

Hospitality Properties Trust Sells 18 Homestead Hotels For \$205.35 Million

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Hospitality Properties Trust (NYSE: HPT) today announced that it has sold 18 Homestead Studio Suites hotels (2,399 rooms) for \$205.35 million. HPT expects to recognize a gain on this sale of approximately \$95 million.

HPT purchased these 18 hotels in 1999 from Homestead Village, Inc. (which was then a publicly owned company) for \$145 million. The expected gain reflects depreciation expense realized by HPT since 1999. Simultaneous with this purchase, these hotels were leased by HPT to a subsidiary of that seller for minimum rent of \$15,960,000/year plus percentage rent based upon increases in gross revenues at the hotels. In 2006, the percentage rent received by HPT for these hotels was approximately \$509,000.

In 2001, an entity affiliated with Blackstone Group (NYSE: BX) purchased Homestead Village, Inc. and HPT's tenant for these hotels. On June 11, 2007, Blackstone sold Homestead Village, Inc. and the tenant entity together with a larger group of hotels to an affiliate of the Lightstone Group, a privately owned entity. This sale resolves outstanding disputes between HPT and Lightstone. Seventeen of these hotels were purchased by an affiliate of Lightstone for approximately \$192.25 million. One hotel was purchased by HRPT Properties Trust (NYSE: HRP) for approximately \$13.1 million, and this one hotel will be short term leased by an affiliate of Lightstone until that hotel property may be redeveloped as part of a larger project including adjacent property currently owned by HRPT Properties Trust.

HPT intends to use the net proceeds from the sale of these hotels to reduce amounts outstanding under its revolving bank credit agreement.

Hospitality Properties Trust is a real estate investment trust which owns 292 hotels and 186 hospitality and travel centers located throughout the United States, Puerto Rico and Ontario, Canada.

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