaSalle common shares the person actually owns beneficially or of record, all LaSalle common shares over which the person has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund), and all LaSalle common shares the person has the right to acquire within 60 days, except as otherwise set forth in the footnotes to the table. LaSalle is not aware of any arrangements, including any pledge of LaSalle common shares, that could result in a change in control of LaSalle.

Name of Beneficial Owner	LaSalle Common Shares Beneficially Owned(1)	
	Number	Percent of Total
BlackRock, Inc.(2)	15,126,088	13.40
Pebblebrook Hotel Trust(3)	10,809,215	9.79
HG Vora Capital Management, LLC(4)	9,000,000	8.20
Long Pond Capital, LP/Long Pond Capital GP, LLC/John Khoury(5)	5,780,546	5.10
State Street Corporation(6)	5,904,588	5.22
The Vanguard Group 23-1945930(7)	18,257,393	16.12
Vanguard Specialized Funds Vanguard REIT Index Fund 23-2834924(8)	7,623,462	6.73
Wellington Management Group LLP/Wellington Group Holdings LLP/Wellington Investment Advisors Holdings LLP/Wellington Management Company LLP(9)	6,421,305	5.67
Michael D. Barnello	250,799	*
Denise M. Coll	23,651	*
Jeffrey T. Foland	15,636	*
Darryl Hartley-Leonard(10)	9,697	*
Jeffrey L. Martin(10)	5,317	*
Stuart L. Scott(10)	76,022	*
Donald A. Washburn	66,330	*
Kenneth G. Fuller	34,270	*
Alfred L. Young, Jr.	113,868	*
All LaSalle Trustees and Executive Officers as a group (9 persons)	595,590	*

*

Represents less than one percent of class.

(1)

For purposes of computing the percentage of outstanding LaSalle common shares held by each person, any LaSalle common shares which such person has the right to acquire within 60 days

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of September 13, 2018 are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percent ownership of any other person.

- (2) As reflected in a statement on Schedule 13G/A filed by BlackRock, Inc., which we refer to as BlackRock, with the SEC on January 19, 2018. Based on information contained in the Schedule 13G/A, BlackRock, in its capacity as the parent holding company of several subsidiaries, is deemed to have the sole power to vote or to direct the vote with respect to 14,846,549 LaSalle common shares and is deemed to have the sole power to dispose or to direct the disposition with respect to 15,126,088 LaSalle common shares. BlackRock Fund Advisors, a subsidiary of BlackRock, beneficially owns 5% or more of the LaSalle common shares outstanding. BlackRock has its principal business office at 55 East 52nd Street, New York, New York 10055.
- (3) As reflected in a statement on Schedule 13D filed by Pebblebrook with the SEC on June 22, 2018. Based on information contained in the Schedule 13D, Pebblebrook, in its capacity as sole general partner of Pebblebrook OP, is deemed to have the sole power to vote or direct the vote with respect to 10,809,215 LaSalle common shares and the sole power to dispose or direct the disposition with respect to 10,809,215 LaSalle common shares. Pebblebrook has its principal business office at 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814.
- (4) As reflected in a statement on Schedule 13G filed by HG Vora with the SEC on September 6, 2018. Based on information contained in the Schedule 13G, HG Vora is deemed to have the sole power to vote or to direct the vote with respect to 9,000,000 LaSalle common shares and is deemed to have the sole power to dispose or to direct the disposition with respect to 9,000,000 LaSalle common shares. HG Vora has its principal business office at 330 Madison Avenue, 20th Floor, New York, NY 10017.
- (5) As reflected in a statement on Schedule 13G filed by Long Pond Capital, LP, which we refer to as Long Pond LP, Long Pond Capital GP, LLC, which we refer to as Long Pond LLC, and John Khoury with the SEC on February 13, 2018. Based on information contained in the Schedule 13G, each of Long Pond LP, in its capacity as an investment adviser, and Long Pond LLC and Mr. Khoury, in their capacity as a parent holding company or control person, is deemed to have the shared power to vote or direct the vote with respect to 5,780,546 LaSalle common shares and the shared power to dispose or direct the disposition with respect to 5,780,546 LaSalle common shares. Long Pond LP, Long Pond LLC and Mr. Khoury have their principal business office at 527 Madison Avenue, 15th Floor, New York, New York 10022.
- (6) As reflected in a statement on Schedule 13G filed by State Street Corporation, which we refer to as State Street, with the SEC on February 14, 2018. Based on information contained in the Schedule 13G, State Street, in its capacity as a parent holding company, is deemed to have the shared power to vote or direct the vote with respect to 5,904,558 LaSalle common shares and the shared power to dispose or direct the disposition with respect to 5,904,558 LaSalle common shares. State Street has its principal business office at State Street Financial Center, One Lincoln Street, Boston, Massachusetts 02111.
- (7) As reflected in a statement on Schedule 13G/A filed by The Vanguard Group 23-1945930, which we refer to as Vanguard, with the SEC on February 9, 2018. Based on information contained in the Schedule 13G/A, Vanguard, in its capacity as an investment adviser, is deemed to have the sole power to vote or direct the vote with respect to 253,439 common shares, the shared power to vote or direct the vote with respect to 151,106 LaSalle common shares, the sole power to dispose or to direct the disposition with respect to 17,990,785 LaSalle common shares and the shared power to dispose or direct the disposition with respect to 266,608 LaSalle common shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 115,502 common shares or less than 1% of the LaSalle common shares outstanding as a result of its serving as investment manager of collective trust accounts. Vanguard Investments

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Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 289,043 LaSalle common shares or less than 1% of the LaSalle common shares outstanding as a result of its serving as investment manager of Australian investment offerings. Vanguard has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

- (8) As reflected in a statement on Schedule 13G/A filed by Vanguard Specialized Funds Vanguard REIT Index Fund 23-2834924, which we refer to as Vanguard Funds, with the SEC on February 2, 2018. Based on information contained in the Schedule 13G/A, Vanguard Funds, in its capacity as an investment company, is deemed to have the sole power to vote or to direct the vote with respect to 7,623,462 LaSalle common shares. Vanguard Funds has its principal business office at 100 Vanguard Blvd., Malvern, Pennsylvania 19355.
- (9) As reflected in a statement on Schedule 13G/A filed by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP, which we collectively refer to as Wellington, with the SEC on February 8, 2018. Based on information contained in the Schedule 13G/A, (a) each of Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP, in its capacity as a parent holding company, are deemed to have the shared power to vote or direct the vote with respect to 4,438,554 LaSalle common shares and the shared power to dispose or direct the disposition with respect to 6,421,305 LaSalle common shares, and (b) Wellington Management Company LLP, in its capacity as an investment adviser, is deemed to have the shared power to vote or direct the vote with respect to 4,270,817 LaSalle common shares and the shared power to dispose or direct the disposition with respect to 6,033,075 LaSalle common shares. Wellington has its principal business office at c/o Wellington Management Company LLP, 280 Congress Street, Boston, Massachusetts 02210.
- (10) The number of LaSalle common shares beneficially owned by the following persons does not include the number of LaSalle common shares deferred as a portion or all of such trustees' annual retainer (as discussed in "Interests of LaSalle's Trustees, Executive Officers and Employees in the Merger Deferred Shares"): Mr. Hartley-Leonard 16,783; Mr. Martin 1,393; and Mr. Scott 86,434. Holders of LaSalle deferred shares receive additional LaSalle deferred shares in an amount equal to the amount of any dividends paid on the LaSalle common shares exchangeable for the outstanding LaSalle deferred shares, divided by the average closing price of LaSalle common shares on the NYSE during the ten trading days preceding the first day on which the LaSalle common shares begin trading without entitlement to the applicable dividend. The total number of LaSalle deferred shares for each trustee discussed in this footnote 10 includes additional LaSalle deferred shares acquired through dividend reinvestment through September 13, 2018.

Regulatory Approvals Required for the Mergers

We are not aware of any material federal, state or foreign regulatory requirements or approvals that are required for the execution of the merger agreement or the completion of the mergers, other than the acceptance for record of the articles of merger with respect to the company merger by the Department of Assessments and Taxation of the State of Maryland, which we refer to as SDAT, and the filing of the certificate of merger with respect to the partnership merger with the Delaware Secretary of State, which we refer to as the DSOS.

Material U.S. Federal Income Tax Consequences

The following general discussion summarizes the anticipated material U.S. federal income tax consequences of the company merger to U.S. holders and non-U.S. holders (each as defined below) of LaSalle common shares and the material U.S. federal income tax consequences generally relating to the

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combined company's qualification and taxation as a REIT and to the ownership and disposition of the common shares of the combined company received in the company merger.

This summary is for general information only and is not tax advice. The information in this summary is based on the Code, the Treasury Regulations promulgated under the Code and court and administrative rulings, decisions and interpretations, all as in effect as of the date of this joint proxy statement/prospectus. Future legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations contained in this summary. Any such change could apply retroactively to transactions preceding the date of the change. We have not requested and do not intend to request a ruling from the IRS regarding the U.S. federal income tax consequences of the company merger or the combined company's qualification as a REIT, and the statements in this joint proxy statement/prospectus are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this summary will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws.

This summary assumes you hold LaSalle common shares and, following the company merger, the common shares of the combined company as "capital assets" (generally, property held for investment within the meaning of Section 1221 of the Code). It does not address all U.S. federal income tax consequences that may be relevant to you in light of your particular circumstances. It does not address the net investment income tax. In addition, except where specifically noted, this discussion does not address the tax consequences relevant to persons subject to special rules, including, without limitation:

banks, insurance companies, and other financial institutions;

tax-exempt organizations or governmental organizations;

S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);

persons who hold LaSalle common shares (or, following the company merger, the combined company common shares) pursuant to the exercise of any employee stock option or otherwise as compensation;

persons subject to the alternative minimum tax;

regulated investment companies and REITs;

"controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;

broker, dealers or traders in securities;

U.S. expatriates and former citizens or long-term residents of the United States;

persons holding LaSalle common shares (or, following the company merger, the combined company common shares) as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;

persons deemed to sell LaSalle common shares (or, following the company merger, the combined company common shares) under the constructive sale provisions of the Code; or

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United States persons whose functional currency is not the U.S. dollar.

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When we use the term "U.S. holder," we mean a beneficial owner of LaSalle common shares or, following the company merger, the common shares of the combined company who, for U.S. federal income tax purposes, is or is treated as:

an individual who is a citizen or resident of the United States;

a corporation, or entity treated as a corporation, created or organized under the laws of the United States, any state thereof, or the District of Columbia;

an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust that (1) is subject to the primary supervision of a United States court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of LaSalle common shares or, following the company merger, the common shares of the combined company, that is neither a "U.S. holder" nor a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds LaSalle common shares or, following the company merger, the common shares of the combined company, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding LaSalle common shares or, following the company merger, the common shares of the combined company and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. YOU SHOULD CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE COMPANY MERGER AND THE OWNERSHIP AND DISPOSITION OF THE COMBINED COMPANY COMMON SHARES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Material U.S. Federal Income Tax Consequences of the Company Merger

Treatment of the Company Merger as a Reorganization

It is a condition to the completion of the mergers that Hunton Andrews Kurth LLP (or other counsel reasonably acceptable to Pebblebrook) and Goodwin Procter LLP (or other counsel reasonably acceptable to LaSalle) each render an opinion to its client to the effect that the company merger will constitute a reorganization within the meaning of Section 368(a) of the Code. Hunton Andrews Kurth LLP and Goodwin Procter LLP are providing opinions to Pebblebrook and LaSalle, respectively, to the same effect in connection with the filing of this joint proxy statement/prospectus. Such opinions will be subject to customary exceptions, assumptions and qualifications, and will be based on representations made by Pebblebrook and LaSalle regarding factual matters (including those contained in the tax representation letters provided by Pebblebrook and LaSalle), and covenants undertaken by Pebblebrook and LaSalle. If any assumption or representation is inaccurate in any way, or any covenant is not complied with, the tax consequences of the company merger could differ from those described in the tax opinions and in this summary. These tax opinions represent the legal judgment of counsel

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rendering the opinion and are not binding on the IRS or the courts. No ruling from the IRS has been or is expected to be requested in connection with the company merger, and there can be no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to the conclusions set forth in the tax opinions.

Consequences of the Company Merger to U.S. Holders of LaSalle Common Shares

Provided 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 of LaSalle common shares who receives solely Pebblebrook common shares in exchange for their LaSalle common shares will not recognize any gain or loss on the exchange, except with respect to cash received in lieu of any fractional share of Pebblebrook common shares, as discussed below. 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 Solely Cash

A U.S. holder of LaSalle common shares who receives solely cash will recognize gain or loss in an amount equal to the difference, if any, between (1) the amount of cash received and (2) such U.S. holder's tax basis in the LaSalle common shares surrendered. Any such gain or loss will be long-term capital gain or loss if, as of the date of the company merger, the U.S. holder's holding period in the LaSalle common shares surrendered exceeds one year. The deductibility of capital losses is subject to limitations.

U.S. holders electing to receive solely the cash consideration in exchange for their LaSalle common shares may be subject to proration, which may result in the receipt of a portion of the merger consideration in Pebblebrook common shares, in addition to cash. See the discussion under " U.S. Holders Who Receive a Combination of Pebblebrook Common Shares and Cash" for a general description of the material U.S. federal income tax consequences to U.S. holders of the receipt of Pebblebrook common shares and cash.

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). Any gain that the U.S. holder recognizes generally will be long-term capital gain if, as

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of the date of the mergers, the U.S. holder's holding period in its LaSalle common shares surrendered exceeds one year.

If a U.S. holder of LaSalle common shares acquired different blocks of shares at different times or at different prices, any gain or loss will be determined separately with respect to each block of LaSalle common shares, and such U.S. holder's tax basis and holding period in its Pebblebrook common shares received may be determined with reference to each identifiable block of LaSalle common shares. U.S. holders should consult their tax advisors regarding the manner in which cash and Pebblebrook common shares received is allocated among different blocks of LaSalle common shares and with respect to identifying the bases or holding periods of particular Pebblebrook common shares received.

In certain cases, if a U.S. holder of LaSalle common shares actually or constructively owns Pebblebrook common shares other than Pebblebrook common shares received in the transaction, the gain that is recognized by the U.S. holder could be treated as having the effect of the distribution of a dividend under the tests described in Section 302 of the Code, in which case such gain would be treated as dividend income for U.S. federal income tax purposes. In such cases, corporate U.S. holders should consult their tax advisors regarding the potential applicability of the "extraordinary dividend" provisions of the Code.

The aggregate tax basis of the Pebblebrook common shares received (including any fractional shares deemed received and exchanged for cash) by a U.S. holder that surrenders its LaSalle common shares for a combination of Pebblebrook common shares and cash will be equal to the U.S. holder's aggregate adjusted tax basis of the shares surrendered, reduced by the amount of cash received by the U.S. holder (excluding any cash received instead of fractional shares of Pebblebrook common shares) and increased by the amount of gain, if any, recognized by the U.S. holder (excluding any gain recognized with respect to cash received in lieu of fractional shares of Pebblebrook common shares).

The holding period of the Pebblebrook common shares received (including any fractional shares deemed received and exchanged for cash; see the discussion under "Cash in Lieu of a Fractional Share") will include the holding period of the LaSalle common shares surrendered. U.S. holders receiving a combination of Pebblebrook common shares and cash should consult their tax advisors regarding the manner in which cash and Pebblebrook common shares should be allocated among the U.S. holder's shares surrendered and the manner in which the above rules would apply in the U.S. holder's particular circumstances.

Cash in Lieu of a Fractional Share

Cash received by a U.S. holder of LaSalle common shares in lieu of a fractional share of Pebblebrook common shares in the company merger will be treated as if such fractional share had been issued in connection with the company merger and then redeemed by the combined company, and such U.S. holder generally will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the amount of cash received and the U.S. holder's tax basis in such fractional share. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period in respect of such fractional share is greater than one year. The deductibility of capital losses is subject to limitations.

Consequences of the Company Merger to Non-U.S. Holder of LaSalle Common Shares

If the company merger qualifies as a "reorganization" within the meaning of Section 368(a) of the Code, a non-U.S. holder's gain or loss from the company merger will be determined in the same manner as that of a U.S. holder. A non-U.S. holder of LaSalle common shares will not be subject to U.S. federal income taxation on any gain recognized from the receipt of the merger consideration, unless (1) the gain is effectively connected with a U.S. trade or business of the non-U.S. holder, (2) the non-U.S. holder is an individual who has been present in the United