

Item 1.01

Entry Into a Material Definitive Agreement

Effective July 1, 2005, Hersha entered into a Change of Control Agreement (the "Agreement") with Michael R. Gillespie, Hersha's newly appointed Chief Accounting Officer. The following brief description of the material terms of the Agreement is qualified in its entirety by reference to the full text of the Agreement which is attached hereto as Exhibit 10.1.

Hersha shall pay Mr. Gillespie an initial annual base salary of \$140,000;

- In the event of a Change of Control (as defined in the Agreement), during the first year of employment, and a subsequent Termination Without Cause (as defined in the Agreement), Hersha shall pay Mr. Gillespie his pro-rata annual salary, bonus and health insurance benefits for a period of three months following the termination.
- In the event of a Change of Control (as defined in the Agreement), during the second or third year of employment, and a subsequent Termination Without Cause (as defined in the Agreement), Hersha shall pay Mr. Gillespie his pro-rata annual salary, bonus and health insurance benefits for a period of six months following the termination.
- In the event of a Change of Control (as defined in the Agreement), and subsequent Termination Without Cause (as defined in the Agreement), Hersha shall fully vest Mr. Gillespie's share awards and stock options, regardless of any vesting schedule.

Item 9.01

Financial Statements and Exhibits

(c) Exhibits.

10.1 Change of Control Agreement, dated July 1, 2005, by and between Hersha Hospitality Trust and Michael R. Gillespie.

SIGNATURE

Pursuant to the requirements 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

Date: July 5, 2005

By: /s/Ashish R. Parikh
Ashish R. Parikh
Chief Financial Officer
