

Summit Hotel OP, LP
Form 10-K/A
April 04, 2011

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

FORM 10-K/A
(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2010

OR

o 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: 001-35074 (Summit Hotel Properties, Inc.)
Commission File Number: 001-54273 (Summit Hotel OP, LP)

SUMMIT HOTEL PROPERTIES, INC.
SUMMIT HOTEL OP, LP
(Exact name of registrant as specified in its charter)

Maryland (Summit Hotel Properties, Inc.)	27-2962512 (Summit Hotel Properties, Inc.)
Delaware (Summit Hotel OP, LP)	27-2966616 (Summit Hotel OP, LP)
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2701 South Minnesota Avenue, Suite 6
Sioux Falls, SD 57105
(Address of principal executive offices, including zip code)

(605) 361-9566
(Registrant's telephone number, including area code)

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

Summit Hotel Properties, Inc.

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Title of each class
Common Stock, \$0.01 par value per
share

Name of each exchange on which
registered
New York Stock Exchange

Summit Hotel OP, LP

Title of each class
None

Name of each exchange on which
registered
Not applicable

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

Summit Hotel Properties, Inc.: None
Summit Hotel OP, LP: Partnership Units designated as "Common Units"
representing limited partnership interests in Summit Hotel OP, LP

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Summit Hotel Properties, Inc. Yes No Summit Hotel OP, LP 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.

Summit Hotel Properties, Inc. Yes No Summit Hotel OP, LP Yes No

Indicate by check mark whether the registrant (1) 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 (2) has been subject to such filing requirements for the past 90 days.

Summit Hotel Properties, Inc. Yes No Summit Hotel OP, LP Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405) of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Summit Hotel Properties, Inc. Yes No Summit Hotel OP, LP Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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.

Summit Hotel Properties, Inc. Summit Hotel OP, LP

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company in Rule 12b-2 of the Exchange Act.

Summit Hotel Properties, Inc
Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Summit Hotel OP, LP
Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Summit Hotel Properties, Inc. Yes No Summit Hotel OP, LP Yes No

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State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

Summit Hotel Properties, Inc. Not applicable Summit Hotel OP, LP Not applicable

Neither registrant had any outstanding securities at the end of the most recently completed second fiscal quarter.

As of March 25, 2011, the number of outstanding shares of common stock of Summit Hotel Properties, Inc. was 27,278,000 and the number of outstanding Common Units of Summit Hotel OP, LP was 37,378,000, including Common Units held by Summit Hotel Properties, Inc. and the general partner of Summit Hotel OP, LP.

EXPLANATORY NOTE

The Registrants are filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to their combined Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the Securities and Exchange Commission on March 31, 2011 (the “Original Filing”) to revise amounts shown in the “Subtotal/Weighted Average” and “Total/Weighted Average” rows of the table included under “Our Properties” in Part I, Item 2. In the Original Filing, these numbers inadvertently reflected amounts for the nine-month period ended September 30, 2010 rather than for the year ended December 31, 2010. The revised table also includes a corrected footnote reference for the last hotel shown.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment also contains new certifications pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Except as described above, this Annual Report on Form 10-K/A does not amend, update or change any other items or disclosures in the Annual Report on Form 10-K, as amended, and does not purport to reflect any information or events subsequent to the filing thereof.

ANNUAL REPORT ON FORM 10-K/A
FISCAL YEAR ENDED DECEMBER 31, 2010
SUMMIT HOTEL PROPERTIES, INC.
SUMMIT HOTEL OP, LP

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PART I

Item 2. Properties.

Our Portfolio

A list of our hotel properties owned as of December 31, 2010 and operating information for those hotels is included in the table below. Except as indicated in the following table for four hotels, which are ground leased, we own our hotels in fee simple. Forty-two of our hotels are categorized as mid-scale without food and beverage hotels and 23 of our hotels are categorized as upscale hotels. As of December 31, 2010, all of our hotels were encumbered by a total of \$420.4 million of mortgage debt, approximately \$223.6 million of which was repaid in the first quarter of 2011 with net proceeds from our IPO and the concurrent private placement. All financial and room information is for the year ended December 31, 2010.

Year Ended December 31, 2010

Franchise/Brand	Location	Year of Opening/ Conversion	# Rooms	Occupancy(1)	ADR(2)	RevPAR(3)	Segment
Marriott							
Courtyard by Marriott*(4)(5)	Flagstaff, AZ	2009	164	63.70 %	\$ 89.61	\$ 57.08	Upscale
Courtyard by Marriott(4)(6)	Germantown, TN	2005	93	65.00	92.40	60.06	Upscale
Courtyard by Marriott(4)(6)	Jackson, MS	2005	117	67.15	92.71	62.25	Upscale
Courtyard by Marriott(4)(7)	Memphis, TN	2005	96	64.56	73.99	47.77	Upscale
Courtyard by Marriott(4)(8)	Missoula, MT	2005	92	64.20	102.24	65.64	Upscale
Courtyard by Marriott(4)(9)	Scottsdale, AZ	2003	153	57.24	105.86	60.59	Upscale
Fairfield Inn by Marriott	Baton Rouge, LA	2004	79	55.93	81.17	45.39	Midscale w/o F&B
Fairfield Inn by Marriott	Bellevue, WA	1997	144	60.63	106.31	64.46	Midscale w/o F&B
Fairfield Inn by Marriott	Boise, ID	1995	63	63.61	68.96	43.86	Midscale w/o F&B
Fairfield Inn by Marriott	Denver, CO	1997	161	69.62	83.99	58.47	Midscale w/o F&B
Fairfield Inn by Marriott	Emporia, KS	1994	57	61.04	75.51	46.10	Midscale w/o F&B
Fairfield Inn by Marriott	Lakewood, CO	1995	63	64.61	86.17	55.67	Midscale w/o F&B
Fairfield Inn by Marriott(4)(8)	Lewisville, TX	2000	71	53.27	73.43	39.12	Midscale w/o F&B
Fairfield Inn by Marriott	Salina, KS	1994	63	70.78	72.32	51.19	Midscale w/o F&B
Fairfield Inn by Marriott	Spokane, WA	1995	86	66.64	106.40	70.90	Midscale w/o F&B

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Fairfield Inn & Suites by Marriott(4)(7)	Germantown, TN	2005	80	54.30	75.64	41.07	Midscale w/o F&B
Residence Inn by Marriott	Fort Wayne, IN	2006	109	66.20	93.82	62.11	Upscale
Residence Inn by Marriott(4)(7)	Germantown, TN	2005	78	64.51	97.34	62.80	Upscale
Residence Inn by Marriott*(4)(10)(11)	Portland, OR	2009	124	74.10	97.74	72.42	Upscale
Residence Inn by Marriott*(4)(12)	Ridgeland, MS	2007	100	79.33	99.97	79.31	Upscale
SpringHill Suites by Marriott	Baton Rouge, LA	2004	78	59.53	86.67	51.59	Upscale
SpringHill Suites by Marriott*(4)(13)	Denver, CO	2007	124	63.31	96.22	60.91	Upscale
SpringHill Suites by Marriott*	Flagstaff, AZ	2008	112	67.01	89.86	60.22	Upscale
SpringHill Suites by Marriott(4)(14)	Lithia Springs, GA	2004	78	47.44	74.79	35.48	Upscale
SpringHill Suites by Marriott	Little Rock, AR	2004	78	60.24	87.34	52.62	Upscale
SpringHill Suites by Marriott	Nashville, TN	2004	78	68.45	98.68	67.54	Upscale
SpringHill Suites by Marriott(4)(9)	Scottsdale, AZ	2003	123	55.41	95.97	53.17	Upscale
TownePlace Suites by Marriott	Baton Rouge, LA	2004	90	69.21	74.82	51.78	Midscale w/o F&B
Subtotal/Weighted Average			2,754	63.76 %	\$ 90.51	\$ 57.71	
Hilton							
Hampton Inn(4)(8)	Denver, CO	2003	149	46.01 %	\$ 80.37	\$ 36.98	Midscale w/o F&B
Hampton Inn	Fort Collins, CO	1996	75	60.53	83.17	50.34	Midscale w/o F&B
Hampton Inn(4)(7)(10)	Fort Smith, AR	2005	178	60.79	95.39	57.99	Midscale w/o F&B
Hampton Inn(4)(8)	Fort Wayne, IN	2006	119	60.55	91.31	55.28	Midscale w/o F&B
Hampton Inn	Medford, OR	2001	75	70.57	101.02	71.29	Midscale w/o F&B
Hampton Inn	Twin Falls, ID	2004	75	66.11	81.27	53.73	Midscale w/o F&B
Hampton Inn	Provo, UT	1996	87	72.17	86.94	62.74	Midscale w/o F&B
Hampton Inn	Boise, ID	1995	63	70.17	86.24	60.52	Midscale w/o F&B
Hampton Inn & Suites*	Bloomington, MN	2007	146	71.81	114.89	82.50	Midscale w/o F&B
Hampton Inn & Suites(4)(7)	El Paso, TX	2005	139	80.95	110.60	89.53	Midscale w/o F&B
Hampton Inn & Suites*(4)(15)	Fort Worth, TX	2007	105	67.05	110.83	74.31	Midscale w/o F&B

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Hilton Garden Inn*(4)(16)	Fort Collins, CO	2007	120	58.40	88.45	51.66	Upscale
Subtotal/Weighted Average			1,331	64.73 %	\$ 96.71	\$ 62.60	

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Year Ended December 31, 2010

Franchise/Brand	Location	Year of Opening/ Conversion	# Rooms	Occupancy(1)	ADR(2)	RevPAR(3)	Segment	
IHG								
Holiday Inn Express(4)(7)		Boise, ID	2005	63	73.03 %	\$ 77.46	\$ 56.57	Midscale w/o F&B
Holiday Inn Express*(4)(8)		Vernon Hills, IL	2008	119	56.35	79.75	44.94	Midscale w/o F&B
Holiday Inn Express & Suites		Emporia, KS	2000	58	75.71	87.48	66.23	Midscale w/o F&B
Holiday Inn Express & Suites*		Las Colinas, TX	2007	128	41.76	79.44	33.18	Midscale w/o F&B
Holiday Inn Express & Suites(4)(8)		Sandy, UT	1998	88	73.60	88.60	65.21	Midscale w/o F&B
Holiday Inn Express & Suites*(4)(17)		Twin Falls, ID	2009	91	59.34	87.13	51.70	Midscale w/o F&B
Staybridge Suites		Jackson, MS	2007	92	64.35	86.89	55.91	Midscale w/o F&B
Subtotal/Weighted Average				639	60.78 %	\$ 83.90	\$ 51.00	
Hyatt								
Hyatt Place(4)(6)		Atlanta, GA	2006	150	79.04 %	\$ 75.24	\$ 59.47	Upscale
Hyatt Place*		Fort Myers, FL	2009	148	34.95	76.51	26.74	Upscale
Hyatt Place*		Las Colinas, TX	2007	122	59.35	87.55	51.96	Upscale
Hyatt Place*(4)(10)(18)		Portland, OR	2009	136	69.78	79.01	55.13	Upscale
Subtotal/Weighted Average				556	60.72 %	\$ 79.14	\$ 48.05	
Choice								
Cambria Suites*(4)(19)		Baton Rouge, LA	2008	127	70.55 %	\$ 82.86	\$ 58.46	Upscale
Cambria Suites*		Bloomington, MN	2007	113	74.92	75.40	56.49	Upscale
Cambria Suites*(4)(14)		Boise, ID	2007	119	64.83	72.54	47.03	Upscale
Cambria Suites*(4)(20)		San Antonio, TX	2008	126	64.37	78.26	50.38	Upscale
Comfort Inn(4)(8)(10)		Fort Smith, AR	1995	89	52.80	70.54	37.24	Midscale w/o F&B
Comfort Inn(4)(8)		Missoula, MT	1996	52	64.26	86.50	55.59	Midscale w/o F&B
Comfort Inn		Salina, KS	1992	60	68.10	70.83	48.23	Midscale w/o F&B
			1992	111	66.51	69.58	46.27	

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Comfort Inn & Suites	Twin Falls, ID						Midscale w/o F&B
Comfort Suites	Charleston, WV	2001	67	74.06	94.25	69.80	Midscale w/o F&B
Comfort Suites	Fort Worth, TX	1999	70	52.43	82.48	43.24	Midscale w/o F&B
Comfort Suites	Lakewood, CO	1995	62	65.11	82.77	53.89	Midscale w/o F&B
Subtotal/Weighted Average			996	65.69 %	\$ 77.99	\$ 51.24	
Starwood							
Aloft*	Jacksonville, FL	2009	136	64.72	62.33	40.34	Upscale
Carlson							
Country Inn & Suites By Carlson	Charleston, WV	2001	64	75.29	96.76	72.85	Midscale w/o F&B
Independent							
Aspen Hotel & Suites(4)(21)	Fort Smith, AR	2003	57	49.70	64.66	32.13	Midscale w/o F&B
Total/Weighted Average			6,533	63.71 %	\$ 87.59	\$ 55.80	
Total/Weighted Average — Seasoned Portfolio			4,173	64.07 %	\$ 87.75	\$ 56.22	
Total/Weighted Average — Unseasoned Portfolio			2,360	63.08 %	\$ 87.29	\$ 55.06	

* Unseasoned hotel.

- (1) Occupancy represents the percentage of available rooms that were sold during a specified period of time and is calculated by dividing the number of rooms sold by the total number of rooms available, expressed as a percentage.
- (2) ADR represents the average daily rate paid for rooms sold, calculated by dividing room revenue (i.e., excluding food and beverage revenue or other hotel operations revenue such as telephone, parking and other guest services) by rooms sold.
- (3) RevPAR is the product of ADR and occupancy. RevPAR does not include food and beverage revenue or other hotel operations revenue such as telephone, parking and other guest services.
- (4) This hotel is subject to mortgage debt at December 31, 2010. For additional information concerning our debt and lenders, please see Item 7. “Management’s Discussion and Analysis of Financial Information and Results of Operations—Indebtedness” and Item 8. “Financial Statements and Supplementary Data—Note 11” to Consolidated Financial Statements.
- (5) At 12/31/10, subject to approximately \$16.5 million in mortgage debt maturing 5/17/18 loaned by Compass Bank.
- (6) At 12/31/10, subject to approximately \$24.2 million in mortgage debt maturing 7/01/13 loaned by First National Bank of Omaha.

- (7) At 12/31/10, subject to approximately \$28.9 million in mortgage debt maturing 7/01/25 loaned by ING Investment Management.
- (8) At 12/31/10, subject to approximately \$29.3 million in mortgage debt maturing 7/01/12 loaned by ING Investment Management.
- (9) At 12/31/10, subject to approximately \$13.6 million in mortgage debt maturing 1/01/15 loaned by National Western Life Insurance.
- (10) This hotel is subject to a ground lease. See “—Our Hotel Operating Agreements—Ground Leases” below.
- (11) At 12/31/10, subject to approximately \$12.6 million in mortgage debt maturing 9/30/11 loaned by Bank of the Cascades.
- (12) At 12/31/10, subject to approximately \$6.2 million in mortgage debt maturing 11/01/28 loaned by ING Investment Management.
- (13) At 12/31/10, subject to approximately \$8.7 million in mortgage debt maturing 4/01/18 loaned by General Electric Capital Corp.
- (14) At 12/31/10, subject to approximately \$7.3 million in mortgage debt maturing 3/01/12 loaned by MetaBank.
- (15) At 12/31/10, subject to approximately \$5.7 million in mortgage debt maturing 11/01/13 loaned by BNC National Bank.
- (16) At 12/31/10, subject to approximately \$7.9 million in mortgage debt maturing 7/01/12 loaned by ING Investment Management.
- (17) At 12/31/10, subject to approximately \$5.8 million in mortgage debt maturing 4/01/16 loaned by BNC National Bank.
- (18) At 12/31/10, subject to approximately \$6.4 million in mortgage debt maturing 6/29/12 loaned by Bank of the Ozarks.
- (19) At 12/31/10, subject to approximately \$11.0 million in mortgage debt maturing 3/01/19 loaned by General Electric Capital Corp.
- (20) At 12/31/10, subject to approximately \$11.2 million in mortgage debt maturing 1/01/15 loaned by General Electric Capital Corp.
- (21) At 12/31/10, subject to approximately \$1.6 million in mortgage debt maturing 6/24/12 loaned by Chambers Bank.

We have also entered into three agreements to purchase four additional hotels for an aggregate purchase price of approximately \$34.8 million, although the closings of the purchases of these hotels are subject to satisfaction of customary closing requirements and conditions and there is no assurance that any will be consummated in a timely manner or at all. We have entered into an agreement to purchase a 216-room hotel located in downtown Minneapolis, Minnesota, an agreement to purchase a 143-room hotel located in Duluth, Georgia and a 121-room hotel located in Glendale (Denver), Colorado and an agreement to purchase a 91-room hotel located in Ridgeland, Mississippi. See also “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources”

In addition to our hotel portfolio, we own 14 parcels of vacant land that we believe are suitable for the development of new hotels, the possible expansion of existing hotels or the development of restaurants in proximity to certain of our hotels.

We currently do not intend to develop new hotels or restaurants or expand any of our existing hotels at these parcels. We may in the future sell these parcels when market conditions warrant. To reduce the risk of incurring a prohibited transaction tax on any sales, we may transfer some or all of those parcels of undeveloped land to Summit TRS or another TRS.

Our Hotel Operating Agreements

Ground Leases

Four of our hotels are subject to ground lease agreements that cover all of the land underlying the respective hotel property.

The Comfort Inn located in Fort Smith, Arkansas is subject to a ground lease with an initial lease termination date of August 31, 2022. The initial lease term may be extended for an additional 30 years. Annual ground rent currently is \$44,088 per year. Annual ground rent is adjusted every fifth year with adjustments based on the Consumer Price Index for All Urban Consumers. The next scheduled ground rent adjustment is January 1, 2015.

The Hampton Inn located in Fort Smith, Arkansas is subject to a ground lease with an initial lease termination date of May 31, 2030 with 11, five-year renewal options. Annual ground rent currently is \$145,987 per year. Annual ground rent is adjusted on June 1 of each year, with adjustments based on increases in RevPAR calculated in accordance with the terms of the ground lease.

The Residence Inn by Marriott located in Portland, Oregon is subject to a ground lease with an initial lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.

The Hyatt Place located in Portland, Oregon is subject to a ground lease with a lease termination date of June 30, 2084 with one option to extend for an additional 14 years. Ground rent for the initial lease term was prepaid in full at the time we acquired the leasehold interest. If the option to extend is exercised, monthly ground rent will be charged based on a formula established in the ground lease.

These ground leases generally require us to make rental payments and payments for our share of charges, costs, expenses, assessments and liabilities, including real property taxes and utilities. Furthermore, these ground leases generally require us to obtain and maintain insurance covering the subject property.

Franchise Agreements

All of our hotels, except for our one independent hotel, currently operate under franchise agreements with Marriott, Hilton, IHG, Hyatt, Choice, Starwood and Country Inns & Suites By Carlson, Inc. We believe that the public's perception of the quality associated with a brand-name hotel is an important feature in its attractiveness to guests. Franchisors provide a variety of benefits to franchisees, including centralized reservation systems, national advertising, marketing programs and publicity designed to increase brand awareness, training of personnel and maintenance of operational quality at hotels across the brand system.

The franchise agreements require our TRS lessees, as franchisees, to pay franchise fees ranging between 2% and 6% of each hotel's gross revenue. In addition, some of our franchise agreements will require our TRS lessees to pay marketing fees of up to 4% of each hotel's gross revenue. These agreements generally specify management, operational, record-keeping, accounting, reporting and marketing standards and procedures with which our TRS lessees, as the franchisees, must comply. The franchise agreements will obligate our TRS lessees to comply with the franchisors' standards and requirements, including training of operational personnel, safety, maintaining specified insurance, the types of services and products ancillary to guest room services that may be provided by the TRS lessee, display of signage and the type, quality and age of furniture, fixtures and equipment included in guest rooms, lobbies and other common areas. Some of the agreements require that we deposit a set percentage, generally not more than 5% of the gross revenue of the hotels, into a reserve fund for capital expenditures.

We have agreed with certain of our franchisors to complete property improvement plans, with completion dates ranging from March 2011 to August 2015. We expect to spend approximately \$20.0 million before June 30, 2012 for capital improvements pursuant to these plans. We intend to fund the cost of completing these plans with a portion of the proceeds from our IPO and concurrent private placement and other potential sources of capital, including future offerings of our securities and borrowings under our anticipated \$100.0 million senior secured revolving credit facility.

We will be required to obtain the written consent of a hotel's franchisor to sell a hotel or we may be required to pay franchise termination fees. The franchise agreements generally will also provide for termination at the applicable franchisor's option upon the occurrence of certain events, including failure to pay royalties and fees or to perform other

obligations under the franchise license, bankruptcy and abandonment of the franchise or a change in control or proposed sale of a franchised property. The TRS lessee that is the franchisee will be responsible for making all payments under the applicable franchise agreement to the franchisor.

Hotel Management Agreement

In order to qualify as a REIT, we cannot directly or indirectly operate any of our hotels. Our operating partnership and subsidiaries of our operating partnership lease our hotels to our TRS lessees, which engage property managers to manage our hotels. In connection with the completion of our IPO and the formation transactions in February 2011, our TRS lessees entered into a hotel management agreement for the 65 hotels in our portfolio with Interstate, as our hotel manager. We may, but we are not required to, enter into hotel management agreements with Interstate for any additional hotels that we may acquire.

Pursuant to the hotel management agreement with Interstate, our TRS lessees are required to fund working capital needs, fixed asset supplies, capital expenditures and operating expenses of the hotels. Interstate, subject to certain limited owner approval rights, has control of all operational aspects of the hotels in our portfolio, including employee-related matters. Interstate is required to maintain each hotel in good repair and condition and make such routine maintenance and repairs as are reasonably necessary or appropriate consistent with the business plan we approve.

The hotel management agreement became effective on February 14, 2011 and is for a term of ten years, unless earlier terminated as described below.

We will pay Interstate a base management fee and, if certain financial thresholds are met or exceeded, an incentive management fee.

Base Management Fee. The base management fee is 3% of total revenue for all of the hotels covered by the hotel management agreement. Total revenue is all income, revenue and proceeds resulting directly or indirectly from the operation of the hotels and all of their facilities (net of refunds and credits to guests and other allowances) before subtracting expenses.

Incentive Fee. The incentive fee is 10% of the amount by which actual aggregate EBITDA for all hotels covered by the hotel management agreement exceeds \$65 million. "EBITDA" is defined as the amount by which gross operating profit (the amount by which total revenue exceed operating expenses) exceeds fixed charges. The incentive fee for any fiscal year is capped at 1.5% of the total revenue for all of the hotels covered by the hotel management agreement for that fiscal year.

In addition, Interstate will receive, on a monthly basis, a fee for the use of its centralized accounting services in an amount equal to \$1,500 per hotel per month for hotels with 90 or more rooms and \$1,375 per hotel per month for hotels with less than 90 rooms, subject to annual increases of the lesser of (i) the percentage change in the Consumer Price Index for the previous fiscal year and (ii) 3%.

The hotel management agreement may be terminated entirely or with respect to individual hotels, as applicable, for cause, without cause, due to damage or condemnation of a hotel, on Interstate's failure to comply with certain REIT-related provisions of the Code, upon a hotel's underperformance, due to Interstate entering into competition with one of our hotels and upon the sale of a hotel.

Early Termination for Cause. Subject to certain qualifications, the hotel management agreement is generally terminable by either party upon the occurrence of certain events of default that continue uncured after written notice by the non-defaulting party, which generally include: non-payment by either party of any amount required by the agreement; defaults that are reasonably likely to result in a threat to the health and safety of a hotel's employees or guests; other material defaults of obligations under the agreement; our failure to fund repairs, alterations and replacements necessary to protect against innkeeper liability exposure or comply with applicable regulation, statute or

ordinance; and additional defaults, typical in similar agreements.

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If an event of default occurs, the non-defaulting party generally has, among other remedies, the option of terminating the applicable hotel management agreement. If the agreement is terminated by Interstate due to our default, we will be required to pay a termination fee which would provide Interstate with a 30% Internal Rate of Return with respect to such hotel, however, solely for the first five terminations, if the effective date of such termination occurs on or before the end of the eighteenth month following the effective date of the agreement, the Internal Rate of Return shall be 20% instead of 30% (“Termination Fee”).

Early Termination—Without Cause. We may terminate the agreement with respect to up to five hotels during any fiscal year with or without cause by delivering written notice at least 60 days prior to termination, after having paid in full all amounts otherwise due to Interstate under the agreement and paying Interstate the Termination Fee with respect to such hotels.

Termination Due to Damage or Condemnation. Subject to payment of the Termination Fee with respect to such hotels, if a hotel is damaged by fire or other casualty, both we and Interstate may terminate the management agreement with respect to such hotel upon 30 days’ written notice if (i) we elect to close such hotel or determine not to proceed with the restoration of such hotel, or (ii) if 20% or more of the rooms of such hotel are unavailable for rental for a period of 60 days or more as a result of such casualty. Both we and Interstate may terminate the management agreement with respect to a hotel all or substantially all of which is taken through condemnation or, if less than all or substantially all of a hotel is taken, it is determined that the hotel, once restored, could not be operated profitably in a manner that existed immediately prior to such condemnation.

Termination on Failure of Interstate to Comply with REIT Provisions. Under the hotel management agreement, if, at any time, Interstate does not qualify as an “eligible independent contractor” for federal income tax purposes or if wagering activities are being conducted at or in connection with a hotel by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such hotel, we may, in our sole discretion, elect to terminate the management agreement immediately and without payment of any termination fee or penalty.

Performance Termination. The hotel management agreement also provides that we may terminate the management agreement with respect to a hotel upon 60 days’ written notice if, as of the end of any fiscal year, such hotel fails to achieve (i) actual gross operating profit of at least 87.5% of the budgeted gross operating profit for such hotel for such fiscal year, and (ii) 87.5% of such hotel’s RevPAR Benchmark (as defined in the agreement); provided, that such notice of termination shall be stayed and will become null and void if such hotel achieves as of the end of the following fiscal year (i) actual gross operating profit of at least 87.5% of the budget gross operating profit for such hotel or (ii) 87.5% of such hotel’s RevPAR Benchmark. Additionally, Interstate shall have the right, exercisable no more than two times per hotel, to cure a performance termination by making a payment to us equal to the amount by which 87.5% of the budgeted gross operating profit for such hotel exceeds actual gross operating profit for such hotel for such fiscal year.

Termination Due to Competitive Business. If, without our express permission, Interstate elects to own, operate, lease or otherwise have an interest in, directly or indirectly, one or more hotels in a competitive set of one of our hotels, upon 30 days’ written notice we may terminate the agreement solely with respect to that hotel without payment of any termination fee.

Sale of a Hotel. If we sell a hotel to an unaffiliated third party, we may terminate the agreement with respect to such hotel so long as we pay the Termination Fee.

Assignment. The hotel management agreement provides that neither Interstate nor we may assign its or our interest in the agreement without the other party’s prior written consent provided that Interstate may assign its rights and

obligations to its affiliates (as defined in the management agreement). However, we may assign our interest without Interstate's consent to any person acquiring the hotel and agreeing to be bound by the terms of the hotel management agreement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

1. Exhibits

See the exhibit index attached hereto and incorporated herein by reference. The following exhibits listed on the exhibit index are filed as exhibits to the Registrants' Annual Report on Form 10-K/A (Amendment No. 1) for the year ended December 31, 2010:

Exhibit Number	Description of Exhibit
31.1†	Certification of Chief Executive Officer of Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3†	Certification of Chief Executive Officer of Summit Hotel OP, LP pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4†	Certification of Chief Financial Officer Summit Hotel OP, LP pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.3†	Certification of Chief Executive Officer Summit Hotel OP, LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.4†	Certification of Chief Financial Officer Summit Hotel OP, LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

† Filed herewith.

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.

SUMMIT HOTEL PROPERTIES, INC. (registrant)

Date: April 4, 2011

By: /s/ Christopher R. Eng
Christopher R. Eng
Vice President, General Counsel and Secretary
(duly authorized representative)

SUMMIT HOTEL OP, LP (registrant)

By: Summit Hotel GP, LLC, its general partner

By: Summit Hotel Properties, Inc., its sole member

Date: April 4, 2011

By: /s/ Christopher R. Eng
Christopher R. Eng
Vice President, General Counsel and Secretary
(duly authorized representative)

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment and Restatement of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 23.1 to Annual Report on Form 10-K filed by Summit Hotel Properties, Inc. and Summit Hotel OP, LP on March 31, 2011)
3.2	Certificate of Limited Partnership of Summit Hotel OP, LP, as amended (incorporated by reference to Exhibit 3.1 to Amendment No. 2 to Registration Statement on Form 8-A filed by Summit Hotel OP, LP on February 11, 2011)
3.3	Amended and Restated Bylaws of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 3.2 to Amendment No. 2 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on November 1, 2010)
3.4	First Amended and Restated Agreement of Limited Partnership of Summit Hotel OP, LP, dated February 14, 2011 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
4.1	Specimen certificate of common stock of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 4.1 to Amendment No. 5 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on February 7, 2011)
10.1	Form of Transition Services Agreement between The Summit Group, Inc. and Summit Hotel OP, LP (incorporated by reference to Exhibit 10.27 to Amendment No. 4 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on January 28, 2011)*
10.2	Tax Protection Agreement, dated February 10, 2011, between Summit Hotel OP, LP and The Summit Group, Inc. (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
10.3	Transition Services Agreement, dated February 14, 2011, between Summit Hotel OP, LP and The Summit Group, Inc. (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
10.4	Amended and Restated Hotel Management Agreement, dated February 14, 2011, among Interstate Management Company, LLC and the subsidiaries of Summit Hotel Properties, Inc. party thereto (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
10.5	Loan Modification Agreement, dated February 14, 2011, among Summit Hotel Properties, LLC, Summit Hotel OP, LP and GE Commercial Capital of Utah LLC (loan in the original principal amount of \$11.4 million) (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
10.6	Loan Modification Agreement, dated February 14, 2011, among Summit Hotel Properties, LLC, Summit Hotel OP, LP and GE Commercial Capital of Utah LLC (loan in the original principal amount of \$9.5 million) (incorporated by reference to Exhibit 10.6 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
10.7	Loan Modification Agreement, dated February 14, 2011, among Summit Hotel Properties, LLC, Summit Hotel OP, LP and GE Commercial Capital of Utah LLC (loan in the original principal amount of \$11.3 million) (incorporated by reference to Exhibit 10.7 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)
10.8	Employment Agreement, dated February 14, 2011, between Summit Hotel Properties, Inc. and Kerry W. Boekelheide (incorporated by reference to Exhibit 10.8 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
10.9	Employment Agreement, dated February 14, 2011, between Summit Hotel Properties, Inc. and Daniel P. Hansen (incorporated by reference to Exhibit 10.9 to Current Report on Form 8-K filed by

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- 10.10 Summit Hotel Properties, Inc. on February 18, 2011)*
Employment Agreement, dated February 14, 2011, between Summit Hotel Properties, Inc. and Craig J. Aniszewski (incorporated by reference to Exhibit 10.10 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
- 10.11 Employment Agreement, dated February 14, 2011, between Summit Hotel Properties, Inc. and Stuart J. Becker (incorporated by reference to Exhibit 10.11 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
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- 10.12 Employment Agreement, dated February 14, 2011, between Summit Hotel Properties, Inc. and Ryan A. Bertucci (incorporated by reference to Exhibit 10.12 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
- 10.13 Summit Hotel Properties, Inc. 2011 Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to Current Report on Form 8-K filed by Summit Hotel Properties, Inc. on February 18, 2011)*
- 10.14 Form of Indemnification Agreement between Summit Hotel Properties, Inc. and each of its Executive Officers and Directors (incorporated by reference to Exhibit 10.14 to Amendment No. 2 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on November 1, 2010)
- 10.15 Loan Agreement between Summit Hotel Properties, LLC and ING Life Insurance and Annuity Company dated December 23, 2005 (incorporated by reference to Exhibit 10.15 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)
- 10.16 Loan Agreement between Summit Hotel Properties, LLC and ING Life Insurance and Annuity Company, dated June 15, 2006 (incorporated by reference to Exhibit 10.16 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)
- 10.17 First Modification of Loan Agreement between Summit Hotel Properties, LLC and ING Life Insurance and Annuity Company, dated April 24, 2007 (incorporated by reference to Exhibit 10.17 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)
- 10.18 Modification of Promissory Note and Loan Agreement between Summit Hotel Properties, LLC and ING Life Insurance and Annuity Company, dated November 28, 2007 (incorporated by reference to Exhibit 10.18 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)
- 10.19 Construction Loan Agreement between Summit Hotel Properties, LLC and Compass Bank, dated September 17, 2008 (loan in the original principal amount of \$19.25 million) (incorporated by reference to Exhibit 10.23 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)
- 10.20 Second Amended and Restated Loan Agreement (Credit Pool) between Summit Hotel Properties, LLC and First National Bank of Omaha entered into August 19, 2010 (incorporated by reference to Exhibit 10.20 to Annual Report on Form 10-K filed by Summit Hotel Properties, Inc. and Summit Hotel OP, LP on March 31, 2011)
- 10.21 Form of Option Award Agreement (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)*
- 10.22 Form of Lease Agreement between Summit Hotel OP, LP and TRS Lessee (incorporated by reference to Exhibit 10.4 to Amendment No. 2 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on November 1, 2010)
- 10.23 Sourcing Agreement between Six Continents Hotel, Inc., d/b/a InterContinental Hotels Group, and Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 10.26 to Amendment No. 3 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on December 3, 2010)
- 10.24 Form of Severance Agreement between Summit Hotel Properties, Inc. and Christopher R. Eng (incorporated by reference to Exhibit 10.12 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)*
- 10.25 Form of Severance Agreement between Summit Hotel Properties, Inc. and JoLynn M. Sorum (incorporated by reference to Exhibit 10.13 to Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc. on September 23, 2010)*
- 21.1 List of Subsidiaries of Summit Hotel Properties, Inc. (incorporated by reference to Exhibit 21.1 to Amendment No. 4 to Registration Statement on Form S-11 filed by Summit Hotel Properties, Inc.

- 21.2 on January 28, 2011)
List of Subsidiaries of Summit Hotel OP, LP (incorporated by reference to Exhibit 21.1 to
Amendment No. 1 to Registration Statement on Form S-11 filed by Summit Hotel OP, LP on
September 23, 2010)
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- 23.1 Consent of KPMG LLP (incorporated by reference to Exhibit 23.1 to Annual Report on Form 10-K filed by Summit Hotel Properties, Inc. and Summit Hotel OP, LP on March 31, 2011)
- 23.2 Consent of Eide Bailly LLP (incorporated by reference to Exhibit 23.2 to Annual Report on Form 10-K filed by Summit Hotel Properties, Inc. and Summit Hotel OP, LP on March 31, 2011)
- 31.1† Certification of Chief Executive Officer of Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2† Certification of Chief Financial Officer Summit Hotel Properties, Inc. pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.3† Certification of Chief Executive Officer of Summit Hotel OP, LP pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.4† Certification of Chief Financial Officer Summit Hotel OP, LP pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1† Certification of Chief Executive Officer Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2† Certification of Chief Financial Officer Summit Hotel Properties, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.3† Certification of Chief Executive Officer Summit Hotel OP, LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.4† Certification of Chief Financial Officer Summit Hotel OP, LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Management contract or compensatory plan or arrangement.

† Filed herewith.