

**LASALLE HOTEL PROPERTIES**  
**TAX CHARACTERIZATION OF 2017 CASH DIVIDENDS**

The federal income tax treatment of LaSalle Hotel Properties' 2017 cash distributions to holders of its Common Shares of Beneficial Interest, 7.5% Series H Cumulative Redeemable Preferred Shares, 6.375% Series I Cumulative Redeemable Preferred Shares and 6.3% Series J Cumulative Redeemable Preferred Shares is noted below.

**Common Shares of Beneficial Interest (NYSE: LHO):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share<sup>(1)</sup></u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(2)</sup></u>
517942108	12/30/2016	1/17/2017	\$0.450000	\$0.000000	\$0.000000	\$0.000000
	3/31/2017	4/17/2017	\$0.450000	\$0.244846	\$0.205154	\$0.114483
	6/30/2017	7/17/2017	\$0.450000	\$0.244846	\$0.205154	\$0.114483
	9/29/2017	10/16/2017	\$0.450000	\$0.244846	\$0.205154	\$0.114483
	12/29/2017	1/16/2018	\$0.450000	\$0.244846	\$0.205154	\$0.114483
		<b>2017 Total</b>	<b>\$2.250000</b>	<b>\$0.979384</b>	<b>\$0.820616</b>	<b>\$0.457932</b>

**7.5% Series H Cumulative Redeemable Preferred Shares (NYSE: LHOPRH):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share<sup>(1)</sup></u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(2)</sup></u>
517942702	12/30/2016	1/17/2017	\$0.468750	\$0.000000	\$0.000000	\$0.000000
	3/31/2017	4/17/2017	\$0.468750	\$0.255048	\$0.213702	\$0.119253
	4/3/2017	5/4/2017	\$0.098958	\$0.053843	\$0.045115	\$0.025176
		<b>2017 Total</b>	<b>\$1.036458</b>	<b>\$0.308891</b>	<b>\$0.258817</b>	<b>\$0.144429</b>

**Note:** The Company redeemed its outstanding Series H Cumulative Redeemable Preferred Shares on May 4, 2017. The redemption payment included the dividend payable from April 16, 2017 through May 4, 2017 of \$0.098958 per share.

**6.375% Series I Cumulative Redeemable Preferred Shares (NYSE: LHOPRI):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share<sup>(1)</sup></u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(2)</sup></u>
517942801	12/30/2016	1/17/2017	\$0.398438	\$0.000000	\$0.000000	\$0.000000
	3/31/2017	4/17/2017	\$0.398437	\$0.216791	\$0.181646	\$0.101365
	6/30/2017	7/17/2017	\$0.398437	\$0.216791	\$0.181646	\$0.101365
	9/29/2017	10/16/2017	\$0.398437	\$0.216791	\$0.181646	\$0.101365
	12/29/2017	1/16/2018	\$0.398437	\$0.216791	\$0.181646	\$0.101365
		<b>2017 Total</b>	<b>\$1.992186</b>	<b>\$0.867164</b>	<b>\$0.726584</b>	<b>\$0.405460</b>

**6.3% Series J Cumulative Redeemable Preferred Shares (NYSE: LHOPRJ):**

<u>CUSIP</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Distribution Per Share<sup>(1)</sup></u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(2)</sup></u>
517942884	12/30/2016	1/17/2017	\$0.393750	\$0.000000	\$0.000000	\$0.000000
	3/31/2017	4/17/2017	\$0.393750	\$0.214241	\$0.179509	\$0.100172
	6/30/2017	7/17/2017	\$0.393750	\$0.214241	\$0.179509	\$0.100172
	9/29/2017	10/16/2017	\$0.393750	\$0.214241	\$0.179509	\$0.100172
	12/29/2017	1/16/2018	\$0.393750	\$0.214241	\$0.179509	\$0.100172
		<b>2017 Total</b>	<b>\$1.968750</b>	<b>\$0.856964</b>	<b>\$0.718036</b>	<b>\$0.400688</b>

<sup>(1)</sup> The entire Q4 2016 distributions paid on January 17, 2017 for the common shares of beneficial interest and redeemable preferred shares were included as income in 2016.

<sup>(2)</sup> The Unrecaptured Section 1250 Gain Distribution is included in the Capital Gain Distribution column.

**Shareholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of cash distributions.**