

Shah Neil H  
 Form 5  
 February 15, 2011

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
 Shah Neil H

2. Issuer Name and Ticker or Trading Symbol  
 HERSHA HOSPITALITY TRUST [HT]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President and COO

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2010

510 WALNUT STREET, 9TH FLOOR

(Street)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Reporting  
 (check applicable line)

PHILADELPHIA, PA 19106

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
| Common Shares                   |                                      |  |                                | (A) or (D) Price  | 658,793  | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |         | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |                         |       |
|--|--|--------------------------------------|--|--------------------------------|---|---------|--|-----------------|---|-------------------------|-------|
|  |  |                                      |  |                                | (A)   | (D)     | Date Exercisable   | Expiration Date | Title   | Amount Number of Shares |       |
| Partnership Units                          | Â  | 12/21/2010                           | Â  | G4                             | Â   | 171,849 | Â  | Â (1)           | Â (1)   | Common Shares           | 171,8 |
| Partnership Units                          | Â  | Â                                    | Â  | Â                              | Â   | Â       | Â  | Â (1)           | Â (1)   | Common Shares           | 326,8 |
| Partnership Units                          | Â  | Â                                    | Â  | Â                              | Â   | Â       | Â  | Â (1)           | Â (1)   | Common Shares           | 832,2 |
| Partnership Units                          | Â  | Â                                    | Â  | Â                              | Â   | Â       | Â  | Â (1)           | Â (1)   | Common Shares           | 273,6 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                     |       |
|---|---------------|-----------|---------------------|-------|
|   | Director      | 10% Owner | Officer             | Other |
| Shah Neil H<br>510 WALNUT STREET<br>9TH FLOOR<br>PHILADELPHIA, PA 19106 | Â             | Â         | Â President and COO | Â     |

## Signatures

/s/ Ashish R. Parikh as attorney-in-fact for Neil H.  
Shah

02/14/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) In general, Partnership Units issued by Hersha Hospitality Limited Partnership (the "Operating Partnership") may be redeemed, beginning one year after their issuance (unless otherwise agreed to by Hersha Hospitality Trust (the "Trust")), for cash equal to the market value of an equivalent number of the Trust's common shares or, at the option of the Trust, the Trust may acquire Partnership Units tendered for redemption by issuing one common share for each Partnership Unit tendered for redemption. Partnership Units have no expiration date.

(2) In 2008, the reporting person contributed 772,280 Partnership Units to the Neil H. Shah 2008 Annuity Trust (the "2008 GRAT"), a grantor retained annuity trust for the benefit of the reporting person. In 2009, 421,380 Partnership Units were distributed by the 2008 GRAT to the reporting person, all of which were subsequently contributed by the reporting person to the Neil H. Shah 2009 Annuity Trust (the "2009 GRAT"), a grantor retained annuity trust for the benefit of the reporting person. In 2010, an aggregate of 273,609 Partnership Units were distributed by the 2008 GRAT and 2009 GRAT to the reporting person, all of which were subsequently contributed by the reporting person to the 2010 Neil H. Shah 2010 Annuity Trust (the "2010 GRAT"), a grantor retained annuity trust for the benefit of the reporting person. Upon the maturity of the 2008 GRAT, the remaining 171,849 Partnership Units were distributed by the 2008 GRAT to the Neil and Juhi Shah 2008 Family Trust.

(3) The Partnership Units reported in this Form 5 as being indirectly owned by the reporting person were previously reported as being directly owned by the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.