



For Immediate Release

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**Hersha Hospitality Management To Add Four New Properties
To Third-Party Portfolio in First 45 Days of 2010**

Includes Full-service, Extended-stay and Select-service Hotels

PHILADELPHIA, January 22, 2010—Hersha Hospitality Management (HHM), a leading hotel management company that operates approximately 70 premium limited-service, upscale, upper-upscale and luxury lifestyle hotels and asset manages an additional 19 hotels, today announced that it will add four new properties to its management portfolio in the first 45 days of 2010, including three hotels owned by third parties and one joint-venture investment. These hotels mark a continuation of HHM's aggressive growth strategy to double the size of its management portfolio in the next three years, via third-party management, joint ventures, and asset management. The company's recent additions are:

Management Partner For Conversion and Opening Holiday Inn Wall Street—HHM was selected to take over management and to convert an existing full-service, independent hotel in the Financial District of Manhattan (directly across from the Federal Reserve and a few blocks from the NYSE) to the Holiday Inn –Wall Street. “This is our twelfth hotel under management in New York City and a chance to launch Holiday Inn’s only hotel in the Financial District,” said Naveen Kakarla, HHM executive vice president. “We are upgrading an already beautiful independent hotel to meet the signature elements of the Holiday Inn brand relaunch; as such, the assignment takes advantage of our deep experience in construction and renovation in difficult urban markets.”

Manager of the Fairfield Inn Atlantic City North—HHM also was selected by Capstone Realty Group to take over management of this 200-room hotel, which is conveniently located between the beaches and casinos of Atlantic City and the Atlantic City Airport. The hotel just completed a full renovation in 2009 and subsequently was acquired by Capstone via a loan purchase of the hotel’s leasehold mortgage.

For HHM, the Fairfield Inn Atlantic City North is emblematic of its growth plan to attract new third-party owners through aligned relationships and a strong track record. “Our historical performance at other hotels under management is one of our strongest selling points as third-party owners seek to learn what sets HHM apart: the inherent value in our operating model,” said Mike Murray, HHM chief operating officer. “We are thrilled to have earned the trust of Capstone and look forward to driving results at this hotel and in future projects together.”

Management for Newly Built Homewood Suites Newtown/Bucks County, PA—HHM also was selected by Pheasant Run Properties to launch the newly built Homewood Suites by Hilton in Newtown/Bucks County, PA. “We are delighted to serve as third-party managers to launch this beautiful new purpose-built hotel to meet the extended-stay needs of Bucks County,” Murray said. “The Homewood Suites Newtown is the sixth hotel under our stewardship in the Greater Princeton and Bucks County regions.”

Launch of Element by Westin in Ewing/Princeton, New Jersey—HHM is also a joint-venture investor and manager of the first Element by Westin in New Jersey, the seventh hotel launch by this brand globally. The 127 rooms offer eco-friendly amenities, spa-inspired showers and provide a refreshing new longer-stay alternative for business and leisure travelers. “We developed this hotel along with our partners at American Properties Realty with renewed focus on improving energy and environmental performance metrics, including energy savings, water efficiency, CO2-emissions reduction and improved indoor environmental quality,” Kakarla noted. “Our development objectives align closely with our ongoing operational initiative on the environment and sustainable hotel operations across our portfolio.”

About Hersha Hospitality

Hersha Hospitality Management currently operates approximately 70 hotels in the nation's leading markets. The company provides turnkey hotel management and asset management for properties with leading brand affiliations, including Marriott, Hilton, Hyatt, Starwood, and InterContinental Hotel Group, and the newly launched collection Independent Collection (www.independentcollection.com). Including hotels under construction, HHM operates hotels under 20 brands. The company's clients include publicly traded companies, joint ventures, institutional real estate owners and private investors. Additional information about HHM may be found at www.hershahotels.com.