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SEC 1474
(9-02)

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

| 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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-----------|--------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount |
| Options to Purchase Class A Common Shares of Beneficial Interest | \$ 3 | 02/13/2012 | | H | 5,700,000 | 08/04/2009 08/04/2014 | Option to Purchase Class A Common Shares of Beneficial Interest | 5,700,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-----------------|
| | Director | 10% Owner | Officer | Other |
| IRSA INVESTMENTS & REPRESENTATIONS INC | | X | | Former Director |
| REAL ESTATE INVESTMENT GROUP LP 2 CHURCH STREET HAMILTON, D0 HM 11 | | X | | |
| JIWIN STOCK CORP PLAZA INDEPENDENCIA 811, PB MONTEVIDEO, X3 11100 | | X | | |
| Idalgir Stock Corp FLORIDA 537, PISO 18 BUENOS AIRES, C1 C1005AAK | | X | | |
| REAL ESTATE INVESTMENT GROUP II LP 2 CHURCH STREET HAMILTON, D0 HM 11 | | X | | |
| REAL ESTATE INVESTMENT GROUP III LP 2 CHURCH STREET HAMILTON, D0 HM 11 | | X | | |

REAL ESTATE INVESTMENT GROUP IV LP
2 CHURCH STREET
HAMILTON, D0 HM 11

X

Signatures

/s/ Eduardo S.
Elsztain

02/28/2012

**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) Please see Exhibit.

(2) On February 13, 2012, Hersha Hospitality Trust (the "Company") exercised its right, at its sole discretion, pursuant to that certain Investor Rights and Option Agreement (the "Agreement"), dated August 4, 2009, by and among the Company, Real Estate Investment Group L.P. ("REIG") and IRSA Inversiones y Representaciones Sociedad Anonima, to call in and cancel in full the purchase option (the "Option") held by REIG to purchase, pursuant to the Agreement, up to 5,700,000 Class A common shares of beneficial interest, \$0.01 par value per share (the "Shares") at an exercise price of \$3.00, subject to certain adjustments.

(3) To cancel REIG's Option, the Company issued an aggregate of 2,521,561 class A shares of beneficial interest of the Company to REIG. Based on the formula provided in the Agreement, the Option was valued at \$13,566,000.00 and the Shares were valued at \$5.38 per share. For additional information about the Agreement, please see the Company's current report on Form 8-K filed with the Securities and Exchange Commission on August, 6, 2009, and exhibit 10.2 thereto.

Remarks:

This Form 4 is being filed in two parts because of the ten person reporting limitation of the electronic filing system. Part 1 is b

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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