

HERSHA HOSPITALITY TRUST
Form 10-K/A
October 31, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark
One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-14765

HERSHA HOSPITALITY TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation or
Organization)

251811499
(I.R.S. Employer Identification No.)

44 Hersha Drive, Harrisburg, PA
(Address of Registrant's Principal Executive Offices)

17102
(Zip Code)

Registrant's telephone number, including area code: (717) 236-4400

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Name of each exchange on which registered</u> |
|---|--|
| Class A Common Shares of Beneficial Interest, par value \$.01 per share | American Stock Exchange |
| Series A Cumulative Redeemable Preferred Shares, par value \$.01 per share | American Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act:

None

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(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (i) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (ii) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant, as of June 30, 2006, was approximately \$259.8 million.

As of March 15, 2007, the number of Class A common shares of beneficial interest outstanding was 40,676,593.

Documents Incorporated By Reference: Portions of the proxy statement for the registrant's Annual Meeting of Shareholders are incorporated by reference into Part III of this Form 10-K.

HERSHA HOSPITALITY TRUST

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A amends and restates the Annual Report on Form 10-K of Hersha Hospitality Trust (the "Company"), as filed by the Company on March 16, 2007, and is being filed solely for the purposes of replacing the Report of Independent Registered Public Accounting Firm of PricewaterhouseCoopers LLP included in Exhibit 99.1 to make certain technical corrections thereto.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report.

None.

(b) Exhibits

The Exhibits listed in the accompanying "Index of Exhibits" on pages 5 through 8 hereof are filed and incorporated by reference as a part of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HERSHA HOSPITALITY TRUST

October 31, 2007

/s/ Jay H. Shah
Jay H. Shah
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| <u>SIGNATURE</u> | <u>TITLE</u> | <u>DATE</u> |
|--|--|--------------------|
| /s/ Hasu P. Shah Hasu P. Shah | Chairman of the Board | October 31, 2007 |
| /s/ Jay H. Shah Jay H. Shah | Trustee and Chief Executive Officer (Principal Executive Officer) | October 31, 2007 |
| Thomas S. Capello | Trustee | October 31, 2007 |
| /s/ John M. Sabin John M. Sabin | Trustee | October 31, 2007 |
| Donald J. Landry | Trustee | October 31, 2007 |
| /s/ Michael A. Leven Michael A. Leven | Trustee | October 31, 2007 |
| /s/ Kiran P. Patel Kiran P. Patel | Trustee | October 31, 2007 |
| /s/ Ashish R. Parikh Ashish R. Parikh | Chief Financial Officer (Principal Financial Officer) | October 31, 2007 |
| /s/ Michael R. Gillespie Michael R. Gillespie | Chief Accounting Officer (Principal Accounting Officer) | October 31, 2007 |

INDEX OF EXHIBITS

- 3.1 Amended and Restated Declaration of Trust of the Registrant.**
- 3.2 Articles Supplementary to the Amended and Restated Declaration of Trust of the Registrant Designating the Terms of the 8.00% Series A Cumulative Redeemable Preferred Shares of Beneficial Interest, \$0.01 par value per share (filed with the SEC as Exhibit 3.2 to the Form 8-A filed on August 3, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 3.3 Bylaws of the Registrant.*
- 4.1 Form of Common Share Certificate.*
- 4.2 Junior Subordinated Indenture, dated as of May 13, 2005, between the Company and JPMorgan Chase Bank, National Association, as trustee (filed as Exhibit 4.1 to the Current Report on Form 8-K filed on May 17, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 4.3 Amended and Restated Trust Agreement, dated as of May 13, 2005, among the Company, as depositor, JPMorgan Chase Bank, National Association, as property trustee, Chase Bank USA, National Association, as Delaware trustee, the Administrative Trustees named therein and the holders of undivided beneficial interests in the assets of the Trust. (filed as Exhibit 4.2 to the Current Report on Form 8-K filed on May 17, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 4.4 Form of Junior Subordinated Note (included in Exhibit 4.3 hereto).
- 4.5 Form of Trust Preferred Security Certificate (included in Exhibit 4.4 hereto).
- 4.6 Junior Subordinated Indenture, dated as of May 31, 2005, between the Company and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Current Report on Form 8-K filed on June 6, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 4.7 Amended and Restated Trust Agreement, dated as of May 31, 2005, among the Company, as depositor, Wilmington Trust Company, as property trustee and Delaware trustee, the Administrative Trustees named therein and the holders of undivided beneficial interests in the assets of the Trust (filed as Exhibit 4.2 to the Current Report on Form 8-K filed on June 6, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 4.8 Form of Junior Subordinated Note (included in Exhibit 4.7 hereto).
- 4.9 Form of Trust Preferred Security Certificate (included in Exhibit 4.8 hereto).
- 4.10 Form of 8.00% Series A Cumulative Redeemable Preferred Share certificate (filed as Exhibit 3.4 to the Form 8-A filed on August 3, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.1 Amended and Restated Agreement of Limited Partnership of Hersha Hospitality Limited Partnership.*
- 10.2 Option Agreement dated as of June 3, 1998, among Hasu P. Shah, Jay H. Shah, Neil H. Shah, Bharat C. Mehta, K.D. Patel, Rajendra O. Gandhi, Kiran P. Patel, David L. Desfor, Madhusudan I. Patni and Manhar Gandhi, and the Partnership.*

10.3 Amendment to Option Agreement dated December 4, 1998.*

10.4 Form of Percentage Lease.*

10.5 Administrative Services Agreement, dated January 26, 1999, between Hersha Hospitality Trust and Hersha Hospitality Management, L.P.*

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- 10.6 Second Amendment to the Amended and Restated Agreement of Limited Partnership of Hersha Hospitality Limited Partnership, dated as of April 21, 2003 (filed as Exhibit 10.2 to the Form 8-K filed on April 23, 2003 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.7 Limited Partnership Agreement of HT/CNL Metro Hotels, LP, dated as of April 21, 2003 (filed as Exhibit 10.5 to the Form 8-K filed on April 23, 2003 (SEC File No. 001-1476) and incorporated by reference herein).
- 10.8 Second Amendment to Option Agreement (filed as Exhibit 10.15 to the Registration Statement on Form S-3 filed on February 24, 2004 (File No. 333-113061) and incorporated by reference herein).
- 10.9 Employment Agreement, dated January 21, 2005, by and between the Company and David Desfor (filed as Exhibit 10.1 to the Current Report on Form 8-K filed January 26, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.10 Employment Agreement, dated January 21, 2005, by and between the Company and Ashish Parikh (filed as Exhibit 10.2 to the Current Report on Form 8-K filed January 26, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.11 Employment Agreement, dated January 21, 2005, by and between the Company and Hasu P. Shah (filed as Exhibit 10.3 to the Current Report on Form 8-K filed January 26, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.12 Employment Agreement, dated January 21, 2005, by and between the Company and Jay H. Shah (filed as Exhibit 10.4 to the Current Report on Form 8-K filed January 26, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.13 Employment Agreement, dated January 21, 2005, by and between the Company and Neil H. Shah (filed as Exhibit 10.5 to the Current Report on Form 8-K filed January 26, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.14 Purchase and Sale Agreement, dated April 28, 2005, by and between McIntosh Inn of Wilmington, Inc., a Delaware corporation, and Hersha Hospitality Limited Partnership, a Virginia limited partnership (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.15 Purchase and Sale Agreement, dated April 28, 2005, by and between McIntosh Inn of King of Prussia, Inc., a Pennsylvania corporation, and Hersha Hospitality Limited Partnership, a Virginia limited partnership (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.16 Purchase and Sale Agreement, dated April 28, 2005, by and between McIntosh Inn of Malvern, Inc., a Pennsylvania corporation, and Hersha Hospitality Limited Partnership, a Virginia limited partnership (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.17 Purchase and Sale Agreement, dated April 28, 2005, by and between McIntosh Inn of Oxford Valley, Inc., a Pennsylvania corporation, and Hersha Hospitality Limited Partnership, a Virginia limited partnership (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2005 (SEC File No. 001-14765) and incorporated by reference herein).

- 10.18 Agreement for Sale and Purchase of a Hotel, dated as of May 4, 2005 by and among Webster Street Hotel, LLC, a Delaware limited liability company, and Hersha Hospitality Limited Partnership, a Virginia limited partnership (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.19 Purchase Agreement, dated as of May 11, 2005, among the Company, the Trust and Merrill Lynch International (previously filed with the SEC as Exhibit 10.1 to the Current Report on Form 8-K filed on May 17, 2005 (SEC File No. 001-14765) and incorporated by reference herein).

- 10.20 Agreement of Purchase and Sale, dated as of May 13, 2005, by and between Metro Two Hotel, LLC and CNR Queens Hospitality, LLC (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on May 19, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.21 Purchase and Sale Agreement, dated as of May 13, 2005, by and between 5544 JFK III Associates and Metro Sai Hospitality L.L.C (filed as Exhibit 10.2 to the Current Report on Form 8-K filed on May 19, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.22 Placement Agreement, dated as of May 31, 2005, among the Company, the Trust and Credit Suisse First Boston LLC (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on June 6, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.23 Membership Interests Contribution Agreement, dated June 15, 2005, by and among Waterford Hospitality Group, LLC, Mystic Hotel Investors, LLC and Hersha Hospitality Group Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on June 21, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.24 Form of Limited Liability Company Agreement of Mystic Partners, LLC (filed as Exhibit 10.2 to the Current Report on Form 8-K filed on June 21, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.25 Form of Management Agreement between Lessee and Waterford Hotel Group, Inc. (filed as Exhibit 10.3 to the Current Report on Form 8-K filed on June 21, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.26 Form of Limited Liability Company Agreement of Leaseco, LLC (filed as Exhibit 10.4 to the Current Report on Form 8-K filed on June 21, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.27 Offer Letter, dated May 18, 2005 by and between Hersha Hospitality Trust and Michael R. Gillespie (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on June 27, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.28 Change of Control Agreement, dated July 1, 2005, by and between Hersha Hospitality Trust and Michael R. Gillespie (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on July 6, 2005 (SEC File No. 001-14765) and incorporated by reference herein). †
- 10.29 Third Amendment to Agreement of Limited Partnership of Hersha Hospitality Limited Partnership, by and between Hersha Hospitality Trust and Hersha Hospitality Limited Partnership, dated August 5, 2005 (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on August 8, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.30 Agreement of Sale, dated October 24, 2005, by and between Charlene Schwartz, a resident of Pennsylvania; Langhorne Courtyard, Inc., a Pennsylvania corporation; Mt. Laurel FFI, Inc., a New Jersey corporation; Bethlehem FFI, Inc., a Pennsylvania corporation and Hersha Hospitality Trust (filed as Exhibit 10.1 to the Current Report on Form 8-K filed October 28, 2005 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.31 Revolving Credit Loan and Security Agreement, dated January 17, 2006, by and between Hersha Hospitality Limited Partnership, Hersha Hospitality Trust and Commerce Bank N.A (filed as Exhibit 10.1 to the Current Report on Form 8-K filed January 23, 2006, (SEC File No. 001-14765) and incorporated by reference herein).

- 10.32 Contribution Agreement, dated as of January 19, 2006, by and among Shanti III Associates, Kunj Associates, Devi Associates, Shree Associates, David L. Desfor, Ashish R. Parikh, Sal Shahriar, The Hasu and Hersha Shah 2004 Trust FBO Neil H. Shah, The Hasu and Hersha Shah 2004 Trust FBO Jay H. Shah, Metro JFK Associates LLC, and Hersha Hospitality Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed January 25, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.33 Limited Partnership Interests Purchase Agreement, dated as of the 19th day of January, 2006, by and among Affordable Hospitality, Inc.; 3344 Associates; Hersha Capital, Inc.; Affordable Hospitality Associates, LP; Hersha Hospitality Limited Partnership and Race Street, LLC (filed as Exhibit 10.2 to the Current Report on Form 8-K filed January 25, 2006 (SEC File No. 001-14765) and incorporated by reference herein).

- 10.34 Sixth Amendment to Membership Interests Contribution Agreement, dated February 8, 2006, by and among Hersha Hospitality Limited Partnership, Mystic Hotel Investors, LLC; Waterford Hospitality Group, LLC and First American Title Insurance Company (filed as Exhibit 10.5 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.35 Second Amendment to Limited Liability Company Operating Agreement of Mystic Partners, LLC, dated February 8, 2006 (filed as Exhibit 10.6 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.36 First Amendment to Limited Liability Company Operating Agreement of Mystic Partners Leaseco, LLC, dated February 8, 2006 (filed as Exhibit 10.7 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.37 Conditional Payment Guaranty, dated February 8, 2006, made by Hersha Hospitality Limited Partnership and Mystic Hotel Investors, LLC to and for the benefit of Merrill Lynch Capital (filed as Exhibit 10.8 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.38 Conditional Payment Guaranty, dated February 8, 2006, made by Hersha Hospitality Limited Partnership and Mystic Hotel Investors, LLC to and for the benefit of Merrill Lynch Capital (filed as Exhibit 10.9 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.39 Supplemental Limited Joinder, dated February 8, 2006, made by Hersha Hospitality Limited Partnership and Mystic Hotel Investors LLC (filed as Exhibit 10.10 to the Current Report on Form 8-K filed February 14, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.40 Hersha Hospitality Trust 2004 Equity Incentive Plan (filed as Appendix A to the Proxy Statement on Schedule 14A filed April 22, 2004 (SEC File No. 001-14765) and incorporated by reference herein).†
- 10.41 Contribution Agreement, dated as of May 3, 2006, by and among Kiran P. Patel, Hasu P. Shah, Bharat C. Mehta, Kanti D. Patel, 44 Cambridge Associates LLC and Hersha Hospitality Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed May 3, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.42 Purchase and Sale Agreement, dated July 11, 2006, by and between CNL Hospitality Partners, LP and Hersha Hospitality Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed July 11, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.43 Purchase and Sale Agreement, dated December 18, 2006, between Bridgeworks Hotelworks Associates, L.P., Charlotte Hotelworks Associates, L.P., Gaithersburg Hotelworks Associates, L.P., Pleasant Hill Lodging Partners, L.P., Pleasanton Hotelworks Associates, L.P., Scottsdale Hotelworks Associates, L.P., and Harrison Hotelworks Associates, L.P., and Hersha Hospitality Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed December 18, 2006 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.44 Contribution Agreement, dated as of January 10, 2007, by and among Shree Associates, Kunj Associates, Shanti III Associates, Trust FBO Neil H. Shah under The Hasu and Hersha Shah 2004 Trust, Trust FBO Jay H. Shah under The Hasu and Hersha Shah 2004 Trust, Shreenathji Enterprises, LTD and David L. Desfor (filed as Exhibit 10.1 to the Current Report on Form 8-K filed January 10, 2007 (SEC File No. 001-14765)

and incorporated by reference herein).

- 10.45 Purchase and Sale Agreement, dated as of January 17, 2007, between BCM, LLC, HPS Seaport LLC and Hersha Hospitality Limited Partnership (filed as Exhibit 10.1 to the Current Report on Form 8-K filed January 17, 2007 (SEC File No. 001-14765) and incorporated by reference herein).
- 10.46 Contribution Agreement, dated as of January 17, 2007, between Shree Associates, Kunj Associates, Devi Associates, Shanti II Associates, Trust FBO Jay H. Shah under The Hasu and Hersha Shah 2004 Trust, Trust FBO Neil H. Shah under The Hasu and Hersha Shah 2004 Trust , David L. Desfor and Hersha Hospitality Limited Partnership (filed as Exhibit 10.2 to the Current Report on Form 8-K filed January 17, 2007 (SEC File No. 001-14765) and incorporated by reference herein).

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- 10.47 Amended and Restated Purchase and Sale Agreement, dated as of February 1, 2007, between BCM, LLC, HPS Seaport LLC and SEAPORT HOSPITALITY, LLC (filed as Exhibit 10.1 to the Current Report on Form 8-K filed February 1, 2007 (SEC File No. 001-14765) and incorporated by reference herein).
- 21.1 List of Subsidiaries of the Registrant (filed as Exhibit 21.1 to the Annual Report on Form 10-K filed March 16, 2007 (SEC File No. 001-14765) and incorporated by reference herein).
- 23.1 Consent of Pricewaterhouse Coopers LLP.***
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.***
- 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***
- 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***
- 99.1 Consolidated Financial Statements of Mystic Partners, LLC and Subsidiaries.***

*Filed as an exhibit to Hersha Hospitality Trust's Registration Statement on Form S-11, as amended, filed June 5, 1998 (SEC File No. 333-56087) and incorporated by reference herein.

**Filed as an exhibit to Hersha Hospitality Trust's Registration Statement on Form S-2, filed on September 25, 2003 (SEC File No. 333-109100) and incorporated by reference herein.

Filed herewith.

†

Indicates management contract or compensatory plan or arrangement.