

Pebblebrook Hotel Trust
Form 424B5
June 02, 2016

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 2, 2016

PROSPECTUS SUPPLEMENT

(To prospectus dated March 4, 2014)

Shares

% Series D Cumulative Redeemable Preferred Shares of Beneficial Interest

(Liquidation Preference \$25 Per Share)

We are offering _____ of our _____ % Series D Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (the _____ Series D Preferred Shares _____).

Distributions on the Series D Preferred Shares will be payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day). The distribution rate is _____ % per annum of the \$25.00 liquidation preference, which is equivalent to \$ _____ per annum per Series D Preferred Share. The first distribution on the Series D Preferred Shares sold in this offering will be paid on July 15, 2016 and will be in the amount of \$ _____ per share.

We may not redeem the Series D Preferred Shares before June _____, 2021 except in limited circumstances to preserve our status as a real estate investment trust (REIT) for federal income tax purposes and except as described below upon the occurrence of a Change of Control (as defined in _____ Description of the Series D Preferred Shares _____ Special Optional Redemption _____). On and after June _____, 2021, we may, at our option, redeem the Series D Preferred Shares, in whole or from time to time in part, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. In addition, upon the occurrence of a change of control the result of which is that neither our common shares of beneficial interest, \$0.01 par value per share (_____ common shares _____), nor the common securities of the

acquiring or surviving entity (or American Depositary Receipts (ADRs) representing such securities) are listed on the New York Stock Exchange (the NYSE), the NYSE MKT LLC (the NYSE MKT) or the NASDAQ Stock Market (NASDAQ) or listed or quoted on a successor exchange or quotation system, we may, at our option, redeem the Series D Preferred Shares, in whole or in part and within 120 days after the first date on which such change of control occurred, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. If we exercise any of our redemption rights relating to the Series D Preferred Shares, the holders of Series D Preferred Shares will not have the conversion right described below. The Series D Preferred Shares have no maturity date and will remain outstanding indefinitely unless redeemed by us or converted in connection with a change of control by the holders of Series D Preferred Shares. Holders of shares of the Series D Preferred Shares will generally have no voting rights except for limited voting rights if we fail to pay distributions for six or more quarterly periods (whether or not consecutive) and in certain other circumstances.

Upon the occurrence of a change of control the result of which is that neither our common shares nor the common securities of the acquiring or surviving entity (or ADRs representing such securities) are listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on a successor exchange or quotation system, each holder of Series D Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date (as defined herein), we have provided or provide notice of our election to redeem the Series D Preferred Shares) to convert some or all of the Series D Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares per Series D Preferred Share to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series D Preferred Share distribution payment and prior to the corresponding Series D Preferred Share distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Share Price (as defined herein); and

(the Share Cap), subject to certain adjustments;
subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

The Series D Preferred Shares are subject to certain restrictions on ownership designed to preserve our qualification as a REIT for federal income tax purposes.

We intend to file an application to list the Series D Preferred Shares on the NYSE under the symbol PEBPrD. If the application is approved, we expect trading of the Series D Preferred Shares on the NYSE to commence within 30 days following the initial delivery of the Series D Preferred Shares.

Investing in the Series D Preferred Shares involves a high degree of risk. Before buying any Series D Preferred Shares, you should carefully read the discussion of material risks of investing in the Series D Preferred Shares under the heading Risk Factors beginning on page S-8 of this prospectus supplement and beginning on page 5 of our Annual Report on Form 10-K for the year ended December 31, 2015.

Per Share Total⁽¹⁾

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Public offering price ⁽²⁾	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) Assumes no exercise of the underwriters' option to purchase additional Series D Preferred Shares described below.

(2) Plus accrued distributions, if any, from June , 2016.

We have granted the underwriters the right to purchase up to an additional Series D Preferred Shares at the public offering price set forth above, less the underwriting discount, within 30 days from the date of this prospectus supplement.

TABLE OF CONTENTS

Prospectus Supplement

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-ii
<u>OUR COMPANY</u>	S-1
<u>THE OFFERING</u>	S-2
<u>RISK FACTORS</u>	S-8
<u>USE OF PROCEEDS</u>	S-11
<u>DESCRIPTION OF THE SERIES D PREFERRED SHARES</u>	S-12
<u>MATERIAL FEDERAL INCOME TAX CONSIDERATIONS</u>	S-22
<u>UNDERWRITING</u>	S-52
<u>LEGAL MATTERS</u>	S-56
<u>EXPERTS</u>	S-56
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	S-56

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	1
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>OUR COMPANY</u>	3
<u>RISK FACTORS</u>	4
<u>USE OF PROCEEDS</u>	4
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS</u>	4
<u>DESCRIPTION OF THE SECURITIES WE MAY OFFER</u>	5
<u>DESCRIPTION OF SHARES OF BENEFICIAL INTEREST</u>	5
<u>DESCRIPTION OF DEBT SECURITIES</u>	10
<u>DESCRIPTION OF WARRANTS</u>	21
<u>DESCRIPTION OF UNITS</u>	22
<u>GLOBAL SECURITIES</u>	22
<u>MATERIAL FEDERAL INCOME TAX CONSIDERATIONS</u>	23
<u>PLAN OF DISTRIBUTION</u>	51
<u>LEGAL MATTERS</u>	54
<u>EXPERTS</u>	54

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any applicable free writing prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction where it is unlawful to make such offer or solicitation. You should

assume that the information appearing in this prospectus supplement, the accompanying prospectus, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

S-i

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and adds to and updates information contained in the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering.

To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or the documents incorporated by reference in this prospectus supplement on or prior to the date of this prospectus supplement, the information in this prospectus supplement will supersede such information.

*This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See *Incorporation of Certain Information by Reference* in this prospectus supplement and *Where You Can Find More Information* in the accompanying prospectus. Unless the context otherwise requires, in this prospectus supplement, the terms *company*, *we*, *us* and *our* refer to Pebblebrook Hotel Trust and its consolidated subsidiaries, including Pebblebrook Hotel, L.P., our operating partnership.*

OUR COMPANY

General

Pebblebrook Hotel Trust is an internally managed hotel investment company organized to opportunistically acquire and invest in hotel properties located primarily in major U.S. cities, with an emphasis on the major coastal markets. As of the date of this prospectus supplement, we owned or had an ownership interest in 35 hotels, including 29 wholly owned hotels with a total of 7,235 guest rooms and a 49% joint venture interest in six hotels with a total of 1,787 guest rooms. The hotels are located in the following markets: Hollywood, California; Los Angeles, California; Los Angeles (Beverly Hills), California; San Diego, California; San Francisco, California; Santa Monica, California; West Hollywood, California; Naples, Florida; Atlanta (Buckhead), Georgia; Bethesda, Maryland; Boston, Massachusetts; Minneapolis, Minnesota; New York, New York; Portland, Oregon; Philadelphia, Pennsylvania; Nashville, Tennessee; Seattle, Washington; Stevenson, Washington; and Washington, D.C.

We conduct substantially all of our operations, and make substantially all of our investments, through our operating partnership, Pebblebrook Hotel, L.P., and its subsidiaries.

We believe that we qualify, and we have elected to be taxed, as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, commencing with our short taxable year ended December 31, 2009.

Our principal executive offices are located at 7315 Wisconsin Avenue, Suite 1100 West, Bethesda, Maryland 20814. Our telephone number is (240) 507-1300. Our Internet website is www.pebblebrookhotels.com. The information contained on our website is not part of this prospectus supplement or the accompanying prospectus.

Recent Developments

On June 1, 2016, we completed the sales of two hotel properties. We completed the sale of Viceroy Miami in Miami, Florida for \$64.5 million and The Redbury Hotel in Los Angeles, California for \$40.9 million.

On May 5, 2016, we completed the sale of an excess land parcel adjacent to Revere Hotel Boston Common in Boston, Massachusetts for \$6.0 million.

Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends

The following table sets forth our ratio of earnings to combined fixed charges and preferred share dividends for the periods shown:

	Three months ended March 31,		Year ended December 31,			
	2016	2015	2014	2013	2012	2011
Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends	1.65	2.13	1.92	1.30	1.12	1.12

The ratio of earnings to combined fixed charges and preferred share dividends is calculated by dividing earnings by the sum of fixed charges and preferred share dividends. For purposes of computing this ratio, we calculate (A) earnings by adding (i) pre-tax income from continuing operations before adjustment for income or loss from equity investees, (ii) fixed charges, (iii) amortization of capitalized interest and (iv) distributed income of equity investees and subtracting interest capitalized; and (B) fixed charges by adding (i) interest expensed, (ii) interest capitalized, (iii) amortized premiums, discounts and capitalized expenses related to indebtedness and (iv) an estimate

of interest within rental expense. Preferred share dividends are the amount of pre-tax earnings that are required to pay distributions on our outstanding preferred equity.

S-1

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the Series D Preferred Shares, see Description of the Series D Preferred Shares in this prospectus supplement and Description of Shares of Beneficial Interest Preferred Shares in the accompanying prospectus.

Issuer	Pebblebrook Hotel Trust
Securities Offered	Series D Preferred Shares (shares if the underwriters exercise their option to purchase additional Series D Preferred Shares in full). We reserve the right to reopen this series and issue additional Series D Preferred Shares either through public or private sales at any time.
Distributions	Holder of the Series D Preferred Shares will be entitled to receive cumulative cash distributions on the Series D Preferred Shares at the rate of % per annum of the \$25.00 per share liquidation preference (equivalent to \$ per annum per Series D Preferred Share). Distributions on the Series D Preferred Shares will be payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day). The first distribution on the Series D Preferred Shares sold in this offering will be paid on July 15, 2016 and will be in the amount of \$ per share. Any distribution payable on the Series D Preferred Shares for any partial period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Distributions on the Series D Preferred Shares will accrue whether or not we have earnings, whether or not there are assets legally available for the payment of distributions and whether or not distributions are authorized or declared.
No Maturity	The Series D Preferred Shares have no maturity date, and we are not required to redeem the Series D Preferred Shares. In addition, we are not required to set apart assets to redeem the Series D Preferred Shares. Accordingly, the Series D Preferred Shares will remain outstanding indefinitely unless we decide to redeem them or, under circumstances where the holders of Series D Preferred Shares have a conversion right, the holders of Series D Preferred Shares decide to convert them.
Optional Redemption	We may not redeem the Series D Preferred Shares prior to June , 2021, except as described below under Special Optional Redemption and in limited circumstances relating to our continuing qualification as a REIT. On and after June , 2021, we may, at our option, redeem the Series D Preferred Shares, in whole or from time to time in part, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption.

Special Optional Redemption

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series D Preferred Shares, in whole or

S-2

in part and within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date, we exercise any of our redemption rights relating to the Series D Preferred Shares (whether our optional redemption right or our special optional redemption right), the holders of Series D Preferred Shares will not have the conversion right described below.

A Change of Control is when, after the original issuance of the Series D Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the total voting power of all shares of our company entitled to vote generally in elections of trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series D Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series D Preferred Shares) to convert some or all of the Series D Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares per Series D Preferred Share to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series D Preferred Share distribution payment and prior to the corresponding

Series D Preferred Share distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Share Price; and

(i.e., the Share Cap), subject to certain adjustments;

S-3

subject, in each case, to provisions for the receipt of alternative consideration as described in this prospectus supplement.

If we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series D Preferred Shares will not have any right to convert the Series D Preferred Shares in connection with the Change of Control Conversion Right and any Series D Preferred Shares subsequently selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control Conversion Right, Change of Control Conversion Date and Common Share Price and for a description of the adjustments and provisions for the receipt of alternative consideration that may be applicable to the Change of Control Conversion Right, see Description of the Series D Preferred Shares Conversion Rights.

Except as provided above in connection with a Change of Control, the Series D Preferred Shares are not convertible into or exchangeable for any other securities or property.

Notwithstanding any other provision of the Series D Preferred Shares, no holder of the Series D Preferred Shares will be entitled to convert such shares into our common shares to the extent that receipt of such common shares would cause such holder (or any other person) to exceed the share ownership limits contained in our Declaration of Trust and the articles supplementary setting forth the terms of the Series D Preferred Shares. See Description of Shares of Beneficial Interest Restrictions on Ownership and Transfer in the accompanying prospectus.

Liquidation Preference

If we liquidate, dissolve or wind up, the holders of the Series D Preferred Shares will have the right to receive \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of payment, before any payments are made to the holders of our common shares or any other shares of beneficial interest that rank junior to the Series D Preferred Shares. The rights of holders of Series D Preferred Shares to receive their liquidation preference would be subject to the proportionate rights of any other class or series of our equity securities ranking senior to or on parity with the Series D Preferred Shares as to liquidation. This includes our outstanding 8.00% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (our Series B Preferred Shares), with an aggregate liquidation preference of

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\$85,000,000, our outstanding 6.50% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (our Series C Preferred Shares), with an aggregate liquidation preference of

S-4

\$125,000,000, and any future parity securities that by their terms are on a parity with the Series D Preferred Shares with respect to the payment of distributions and the distribution of assets upon our liquidation, dissolution or winding up (collectively, the Parity Preferred Shares).

Ranking

The Series D Preferred Shares rank with respect to payment of distributions and the distribution of assets upon our liquidation, dissolution or winding up:

senior to our common shares and to any other of our equity securities that by their terms rank junior to the Series D Preferred Shares;

pari passu with our Parity Preferred Shares; and

junior to all of our existing and future indebtedness and any equity securities that by their terms rank senior to the Series D Preferred Shares.

Voting Rights

Holders of Series D Preferred Shares generally have no voting rights. However, if we do not pay distributions on the Series D Preferred Shares for six or more quarterly periods, whether or not consecutive, the holders of the Series D Preferred Shares, voting together as a single class with the holders of any other Parity Preferred Shares upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional trustees to serve on our Board of Trustees until we pay all distributions which we owe on the Series D Preferred Shares. In addition, the affirmative vote of the holders of at least two-thirds of the outstanding Series D Preferred Shares is required for us to authorize, create or increase shares ranking senior to the Series D Preferred Shares or to amend our Declaration of Trust in a manner that materially and adversely affects the rights of the holders of the Series D Preferred Shares.

Among other things, we may, without any vote of the holders of the Series D Preferred Shares, issue additional Series D Preferred Shares and Parity Preferred Shares.

Information Rights

During any period in which we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and any Series D Preferred Shares are outstanding, we will (i) transmit by mail to all holders of Series D Preferred Shares as their names and addresses appear in our record books and without cost to such holders, copies of reports containing substantially the same information as would have appeared in

the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required) and (ii) within 15 days following written request, supply copies of such reports to any prospective holder of the Series D Preferred Shares. We will mail (or otherwise provide) the reports to the holders of Series D Preferred Shares within 15 days

after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act.

NYSE Symbol

We intend to file an application to list the Series D Preferred Shares on the NYSE under the symbol PEBPrD. If listing is approved, we expect trading to commence within 30 days after the initial delivery of the Series D Preferred Shares.

Restrictions on Ownership and Transfer

Our Declaration of Trust and the articles supplementary creating the Series D Preferred Shares contain restrictions on ownership and transfer, including provisions that limit to 9.8% the percentage ownership of the Series D Preferred Shares by any one person or group of affiliated persons. Our Declaration of Trust also limits to 9.8% the percentage ownership of our common shares by any one person or group of affiliated persons. These provisions may limit the ability of the holders of Series D Preferred Shares to convert their Series D Preferred Shares into our common shares. Our Board of Trustees may, in its sole discretion, exempt a person from the 9.8% ownership limit under certain circumstances.

Use of Proceeds

We estimate that the net proceeds of this offering, after deducting the underwriting discount and other estimated offering expenses payable by us, will be approximately \$ million (approximately \$ million if the underwriters exercise their option to purchase additional Series D Preferred Shares in full). We will contribute the net proceeds of this offering to our operating partnership. Our operating partnership will use the net proceeds to reduce amounts outstanding under our senior unsecured revolving credit facility and for general corporate purposes, which may include repurchasing our common shares. As of June 1, 2016, the annual interest rate payable on our \$450 million senior unsecured revolving credit facility was approximately 2.38% and the principal amount outstanding was approximately \$274.0 million. Affiliates of certain underwriters in this offering are lenders under our senior unsecured revolving credit facility and will receive their pro rata portion of the net proceeds from this offering used to reduce the outstanding borrowings under our senior unsecured revolving credit facility. Prior to the use of the net proceeds as described above, we intend to invest the net proceeds in certificates of deposit, interest-bearing short-term investment grade securities or money-market accounts which are consistent with our intention to qualify as a REIT. These initial investments are expected to provide a lower net return than we will seek to achieve from investments in hotel properties. See Use of Proceeds.

Risk Factors

See Risk Factors beginning on page S-8 of this prospectus supplement and beginning on page 5 of our Annual Report on Form 10-K for the

year ended December 31, 2015, to read about certain risks you should consider before buying the Series D Preferred Shares.

S-6

Tax Consequences

Certain material federal income tax considerations of purchasing, owning and disposing of the Series D Preferred Shares are summarized in

Material Federal Income Tax Considerations on page S-22 of this prospectus supplement, which summary is intended to supersede in its entirety the discussion under the heading Material Federal Income Tax Considerations in the accompanying prospectus.

S-7

RISK FACTORS

*An investment in the Series D Preferred Shares involves a high degree of risk. In addition to other information in this prospectus supplement, you should carefully consider the following risks, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2015, as well as other information and data set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to the Series D Preferred Shares. The occurrence of any of these risks could materially and adversely affect our business, financial condition, liquidity, results of operations, prospects and our ability to make cash distributions to holders of the Series D Preferred Shares, which could cause you to lose all or a significant portion of your investment in the Series D Preferred Shares. Some statements in this prospectus supplement, including statements in the following risk factors, constitute forward-looking statements. See *Cautionary Note Regarding Forward-Looking Statements* in the accompanying prospectus.*

The Series D Preferred Shares are subordinate to our existing and future debt, and your interests could be diluted by the issuance of additional preferred shares and by other transactions.

The Series D Preferred Shares will rank junior to all of our existing and future debt and to other non-equity claims on us and our assets available to satisfy claims against us, including claims in bankruptcy, liquidation or similar proceedings. Agreements governing certain of our existing debt contain restrictions on our ability to pay distributions to preferred shareholders and repurchase or redeem preferred shares in certain circumstances, and agreements governing our future debt may include additional restrictions on our ability to pay distributions to preferred shareholders and repurchase or redeem preferred shares. Our Declaration of Trust currently authorizes the issuance of up to 100,000,000 preferred shares in one or more series. Prior to this offering, we have issued 3,400,000 Series B Preferred Shares and 5,000,000 Series C Preferred Shares. In addition, our Board of Trustees has the power under our Declaration of Trust to classify any of our unissued preferred shares, and to reclassify any of our previously classified but unissued preferred shares of any series, from time to time, in one or more classes or series of preferred shares. We may also issue additional Series D Preferred Shares or additional preferred shares in the future which are on a parity with (or, upon the affirmative vote of the holders of at least two-thirds of the outstanding Series D Preferred Shares, senior to) the Series D Preferred Shares with respect to the payment of distributions and the distribution of assets upon our liquidation, dissolution or winding up. The issuance of additional preferred shares on parity with or senior to the Series D Preferred Shares would dilute the interests of the holders of the Series D Preferred Shares, and any issuance of preferred shares senior to the Series D Preferred Shares or of additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on the Series D Preferred Shares. Other than the conversion right afforded to holders of Series D Preferred Shares that may occur in connection with a Change of Control as described under *Description of the Series D Preferred Shares Conversion Rights* below, none of the provisions relating to the Series D Preferred Shares contain any provisions relating to or limiting our indebtedness or affording the holders of the Series D Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect the holders of the Series D Preferred Shares, so long as the rights of the holders of the Series D Preferred Shares are not materially and adversely affected.

The Series D Preferred Shares have not been rated.

Our Series D Preferred Shares have not been rated by any nationally recognized statistical rating organization, which may negatively affect their market value and your ability to sell such shares. No assurance can be given, however, that one or more rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of the Series D Preferred Shares. In addition, we may elect in the future to obtain a rating of the Series D Preferred Shares, which could adversely impact the market price of the Series D Preferred Shares. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion

S-8

of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Series D Preferred Shares.

As a holder of Series D Preferred Shares, you will have extremely limited voting rights.

Your voting rights as a holder of Series D Preferred Shares will be limited. Our common shares are the only class of our securities that carry full voting rights. Voting rights for holders of Series D Preferred Shares exist primarily with respect to the ability to elect, together with holders of other Parity Preferred Shares, two additional trustees to our Board of Trustees in the event that six or more quarterly distributions (whether or not consecutive) payable on the Series D Preferred Shares are in arrears, and with respect to voting on amendments to our Declaration of Trust or articles supplementary relating to the Series D Preferred Shares that materially and adversely affect the rights of the holders of Series D Preferred Shares or create additional classes or series of our shares that are senior to the Series D Preferred Shares. Other than the limited circumstances described in this prospectus supplement, holders of Series D Preferred Shares will not have any voting rights. See Description of the Series D Preferred Shares Voting Rights.

The Change of Control conversion feature may not adequately compensate you, and the Change of Control conversion and redemption features of the Series D Preferred Shares may discourage a party from taking over our company or make it more difficult for a party to take over our company.

Upon the occurrence of a Change of Control the result of which is that neither our common shares nor the common securities of the acquiring or surviving entity (or ADRs representing such securities) are listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ, holders of the Series D Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series D Preferred Shares) to convert some or all of their Series D Preferred Shares into our common shares (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Series D Preferred Shares. See Description of the Series D Preferred Shares Conversion Rights and Special Optional Redemption. Upon such a conversion, the holders will be limited to a maximum number of our common shares equal to the Share Cap multiplied by the number of Series D Preferred Shares converted. If the Common Share Price is less than \$ (which is approximately % of the per-share closing sale price of our common shares on June , 2016), subject to adjustment, the holders will receive a maximum of of our common shares per Series D Preferred Share, which may result in a holder receiving value that is less than the liquidation preference of the Series D Preferred Shares. In addition, those features of the Series D Preferred Shares may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a Change of Control of our company under circumstances that otherwise could provide the holders of our common shares, Series C Preferred Shares, Series B Preferred Shares and Series D Preferred Shares with the opportunity to realize a premium over the then-current market price or that shareholders may otherwise believe is in their best interests.

There is no established trading market for the Series D Preferred Shares, listing on the NYSE does not guarantee a market for the Series D Preferred Shares and the market price and trading volume of the Series D Preferred Shares may fluctuate significantly.

The Series D Preferred Shares are a new issue of securities with no established trading market. We intend to file an application to list the Series D Preferred Shares on the NYSE, but there can be no assurance that the NYSE will approve the Series D Preferred Shares for listing. Even if the NYSE approves the Series D Preferred Shares for listing, an active trading market on the NYSE for the Series D Preferred Shares may not develop or, if it does develop, may not last, in which case the market price of the Series D Preferred Shares could be materially and adversely affected. If an active trading market does develop on the NYSE, the Series D Preferred Shares may trade at prices lower than the initial public offering price. The market price of the Series D Preferred Shares would depend on many factors, including, but not limited to:

prevailing interest rates;

S-9

the market for similar securities;

general economic and financial market conditions;

our issuance, as well as the issuance by our subsidiaries, of additional preferred equity or debt securities; and

our financial condition, cash flows, liquidity, results of operations, funds from operations and prospects. We have been advised by the underwriters that they intend to make a market in the Series D Preferred Shares, but they are not obligated to do so and may discontinue market-making at any time without notice.

Increases in market interest rates may have an adverse effect on the market price of the Series D Preferred Shares.

One of the factors that will influence the market price of the Series D Preferred Shares will be the distribution yield on the Series D Preferred Shares (i.e., the annual distributions of the Series D Preferred Shares as a percentage of the market price of the Series D Preferred Shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Series D Preferred Shares to expect a higher distribution yield (and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution payments). Thus, higher market interest rates could cause the market price of the Series D Preferred Shares to decrease and reduce the amount of funds that are available and may be used to make distribution payments.

The sales of Viceroy Miami and The Redbury Hotel and our issuance of the Series D Preferred Shares in this offering are expected to be dilutive to our financial results for the quarter ending June 30, 2016 and the year ending December 31, 2016.

We previously provided our outlook for ranges of adjusted EBITDA and other financial and operating measures that we expect for the quarter ending June 30, 2016 and the year ending December 31, 2016. Our outlook did not take into account the sales of Viceroy Miami and The Redbury Hotel or the issuance of the Series D Preferred Shares in this offering. We expect our sales of the two hotels and the expected distributions relating to the Series D Preferred Shares offered hereby to reduce our adjusted EBITDA and other financial and operating measures from the levels that we previously forecast. We intend to use the net proceeds from this offering to reduce amounts outstanding under our senior unsecured revolving credit facility and for general corporate purposes, however we do not expect that any reduced interest expense associated with lower borrowings under our senior unsecured revolving credit facility will fully offset the expected distributions on the Series D Preferred Shares. The actual amount of any reduction in adjusted EBITDA and other financial and operating measures as compared to our previously announced outlook will depend on various factors, including our performance for the remainder of 2016, any future hotel dispositions or acquisitions, and our financing activities, which may include future equity offerings or debt financings.

USE OF PROCEEDS

We estimate that the net proceeds of this offering, after deducting the underwriting discount and other estimated offering expenses payable by us, will be approximately \$ million. If the underwriters exercise their option to purchase additional Series D Preferred Shares in full, the net proceeds will be approximately \$ million.

We will contribute the net proceeds of this offering to our operating partnership. Our operating partnership will use the net proceeds to reduce amounts outstanding under our senior unsecured revolving credit facility and for general corporate purposes, which may include repurchasing our common shares. As of June 1, 2016, the annual interest rate payable on our \$450 million senior unsecured revolving credit facility was approximately 2.38% and the principal amount outstanding was approximately \$274.0 million. Affiliates of certain underwriters in this offering are lenders under our senior unsecured revolving credit facility and will receive their pro rata portion of the net proceeds from this offering used to reduce the outstanding borrowings under our senior unsecured revolving credit facility.

Prior to the use of the net proceeds as described above, we intend to invest the net proceeds in certificates of deposit, interest-bearing short-term investment grade securities or money-market accounts which are consistent with our intention to qualify as a REIT. These initial investments are expected to provide a lower net return than we will seek to achieve from investments in hotel properties.

DESCRIPTION OF THE SERIES D PREFERRED SHARES

This description of the Series D Preferred Shares supplements the description of the general terms and provisions of our shares of beneficial interest, including preferred shares, contained in the accompanying prospectus. You should consult that general description for further information.

General

We currently are authorized to issue up to 100,000,000 preferred shares in one or more series. Each series will have the designations, powers, preferences, rights, qualifications, limitations or restrictions as Maryland law may permit and our Board of Trustees may determine by adoption of applicable articles supplementary to our Declaration of Trust.

This summary of the terms and provisions of the Series D Preferred Shares is not complete. Our Board of Trustees will adopt articles supplementary designating the terms of the Series D Preferred Shares, and you may obtain a complete copy of the articles supplementary designating the Series D Preferred Shares by contacting us. In connection with this offering, we will file the articles supplementary with the SEC. Our Board of Trustees may, without notice to or the consent of holders of Series D Preferred Shares, authorize the issuance and sale of additional Series D Preferred Shares from time to time.

We intend to file an application to list the Series D Preferred Shares on the NYSE under the symbol PEBPrD. If listing is approved, we expect trading to commence within 30 days after the initial delivery of the Series D Preferred Shares.

The transfer agent, registrar and distribution disbursement agent for the Series D Preferred Shares is Wells Fargo Bank, N.A.

As of the date of this prospectus supplement, we have 3,400,000 Series B Preferred Shares and 5,000,000 Series C Preferred Shares, with an aggregate liquidation preference of \$85,000,000 and \$125,000,000, respectively, issued and outstanding.

Ranking

The Series D Preferred Shares rank senior to our common shares and to any other of our future equity securities that we may later authorize or issue that by their terms rank junior to the Series D Preferred Shares with respect to the payment of distributions and the distribution of assets in the event of our liquidation, dissolution or winding up. The Series D Preferred Shares rank *pari passu* with any Parity Preferred Shares (i.e., our outstanding Series B Preferred Shares and Series C Preferred Shares and any other of our future equity securities that we may later authorize or issue that by their terms are on a parity with the Series D Preferred Shares) with respect to the payment of distributions and the distribution of assets in the event of our liquidation, dissolution or winding up. The Series D Preferred Shares rank junior to any equity securities that we may later authorize or issue that by their terms rank senior to the Series D Preferred Shares with respect to the payment of distributions and the distribution of assets in the event of our liquidation, dissolution or winding up. Any such authorization or issuance of such senior equity securities would require the affirmative vote of the holders of at least two-thirds of the outstanding Series D Preferred Shares. Any convertible debt securities that we may issue are not considered to be equity securities for these purposes. The Series D Preferred Shares rank junior to all of our existing and future indebtedness.

Distributions

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Holders of the Series D Preferred Shares will be entitled to receive, when and as authorized by our Board of Trustees, out of assets legally available for the payment of distributions, cumulative cash distributions at the rate

S-12

of % per annum of the \$25.00 per share liquidation preference, equivalent to \$ per annum per Series D Preferred Share. Distributions on the Series D Preferred Shares will accumulate on a daily basis and be cumulative from and including the original date of issuance and be payable quarterly in arrears on the 15th day of January, April, July and October of each year (or, if not on a business day, on the next succeeding business day). The first distribution on the Series D Preferred Shares sold in this offering will be paid on July 15, 2016 and will be in the amount of \$ per share. Distributions payable on the Series D Preferred Shares for any partial period will be computed on the basis of a 360-day year consisting of twelve 30-day months. We will pay distributions to holders of record as they appear in our share records at the close of business on the applicable record date, which will be the first day of the calendar month in which the applicable distribution payment date falls, or such other date as designated by our Board of Trustees for the payment of distributions that is not more than 90 days nor fewer than 10 days prior to the distribution payment date.

Our Board of Trustees will not authorize, and we will not pay, any distributions on the Series D Preferred Shares or set apart assets for the payment of distributions if the terms of any of our agreements, including agreements relating to our indebtedness, prohibit that authorization, payment or setting aside of assets or provide that the authorization, payment or setting aside of assets is a breach of or a default under that agreement, or if the authorization, payment or setting aside of assets is restricted or prohibited by law. We are and may in the future become a party to agreements that restrict or prevent the payment of distributions on, or the purchase or redemption of, our shares of beneficial interest. Under certain circumstances, these agreements could restrict or prevent the payment of distributions on or the purchase or redemption of Series D Preferred Shares. These restrictions may be indirect (for example, covenants requiring us to maintain specified levels of net worth or assets) or direct. We do not believe that these restrictions currently have any adverse impact on our ability to pay distributions on the Series D Preferred Shares.

Notwithstanding the foregoing, distributions on the Series D Preferred Shares will accrue whether or not we have earnings, whether or not there are assets legally available for the payment of distributions and whether or not distributions are authorized or declared. Accrued but unpaid distributions on the Series D Preferred Shares will not bear interest, and the holders of the Series D Preferred Shares will not be entitled to any distributions in excess of full cumulative distributions as described above. All of our distributions on Series D Preferred Shares, including any capital gain distributions, will be credited to the previously accrued distributions on the Series D Preferred Shares. We will credit any distribution made on Series D Preferred Shares first to the earliest accrued and unpaid distribution due.

We will not declare or pay any distributions, or set apart any assets for the payment of distributions (other than in common shares or other shares ranking junior to the Series D Preferred Shares as to distributions and upon liquidation), on our common shares or any other shares that rank on a parity with or junior to the Series D Preferred Shares as to distributions or upon liquidation, if any, or redeem, purchase or otherwise acquire our common shares or any other shares that rank on a parity with or junior to the Series D Preferred Shares as to distributions or upon liquidation, unless we also have declared and either paid or set apart for payment the full cumulative distributions on the Series D Preferred Shares for all past distribution periods. This restriction will not limit conversion into or exchange for any of our other shares ranking junior to the Series D Preferred Shares as to distributions and upon liquidation or our redemption, purchase or other acquisition of shares under incentive, benefit or share purchase plans for officers, trustees or employees or others performing or providing similar services or for the purposes of enforcing restrictions upon ownership and transfer of our equity securities contained in our Declaration of Trust in order to preserve our status as a REIT.

If we do not declare and either pay or set apart for payment the full cumulative distributions on the Series D Preferred Shares and all shares that rank on a parity with Series D Preferred Shares, the amount which we have declared will be allocated pro rata to the Series D Preferred Shares and to each parity series of shares so that the amount declared for each Series D Preferred Share and for each share of each parity series is proportionate to the accrued and unpaid distributions on those shares.

S-13

Liquidation Rights

In the event of our liquidation, dissolution or winding up, the holders of the Series D Preferred Shares will be entitled to be paid out of our assets legally available for distribution to our shareholders (after payment or provision for payment of all of our debts and other liabilities) liquidating distributions in cash equal to a liquidation preference of \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of the payment. Holders of Series D Preferred Shares will be entitled to receive this liquidating distribution before we distribute any assets to holders of our common shares or any other shares of beneficial interest that rank junior to the Series D Preferred Shares. The rights of holders of Series D Preferred Shares to receive their liquidation preference would be subject to preferential rights of the holders of any series of shares that is senior to the Series D Preferred Shares. Written notice will be given to each holder of Series D Preferred Shares of any such liquidation no fewer than 30 days and no more than 60 days prior to the payment date. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Series D Preferred Shares will have no right or claim to any of our remaining assets. If we consolidate, merge or convert with or into any other entity, sell, lease, transfer or convey all or substantially all of our property or business, or engage in a statutory share exchange, we will not be deemed to have liquidated. As of the date of this prospectus supplement, we have 3,400,000 Series B Preferred Shares and 5,000,000 Series C Preferred Shares, with an aggregate liquidation preference of \$85,000,000 and \$125,000,000, respectively, outstanding. In the event our assets are insufficient to pay the full liquidating distributions to the holders of Series D Preferred Shares and all the Parity Preferred Shares, including our Series B Preferred Shares and our Series C Preferred Shares, then we will distribute our assets to the holders of Series D Preferred Shares and all the Parity Preferred Shares, including our Series B Preferred Shares and our Series C Preferred Shares, ratably in proportion to the full liquidating distributions they would have otherwise received.

Redemption

We may not redeem the Series D Preferred Shares prior to June 1, 2021, except as described below under Special Optional Redemption and Restrictions on Ownership and Transfer. On and after June 1, 2021, upon no fewer than 30 days nor more than 60 days written notice, we may, at our option, redeem the Series D Preferred Shares, in whole or from time to time in part, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. Unless full cumulative distributions on all Series D Preferred Shares shall have been or contemporaneously are authorized and paid or authorized and a sum sufficient for the payment thereof set apart for payment for all past distribution periods, no Series D Preferred Shares shall be redeemed unless all outstanding Series D Preferred Shares are simultaneously redeemed.

We will give notice of redemption by mail to each holder of record of Series D Preferred Shares at the address shown on our share transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series D Preferred Shares except as to the holder to whom notice was defective or not given. Each notice will state the following:

the redemption date;

the redemption price;

the number of Series D Preferred Shares to be redeemed;

the place or places where the certificates for the Series D Preferred Shares are to be surrendered for payment;
and

that distributions on the Series D Preferred Shares to be redeemed will cease to accrue on such redemption date.

If we redeem fewer than all of the Series D Preferred Shares, the notice of redemption mailed to each shareholder will also specify the number of Series D Preferred Shares that we will redeem from each shareholder. In this case, we will determine the number of Series D Preferred Shares to be redeemed on a pro rata basis or by lot.

S-14

If we have given a notice of redemption and have set apart sufficient assets for the redemption in trust for the benefit of the holders of the Series D Preferred Shares called for redemption, then from and after the redemption date, those Series D Preferred Shares will be treated as no longer being outstanding, no further distributions will accrue and all other rights of the holders of those Series D Preferred Shares will terminate. The holders of those Series D Preferred Shares will retain their right to receive the redemption price for their shares and any accrued and unpaid distributions to, but not including, the redemption date.

The holders of Series D Preferred Shares at the close of business on a distribution record date will be entitled to receive the distribution payable with respect to the Series D Preferred Shares on the corresponding payment date notwithstanding the redemption of the Series D Preferred Shares between such record date and the corresponding payment date. Except as provided above, we will make no payment or allowance for unpaid distributions, whether or not in arrears, on Series D Preferred Shares to be redeemed.

The Series D Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption provisions, except as provided under **Restrictions on Ownership and Transfer** below. In order to ensure that we continue to meet the requirements for qualification as a REIT, the Series D Preferred Shares will be subject to the restrictions on ownership and transfer in Article VII of our Declaration of Trust.

Subject to applicable law, we may purchase Series D Preferred Shares in the open market, by tender or by private agreement. We are permitted to return any Series D Preferred Shares that we reacquire to the status of authorized but unissued shares.

Special Optional Redemption

Upon the occurrence of a Change of Control, we may, at our option, redeem the Series D Preferred Shares, in whole or in part and within 120 days after the first date on which such Change of Control occurred, by paying \$25.00 per share, plus any accrued and unpaid distributions to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date, we have provided or provide notice of redemption with respect to the Series D Preferred Shares (whether pursuant to our optional redemption right or our special optional redemption right), the holders of Series D Preferred Shares to which such notice of redemption relates will not have the conversion right described below under **Conversion Rights** and such Series D Preferred Shares will instead be redeemed in accordance with such notice.

We will mail to you, if you are a record holder of Series D Preferred Shares, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to your address shown on our share transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series D Preferred Shares except as to the holder to whom notice was defective or not given. Each notice will state the following:

the redemption date;

the redemption price;

the number of Series D Preferred Shares to be redeemed;

the place or places where the certificates for the Series D Preferred Shares are to be surrendered for payment, to the extent such shares are certificated;

that the Series D Preferred Shares are being redeemed pursuant to our special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control;

that the holders of the Series D Preferred Shares to which the notice relates will not be able to tender such Series D Preferred Shares for conversion in connection with the Change of Control and each Series D Preferred Share tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and

that distributions on the Series D Preferred Shares to be redeemed will cease to accrue on such redemption date.

If we redeem fewer than all of the Series D Preferred Shares, the notice of redemption mailed to each shareholder will also specify the number of Series D Preferred Shares that we will redeem from each shareholder. In this case, we will determine the number of Series D Preferred Shares to be redeemed on a pro rata basis or by lot.

If we have given a notice of redemption and have set apart sufficient assets for the redemption in trust for the benefit of the holders of the Series D Preferred Shares called for redemption, then from and after the redemption date, those Series D Preferred Shares will be treated as no longer being outstanding, no further distributions will accrue and all other rights of the holders of those Series D Preferred Shares will terminate. The holders of those Series D Preferred Shares will retain their right to receive the redemption price for their shares and any accrued and unpaid distributions to, but not including, the redemption date.

The holders of Series D Preferred Shares at the close of business on a distribution record date will be entitled to receive the distribution payable with respect to the Series D Preferred Shares on the corresponding payment date notwithstanding the redemption of the Series D Preferred Shares between such record date and the corresponding payment date. Except as provided above, we will make no payment or allowance for unpaid distributions, whether or not in arrears, on Series D Preferred Shares to be redeemed.

A Change of Control is when, after the original issuance of the Series D Preferred Shares, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the total voting power of all shares of our company entitled to vote generally in elections of trustees (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE MKT or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series D Preferred Shares will have the right, unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series D Preferred Shares as described under Redemption or Special Optional Redemption above to convert some or all of the Series D Preferred Shares held by such holder (the Change of Control Conversion Right) on the Change of Control Conversion Date into a number of our common shares per Series D Preferred Share (the Common Share Conversion Consideration) equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference plus the amount of any accrued and unpaid distributions to, but not including, the Change of Control Conversion Date (unless the

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Change of Control Conversion Date is after a record date for a Series D Preferred Share distribution payment and prior to the corresponding Series D Preferred Share distribution payment date, in which case no additional amount for such accrued and unpaid distribution will be included in this sum) by (ii) the Common Share Price; and

(i.e., the Share Cap), subject to the adjustments described below.

S-16

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common shares), subdivisions or combinations (in each case, a Share Split) with respect to our common shares as follows: the adjusted Share Cap as the result of a Share Split will be the number of o