

Property Information:

Acquisition Price: \$29.8M (\$257k per room)
 Location: Market St./Convention Center, San Francisco, CA
 Acquired: April 4, 2012
 Rooms: 116
 Type: Full-Service
 Built / Converted to Hotel: 1913 / 1994
 Fully Renovated and Repositioned: November 2012 - March 2013

Performance:

2014 Stabilized EBITDA (Projected EBITDA)⁽¹⁾: \$3.0M - \$3.3M
 2014 Stabilized EBITDA (Projected NOI)⁽¹⁾: \$2.6M - \$2.8M
 2014 Stabilized EBITDA Yield (Projected EBITDA)⁽¹⁾: 7.0% - 7.6%
 2014 Stabilized EBITDA Yield (Projected NOI)⁽¹⁾: 6.0% - 6.5%

(1) Based on implied 2014 Stabilized EBITDA at time of purchase as well as a purchase price of \$29.8M plus the \$13.4M comprehensive renovation and repositioning.

Property Highlights:

- Attractive location in the SoMA/Convention Center submarket, adjacent to the Westfield San Francisco Shopping Centre and just blocks away from the Moscone Convention Center, Union Square and the Financial District
- 116 spacious guest rooms
- Completed comprehensive \$13.4M renovation and repositioning between Q4 2012 and Q1 2013, including guest rooms, corridors, public areas, lobby, restaurant and fitness center
- The Playroom, a 1,500 square foot lounge
- S&R Lounge Lobby Bar, where work and play collide



Market Highlights:

Market Overview:

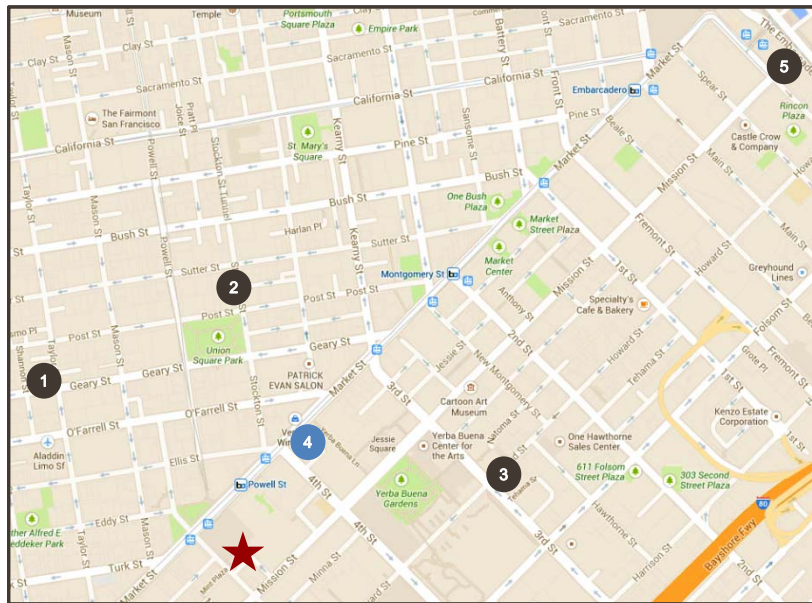
- Proven history of double-digit RevPAR growth in recovery cycles – RevPAR CAGR of 12.1% from 1995 to 2000 and 9.4% from 2003 to 2008
- Strategic west coast location allows global business opportunities and excellent access to rapidly growing Asian economies
- Diverse economic base with strong growth industries
- Highly educated population with an array of top-tier educational institutions, including Stanford University, UC San Francisco and UC Berkeley
- Excellent transportation infrastructure with three international airports, a modern network of highways and an efficient public transportation system

Competitive Set:

Hotels	Map Marker	Rooms	Year Opened
Hotel Zetta	★	116	1994
Hotel Monaco San Francisco	1	201	1910
Taj Campton Palace	2	110	1983
W Hotel San Francisco	3	404	1999
Hotel Palomar San Francisco (PEB Owned)	4	196	1908
Joie De Vivre Hotel Vitale	5	200	2005
Total (excluding the Hotel Zetta)		1,111	

Demand Generators:

- The Moscone Convention Center
- Financial Center: Home to numerous prominent Fortune 500 companies, banks, financial service companies and venture capital firms
- Silicon Valley: High concentration of world-leading technology and software companies
- Biotechnology: Global leader for biotechnology firms and research
- Retail: Renowned Union Square retail center and the iconic Westfield San Francisco Shopping Centre adjacent to hotel
- Airports: Three international airports
- Varied environmental demand generators lead to a diverse tourism base: Pacific Ocean, San Francisco Bay, Napa Valley, Mountains and National Parks



Investment Highlights:

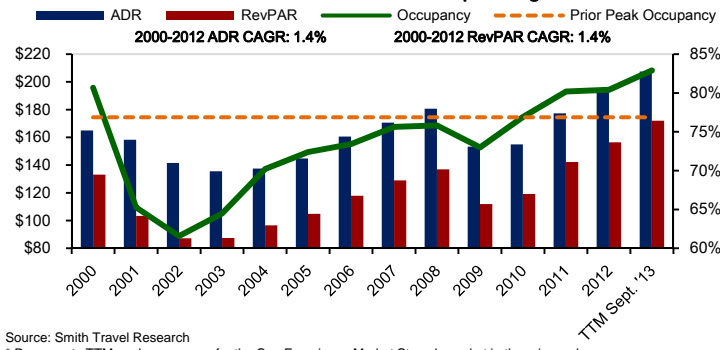
Strengths

- "A" Location in a Truly World Class City
- Extremely high barriers to entry market
- International gateway market
- Significant discount-to-replacement cost
- San Francisco market is at peak Occupancy, ADR and RevPAR
- No new supply under construction
- New and significant economic drivers

Opportunities

- Significant upside from comprehensive hotel renovation and repositioning to a four-diamond quality hotel, as well as new management
- Growing SoMa market
- Renovation and expansion of Moscone Convention Center
- Improved cash flow through best practices and Pebblebrook asset management

San Francisco - Market St. Sub-Market Operating Performance



This summary information sheet contains certain "forward-looking statements" relating to, among other things, hotel EBITDA and hotel net operating income after capital reserves. The forward-looking statements made are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. Actual results could differ materially from the forward-looking statements made on this summary information sheet. When we use the words "projected," "expected," "planned" and "estimated" or other similar expressions, we are identifying forward-looking statements. The forward-looking statements on this summary information sheet are subject to the safe harbor of the Private Securities Litigation Reform Act of 1995. All information on this sheet is as of November 8, 2013. We undertake no duty to update the information to conform to actual results or changes in our expectations. For additional information, please visit our website at www.pebblebrookhotels.com.