

**LASALLE HOTEL PROPERTIES**  
**TAX CHARACTERIZATION OF 2016 CASH DIVIDENDS**

The federal income tax treatment of LaSalle Hotel Properties' 2016 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</u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(1)</sup></u>
517942108	12/31/2015	1/15/2016	\$0.450000	\$0.042310	\$0.025642	\$0.009091
	3/31/2016	4/15/2016	\$0.450000	\$0.280190	\$0.169810	\$0.060203
	6/30/2016	7/15/2016	\$0.450000	\$0.280190	\$0.169810	\$0.060203
	9/30/2016	10/17/2016	\$0.450000	\$0.280190	\$0.169810	\$0.060203
	12/30/2016	1/17/2017	\$0.450000	\$0.280190	\$0.169810	\$0.060203
		<b>2016 Total</b>	<b>\$2.250000</b>	<b>\$1.163070</b>	<b>\$0.704882</b>	<b>\$0.249903</b>

Note: \$0.382048 of the Q4 2015 distribution paid on January 15, 2016 was included as income in 2015.

**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</u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(1)</sup></u>
517942702	1/1/2016	1/15/2016	\$0.468750	\$0.291865	\$0.176885	\$0.062712
	4/1/2016	4/15/2016	\$0.468750	\$0.291865	\$0.176885	\$0.062712
	7/1/2016	7/15/2016	\$0.468750	\$0.291865	\$0.176885	\$0.062712
	9/30/2016	10/17/2016	\$0.468750	\$0.291865	\$0.176885	\$0.062712
	12/30/2016	1/17/2017	\$0.468750	\$0.291865	\$0.176885	\$0.062712
		<b>2016 Total</b>	<b>\$2.343750</b>	<b>\$1.459325</b>	<b>\$0.884425</b>	<b>\$0.313560</b>

**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</u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(1)</sup></u>
517942801	1/1/2016	1/15/2016	\$0.398438	\$0.248086	\$0.150352	\$0.053305
	4/1/2016	4/15/2016	\$0.398438	\$0.248086	\$0.150352	\$0.053305
	7/1/2016	7/15/2016	\$0.398438	\$0.248086	\$0.150352	\$0.053305
	9/30/2016	10/17/2016	\$0.398438	\$0.248086	\$0.150352	\$0.053305
	12/30/2016	1/17/2017	\$0.398438	\$0.248086	\$0.150352	\$0.053305
		<b>2016 Total</b>	<b>\$1.992190</b>	<b>\$1.240430</b>	<b>\$0.751760</b>	<b>\$0.266525</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</u>	<u>Ordinary Income Distribution</u>	<u>Capital Gain Distribution</u>	<u>Unrecaptured Section 1250 Gain Distribution<sup>(1)</sup></u>
517942884	7/1/2016	7/15/2016	\$0.218750	\$0.136204	\$0.082546	\$0.029265
	9/30/2016	10/17/2016	\$0.393750	\$0.245167	\$0.148583	\$0.052678
	12/30/2016	1/17/2017	\$0.393750	\$0.245167	\$0.148583	\$0.052678
		<b>2016 Total</b>	<b>\$1.006250</b>	<b>\$0.626538</b>	<b>\$0.379712</b>	<b>\$0.134621</b>

<sup>(1)</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.**