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

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

☒ **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

☐ **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: 001-34693

CHATHAM LODGING TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland **(State or Other Jurisdiction of Incorporation or Organization)**	**27-1200777** **(I.R.S. Employer Identification No.)**
50 Cocoanut Row, Suite 216 **Palm Beach, Florida** **(Address of Principal Executive Offices)**	**33480** **(Zip Code)**

(Registrant's Telephone Number, Including Area Code)
(561) 802-4477

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest, par value $0.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

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

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.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of the 9,208,750 common shares of beneficial interest held by non-affiliates of the registrant was $164,560,362.50 based on the closing sale price on the New York Stock Exchange for such common shares of beneficial interest as of June 30, 2010.

The number of common shares of beneficial interest outstanding as of March 1, 2011 was 13,808,750.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for its 2011 Annual Meeting of Shareholders (to be filed with the Securities and Exchange Commission on or before April 30, 2011) are incorporated by reference into this Annual Report on Form 10-K in response to Part III hereof.

EXPLANATORY NOTE

Chatham Lodging Trust is filing this Amendment No. 1 on Form 10-K/A (this “Amendment No. 1”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the Securities and Exchange Commission on March 9, 2011 (the “Original Filing”) to include the Report of Independent Registered Certified Public Accounting Firm on Financial Statement Schedule, which was inadvertently omitted from the Original Filing. A Consent of Independent Registered Certified Public Accounting Firm, dated March 8, 2011, is being filed as an exhibit to this Amendment No. 1 to reflect the inclusion of this report.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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, are being filed herewith as exhibits to this Amendment No. 1.

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 Original Filing, and does not purport to reflect any information or events subsequent to the filing thereof.

Item 8. ***Consolidated Financial Statements and Supplementary Data***

CHATHAM LODGING TRUST

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Certified Public Accounting Firm

To the Board of Trustees and Shareholders of
Chatham Lodging Trust:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, equity and of cash flows present fairly, in all material respects, the financial position of Chatham Lodging Trust and its subsidiaries at December 31, 2010 and 2009, and the results of their operations and their cash flows for the year ended December 31, 2010 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Fort Lauderdale, Florida
March 8, 2011

CHATHAM LODGING TRUST

Consolidated Balance Sheets
December 31, 2010 and 2009

	2010	2009
	(In thousands, except share data)	
ASSETS:		
Investment in hotel properties, net	$208,080	$—
Cash and cash equivalents	4,768	24
Restricted cash	3,018	—
Hotel receivables (net of allowance for doubtful accounts of approximately $15 and $0, respectively)	891	—
Deferred costs, net	4,710	—
Prepaid expenses and other assets	735	—
Total assets	$222,202	$ 24
LIABILITIES AND EQUITY:		
Debt	$ 50,133	$—
Accounts payable and accrued expenses	5,248	14
Distributions payable	1,657	—
Total liabilities	57,038	14
Commitments and contingencies		
EQUITY:		
Shareholders' Equity:		
Preferred shares, $0.01 par value, 100,000,000 shares authorized and unissued at December 31	—	—
Common shares, $0.01 par value, 500,000,000 shares authorized; 9,208,750 and 1,000 shares issued and outstanding at December 31	92	—
Additional paid-in capital	170,250	10
Unearned compensation	(1,162)	—
Accumulated deficit	(4,441)	—
Total shareholders' equity	164,739	10
Noncontrolling Interests:		
Noncontrolling Interest in Operating Partnership	425	—
Total equity	165,164	10
Total liabilities and equity	$222,202	$ 24

The accompanying notes are an integral part of these consolidated financial statements.

CHATHAM LODGING TRUST

Consolidated Statement of Operations
for the year ended December 31, 2010

	2010 (In thousands, except share and per share data)
Revenue:	
Room	$ 24,743
Other operating	727
Total revenue	25,470
Expenses:	
Hotel operating expenses:	
Room	5,989
Other operating	9,036
Total hotel operating expenses	15,025
Depreciation and amortization	2,564
Property taxes and insurance	1,606
General and administrative	3,547
Hotel property acquisition costs	3,189
Total operating expenses	25,931
Operating loss	(461)
Interest and other income	193
Interest expense, including amortization of deferred fees	(932)
Loss before income tax expense	(1,200)
Income tax expense	(17)
Net loss attributable to common shareholders	$ (1,217)
Loss per Common Share — Basic:	
Net loss attributable to common shareholders (Note 10)	$ (0.20)
Loss per Common Share — Diluted:	
Net loss attributable to common shareholders (Note 10)	$ (0.20)
Weighted average number of common shares outstanding:	
Basic	6,377,333
Diluted	6,377,333

The accompanying notes are an integral part of these consolidated financial statements.

CHATHAM LODGING TRUST

Consolidated Statements of Equity
for the years ended December 31, 2010 and 2009

	Common Shares		Additional Paid-In Capital	Unearned Compensation	Accumulated Deficit	Total Shareholders' Equity	Noncontrolling Interest in Operating Partnership	Total Equity
	Shares	Amount						
	(In thousands, except share data)							
Issuance of shares 10/26/2009	1,000	$ —	$ 10	$ —	$ —	$ 10	$ —	$ 10
Balance, December 31, 2009	1,000	—	10	—	—	10	—	10
Issuance of shares, net of offering costs of $13,752	9,125,000	91	168,657	—	—	168,748	—	168,748
Repurchase of common shares	(1,000)	—	(10)	—	—	(10)	—	(10)
Issuance of restricted shares	87,000	1	1,654	(1,655)	—	—	—	—
Forfeiture of restricted shares	(3,250)	—	(61)	61	—	—	—	—
Amortization of share based compensation	—	—	—	432	—	432	515	947
Dividends declared on common shares	—	—	—	—	(3,224)	(3,224)	—	(3,224)
Distributions on LTIP units	—	—	—	—	—	—	(90)	(90)
Net loss	—	—	—	—	(1,217)	(1,217)	—	(1,217)
Balance, December 31, 2010	9,208,750	$ 92	$170,250	$ (1,162)	$ (4,441)	$ 164,739	$ 425	$165,164

The accompanying notes are an integral part of these consolidated financial statements.

CHATHAM LODGING TRUST

Consolidated Statement of Cash Flows
for the year ended December 31, 2010

	2010 (In thousands)
Cash flows from operating activities:	
Net loss	$ (1,217)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	2,537
Amortization of deferred franchise fees	27
Amortization of deferred financing fees included in interest costs	280
Share based compensation	1,157
Changes in assets and liabilities:	
Hotel receivables	(336)
Deferred costs	(1,218)
Prepaid expenses and other assets	(76)
Accounts payable and accrued expenses	4,120
Net cash provided by operating activities	5,274
Cash flows from investing activities:	
Improvements and additions to hotel properties	(3,610)
Acquisition of hotel properties, net of cash acquired (Note 3)	(197,525)
Restricted cash	(376)
Net cash used in investing activities	(201,511)
Cash flows from financing activities:	
Net borrowings from revolving credit facility	37,800
Payments of debt	(101)
Payment of financing costs	(3,799)
Payment of offering costs	(13,752)
Proceeds from issuance of common shares	182,490
Distributions-common shares/units	(1,657)
Net cash provided by financing activities	200,981
Net change in cash and cash equivalents	4,744
Cash and cash equivalents, beginning of period	24
Cash and cash equivalents, end of period	$ 4,768
Supplemental disclosure of cash flow information:	
Cash paid for interest	$ 527
Cash paid for income taxes	$ 27

Supplemental disclosure of non-cash investing and financing information:

The Company acquired 13 hotels with net assets of $197,525, net of cash, during 2010 through the use of cash and the assumption of assets and liabilities (Note 3).

The Company has accrued distributions payable of $1,657. These distributions were paid on January 14, 2011.

The Company assumed the mortgages on the purchase of the Altoona and Washington hotels for $12,434.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Organization

Chatham Lodging Trust was formed as a Maryland real estate investment trust on October 26, 2009 and intends to elect to qualify as a real estate investment trust ("REIT") for U.S. federal income tax purposes beginning with its short taxable year ended December 31, 2010. We are internally-managed and were organized to invest primarily in premium-branded upscale extended-stay and select-service hotels.

We completed our initial public offering (the "IPO") on April 21, 2010. The IPO resulted in the sale of 8,625,000 common shares at $20.00 price per share, generating $172.5 million in gross proceeds. Net proceeds, after underwriters' discounts and commissions and other offering costs, were approximately $158.7 million. Concurrently with the closing of the IPO, in a separate private placement pursuant to Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), we sold 500,000 of our common shares to Jeffrey H. Fisher, our Chairman, President and Chief Executive Officer, at the public offering price of $20.00 per share, for proceeds of $10.0 million.

We had no operations prior to the consummation of the IPO. Following the closing of the IPO, we contributed the net proceeds from the IPO and the concurrent private placement, together with the proceeds of our February 2011 offering, to Chatham Lodging, L.P. (the "Operating Partnership") in exchange for partnership interests in the Operating Partnership. Substantially all of our assets are held by and all of our operations are conducted through the Operating Partnership. Chatham Lodging Trust is the sole general partner of the Operating Partnership and owns 100% of the common units of the limited partnership interest in the Operating Partnership. Certain of our executive officers hold unvested long-term incentive plan units in the Operating Partnership, which are presented as noncontrolling interests on the accompanying consolidated balance sheet.

On February 8, 2011, we completed a public offering that resulted in the sale of 4,600,000 common shares at $16.00 per share, generating $73.6 million in gross proceeds. Net proceeds, after underwriters' discounts and commissions and other offering costs, were approximately $69.0 million.

As of December 31, 2010, we owned 13 hotels with an aggregate of 1,650 rooms located in 9 states. To qualify as a REIT, we cannot operate the hotels. Therefore, the Operating Partnership and its subsidiaries lease the hotels to wholly owned lessee subsidiaries of our taxable REIT subsidiaries ("TRS Lessees"). Each hotel is leased to a TRS under a percentage lease that provides for rental payments equal to the greater of (i) a fixed base rent amount or (ii) a percentage rent based on hotel room revenue. The initial term of each of the TRS leases is 5 years. Lease revenue from each TRS Lessee is eliminated in consolidation. Our TRS Lessees have entered into management agreements with third party management companies that provide day-to-day management for our hotels. Island Hospitality Management Inc. ("IHM"), which is 90% owned by Mr. Fisher, manages 5 hotels, Homewood Suites Management LLC ("IAH Manager"), a subsidiary of Hilton Worldwide Inc. ("Hilton") manages 6 hotels and Concord Hospitality Enterprises Company ("Concord") manages 2 hotels.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and in conformity with the rules and regulations of the Securities and Exchange Commission ("SEC"). These consolidated financial statements, in the opinion of management, include all adjustments considered necessary for a fair presentation of the consolidated balance sheets, and consolidated statements of operations, of equity, and of cash flows for the periods presented. The consolidated financial statements include all of the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in Hotel Properties

The Company allocates the purchase prices of hotel properties acquired based on the fair value of the acquired real estate, furniture, fixtures and equipment, identifiable intangible assets and assumed liabilities. In making estimates of fair value for purposes of allocating the purchase price, the Company utilizes a number of sources of information that are obtained in connection with the acquisition of a hotel property, including valuations performed by independent third parties and information obtained about each hotel property resulting from pre-acquisition due diligence. Hotel property acquisition costs, such as transfer taxes, title insurance, environmental and property condition reviews, and legal and accounting fees, are expensed in the period incurred.

The Company's investments in hotel properties are carried at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, 40 years for buildings, 15 years for building improvements, seven years for land improvements and three to ten years for furniture, fixtures and equipment. Renovations and/or replacements at the hotel properties that improve or extend the life of the assets are capitalized and depreciated over their useful lives, while repairs and maintenance are expensed as incurred. Upon the sale or retirement of property and equipment, the cost and related accumulated depreciation are removed from the Company's accounts and any resulting gain or loss is recognized in the consolidated statements of operations.

The Company will periodically review its hotel properties for impairment whenever events or changes in circumstances indicate that the carrying value of the hotel properties may not be recoverable. Events or circumstances that may cause a review include, but are not limited to, adverse changes in the demand for lodging at the properties due to declining national or local economic conditions and/or new hotel construction in markets where the hotels are located. When such conditions exist, management will perform an analysis to determine if the estimated undiscounted future cash flows, without interest charges, from operations and the proceeds from the ultimate disposition of a hotel property exceed its carrying value. If the estimated undiscounted future cash flows are less than the carrying amount, an adjustment to reduce the carrying amount to the related hotel property's estimated fair market value is recorded and an impairment loss recognized. No impairment losses were recognized for the year ended December 31, 2010.

The Company will consider a hotel property as held for sale when a binding agreement to purchase the property has been signed under which the buyer has committed a significant amount of nonrefundable cash, no significant financing contingencies exist which could cause the transaction not to be completed in a timely manner and the sale is expected to occur within one year. If these criteria are met, depreciation and amortization of the hotel property will cease and an impairment loss if any will be recognized if the fair value of the hotel property, less the costs to sell, is lower than the carrying amount of the hotel property. The Company will classify the loss, together with the related operating results, as discontinued operations in the consolidated statements of operations and classify the assets and related liabilities as held for sale in the consolidated balance sheets. As of December 31, 2010, the Company had no hotel properties held for sale.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits with financial institutions and short term liquid investments with an original maturity of three months or less. Cash balances in individual banks may exceed federally insurable limits.

Restricted Cash

Restricted cash represents purchase price deposits held in escrow for potential hotel acquisitions currently under contract and escrows for reserves required pursuant to the Company's loans or hotel management agreements. Included in restricted cash on the accompanying consolidated balance sheet at December 31, 2010 are deposits for hotel acquisitions of $0.1 million and $3.0 million of other escrows. The hotel mortgage loan agreements require the Company to fund 5% of gross revenues on a monthly basis for furnishings, fixtures and equipment and general repair maintenance reserves ("Replacement Reserve") in an account with the Lender. In addition, insurance and real estate tax reserves are required to be deposited into an escrow account held by Lender.

Hotel Receivables

Hotel receivables consist of amounts owed by guests staying at the Company's hotels at quarter end and amounts due from business and group customers. An allowance for doubtful accounts is provided and maintained at a level believed to be adequate to absorb estimated probable receivable losses. At December 31, 2010, the allowance for doubtful accounts was $15 thousand.

Deferred Costs

Deferred costs consist of franchise agreement fees for the Company's hotels, deferred loan costs and deferred costs related to the February 2011 common share offering. Franchise fees are recorded at cost and amortized over a straight-line basis over the term of the franchise agreements. Loan costs are recorded at cost and amortized over a straight-line basis which approximates the interest rate method over the term of the loan. The deferred offering costs will be reclassified into additional paid-in capital in 2011. For the year ended December 31, 2010, amortization expense related to franchise fees of $27 thousand is included in depreciation and amortization and amortization expense related to loan costs of $0.3 million is included in interest expense in the consolidated statement of operations.

Prepaid Expenses and Other Assets

The Company's prepaid expenses and other assets consist of prepaid insurance, deposits and hotel supplies inventory.

Revenue Recognition

Revenues from hotel operations are recognized when rooms are occupied and when services are provided. Revenues consist of amounts derived from hotel operations, including sales from room, meeting room, food and beverage facilities, gift shop, in-room movie and other ancillary amenities. Sales, use, occupancy, and similar taxes are collected and presented on a net basis (excluded from revenues) in the accompanying consolidated statement of operations.

Share-Based Compensation

The Company measures compensation expense for the restricted share awards based upon the fair market value of its common shares at the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period and is included in general and administrative expense in the accompanying consolidated statement of operations. The Company will pay dividends on nonvested restricted shares.

Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income (loss) available for common shareholders, adjusted for dividends on unvested share grants, by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income (loss) available for common shareholders, adjusted for dividends on unvested share grants, by the weighted average number of common shares outstanding plus potentially dilutive securities such as share grants or shares issuable in the event of conversion of operating partnership units. No adjustment is made for shares that are anti-dilutive during the period. The Company's restricted share awards and long-term incentive plan units are entitled to receive dividends, if declared. The rights to dividends declared are non-forfeitable, and therefore, the unvested restricted shares and long-term incentive plan units qualify as participating securities requiring the allocation of earnings under the two-class method to calculate EPS. The percentage of earnings allocated to the unvested restricted shares is based on the proportion of the weighted average unvested restricted shares outstanding to the total of the basic weighted average common shares outstanding and the weighted average unvested restricted shares outstanding. Basic EPS is then computed by dividing income less earnings allocable to unvested restricted shares by the basic weighted average number of shares outstanding. Diluted EPS is computed similar to basic EPS, except the weighted average number of shares outstanding is increased to include the effect of potentially dilutive securities. Because the Company reported a net loss for the period, no allocation was made to the unvested restricted shares or the long-term incentive plan units.

Income Taxes

The Company is currently subject to corporate federal and state income taxes. Prior to April 21, 2010, the Company had no operating results subject to taxation.

The Company intends to elect to be taxed as a REIT for federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). To qualify as a REIT, the Company must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of the Company's annual REIT taxable income to its shareholders (which is computed without regard to the dividends paid deduction or net capital gain, and which does not necessarily equal net income as calculated in accordance with U.S. GAAP). As a REIT, the Company generally will not be subject to federal income tax to the extent it distributes qualifying dividends to its shareholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income tax on its taxable income at regular corporate income tax rates, and generally will not be permitted to qualify for treatment as a REIT for federal income tax purposes for the four taxable years following the year during which qualification is lost, unless the Internal Revenue Service grants the Company relief under certain statutory provisions. Such an event could materially adversely affect the Company's net income and net cash available for distribution to shareholders. However, the Company intends to organize and operate in such a manner as to qualify for treatment as a REIT.

The Company leases its hotels to TRS Lessees, which are wholly owned by taxable REIT subsidiaries (each, a "TRS") that are wholly owned by the Operating Partnership. Each TRS is subject to federal and state income taxes and the Company accounts for taxes, where applicable, in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification 740 using the asset and liability method which recognizes deferred tax assets and liabilities for future tax consequences arising from differences between financial statement carrying amounts and income tax bases.

Organizational and Offering Costs

The Company expenses organizational costs as incurred. Offering costs, which include selling commissions, are recorded as a reduction in additional paid-in capital in shareholders' equity.

Recently Issued Accounting Standards

In December 2010, the FASB issued updated accounting guidance to clarify that pro forma disclosures should be presented as if a business combination occurred at the beginning of the prior annual period for purposes of preparing both the current reporting period and the prior reporting period pro forma financial information. These disclosures should be accompanied by a narrative description about the nature and amount of material, nonrecurring pro forma adjustments. The new accounting guidance is effective for business combinations consummated in periods beginning after December 14, 2010, and should be applied prospectively as of the date of adoption. Early adoption is permitted. We will adopt the new disclosures on January 1, 2011. We do not believe that the adoption of this guidance will have a material impact on our consolidated financial statements.

3. Acquisition of Hotel Properties

Acquisition of Hotel Properties

On April 23, 2010, the Company acquired six hotel properties (the "Initial Acquisition Hotels") for an aggregate purchase price of $73.5 million, plus customary pro-rated amounts and closing costs. Each of the Initial Acquisition Hotels operates under the Homewood Suites by Hilton brand. The Initial Acquisition Hotels contain an aggregate of 813 rooms and are located in the major metropolitan statistical areas of Boston, Massachusetts; Minneapolis, Minnesota; Nashville, Tennessee; Dallas, Texas; Hartford, Connecticut and Orlando, Florida.

On July 2, 2010, the Company acquired the 120-room Hampton Inn & Suites Houston-Medical Center in Houston, Texas (the "Houston hotel") for $16.5 million, plus customary pro-rated amounts and closing costs.

On August 3, 2010, the Company acquired the 124-room Residence Inn by Marriott — Long Island Holtsville on Long Island, New York (the "Holtsville hotel") for $21.3 million, plus customary pro-rated amounts and closing costs.

On August 24, 2010, the Company acquired the 105-room Courtyard by Marriott in Altoona, Pennsylvania (the "Altoona hotel") and the 86-room SpringHill Suites by Marriott® in Washington, Pennsylvania (the "Washington hotel") for a total cash purchase price of $23.3 million, plus customary pro-rated amounts and closing costs, including the assumption of $12.4 million of debt on the Hotels.

On September 23, 2010, the Company acquired the 133-room Residence Inn by Marriott — White Plains in White Plains, New York (the "White Plains hotel") for $24.4 million, plus customary pro-rated amounts and closing costs.

On October 5, 2010, the Company acquired the 124-room Residence Inn by Marriott- New Rochelle in New Rochelle, New York (the New Rochelle hotel") for $21.0 million, plus customary pro-rated amounts and closing costs.

On November 3, 2010, the Company acquired the 145-room Homewood Suites by Hilton Carlsbad-North San Diego County in Carlsbad, CA (the "Carlsbad hotel") for $32.0 million, plus customary pro-rated amounts and closing costs.

Hotel Management Agreements

The Initial Acquisition Hotels are managed by the IAH Manager, a subsidiary of Hilton. A TRS Lessee assumed each of the existing hotel management agreements for these hotels. Each hotel management agreement previously became effective on December 20, 2000, has an initial term of 15 years and is renewable for an additional five-year period at the IAH Manager's option by written notice to the Company no later than 120 days prior to the expiration of the initial term. Under the hotel management agreements, the IAH Manager receives a base management fee equal to 2% of the hotel's gross room revenue and, if certain financial thresholds are met or exceeded, an incentive management fee equal to 10% of the hotel's net operating income, less fixed costs, base management fees, agreed-upon return on the owner's original investment and debt service payments. Prior to April 23, 2013, each of these six management agreements may be terminated for cause, including the failure of the managed hotel to meet specified performance levels, and may be terminated by the manager in the event the Company undergoes a change in control without payment of termination fees. If the new owner does not assume the existing management agreements and does not obtain a Homewood Suites franchise license upon such a change of control, the Company will be required to pay a termination fee to the IAH Manager. Beginning on April 23, 2013, the Company may terminate the six Hilton management agreements upon six months' notice to the manager.

The Houston, Holtsville, White Plains, New Rochelle and Carlsbad hotels are managed by IHM, a hotel management company 90 percent-owned by the Company's chief executive officer, pursuant to management agreements between a TRS Lessee and IHM. The management agreements with IHM are for a five-year term and provide for base management fees of 3% of the hotel's gross room revenue and incentive management fees of 10% of net operating income in excess of a return threshold as defined in the agreements plus a monthly accounting fee of $1 thousand per hotel property. Incentive management fees are capped at 1% of gross hotel revenue. IHM may extend the management agreements for two additional 5-year renewal terms upon 90 days' written notice to the Company. The management agreements may be terminated upon the sale of the hotels for no termination fee upon six months' advance notice. The management agreements may also be terminated for cause, including the failure of the hotel's operating performance to meet specified levels. The Company paid to IHM fees of $0.2 million for the year ended December 31, 2010.

The Altoona and Washington hotels are managed by Concord. The management agreements with Concord provide for base management fees equal to 4% of the managed hotels' gross room revenue. The initial ten-year term of each management agreement is set to expire on February 28, 2017 and will renew automatically for successive one-year terms unless terminated by the TRS Lessee or Concord by written notice to the other party no later than 90 days prior to the term's expiration. The management agreements may be terminated for cause, including the failure of the hotels' operating performance to meet specified levels.

Hotel Franchise Agreements

Our TRS Lessees have entered into franchise agreements for our hotels. Our TRS Lessees have entered into new hotel franchise agreements with Promus Hotels, Inc., a subsidiary of Hilton, as manager for our six Homewood Suites by Hilton® hotels. Each of the new hotel franchise agreements has an initial term of 15 years and may be renewed for an additional 5-year term.

These Hilton hotel franchise agreements provide for a franchise royalty fee equal to 4% of the hotel's gross room revenue and a program fee equal to 4% of the hotel's gross room revenue. The Hilton franchise agreements provide that the franchisor may terminate the franchise agreement in the event that the applicable franchisee fails to cure an event of default, or in certain circumstances such as the franchisee's bankruptcy or insolvency, are terminable by Hilton at will.

Our TRS Lessees have entered into franchise agreements with Marriott International, Inc., ("Marriott"), relating to our Residence Inn properties in Holtsville, New York, New Rochelle, New York and White Plains, New York, our Courtyard property in Altoona, Pennsylvania and our SpringHill Suites property in Washington, Pennsylvania. These franchise agreements have initial terms ranging from 15 to 20 years and will expire between 2025 and 2030. None of the agreements has a renewal option. The Marriott franchise agreements provide for franchise fees ranging from 5.0% to 5.5% of the hotel's gross room sales and marketing fees ranging from 2.0% to 2.5% of the hotel's gross room sales. The Marriott franchise agreements are terminable by Marriott in the event that the applicable franchisee fails to cure an event of default or, in certain circumstances such as the franchisee's bankruptcy or insolvency, are terminable by Marriott at will. The Marriott franchise agreements provide that, in the event of a proposed transfer of the hotel, our TRS Lessee's interest in the agreement or more than a specified amount of the TRS to a competitor of Marriott, Marriott has the right to purchase or lease the hotel under terms consistent with those contained in the respective offer and may terminate if our TRS Lessee elects to proceed with such a transfer.

The Hampton Inn & Suites® Houston-Medical Center is governed by a franchise agreement with Hampton Inns Franchise LLC, ("Hampton Inns"). The franchise agreement has an initial term of approximately 10 years and expires on July 31, 2020. There is no renewal option. The Hampton Inns franchise agreement provides for a monthly program fee equal to 4% of the hotel's gross rooms revenue and a monthly royalty fee equal to 5% of the hotel's gross rooms revenue. Hampton Inns may terminate the franchise agreement in the event that the franchisee fails to cure an event of default or, in certain circumstances such as the franchisee's bankruptcy or insolvency, Hampton Inns may terminate the agreement at will.

The Carlsbad-North San Diego County hotel is governed by a franchise agreement with Promus Homewood Suites Franchise LLC. The franchise agreement has an initial term of 18 years and is non-renewable. The franchise agreement provides for a franchise royalty fee equal to 4% of the hotel's gross room revenue and a program fee equal to 4% of the hotel's gross room revenue. The franchise agreement has no termination rights unless the franchisee fails to cure an event of default in accordance with the franchise agreements.

Franchise fees were approximately $1.9 million for the year ended December 31, 2010.

Hotel Purchase Price Allocation

The allocation of the purchase price to the hotels, based on their fair value, was as follows (in thousands):

	Initial Acquisition Hotels	Hampton Inn & Suites Houston Houston, TX	Residence Inn Holtsville Holtsville, NY	Moody Three Portfolio	Residence Inn New Rochelle	Homewood Suites Carlsbad, CA	Total
Land	$ 12,120	$ 3,200	$ 2,200	$ 3,200	$ —	$ 3,900	$ 24,620
Building and improvements	57,976	12,708	18,765	39,099	20,281	27,520	176,349
Furniture, fixtures and equipment	3,421	325	335	943	434	580	6,038
Cash	30	2	2	7	3	4	48
Restricted cash	—	—	—	2,642	—	—	2,642
Accounts receivable	379	24	—	106	46	—	555
Prepaid expenses and other assets	31	—	83	310	170	65	659
Debt	—	—	—	(12,434)	—	—	(12,434)
Accounts payable and accrued expenses	(440)	(148)	(56)	(180)	(36)	(44)	(904)
Net assets acquired	$ 73,517	$ 16,111	$ 21,329	$ 33,693	$ 20,898	$ 32,025	$ 197,573
Net assets acquired, net of cash	$ 73,487	$ 16,109	$ 21,327	$ 33,686	$ 20,895	$ 32,021	$ 197,525

The acquisition of the Altoona, Washington and White Plains hotels were acquired from parties under common control of the seller, which seller is not affiliated with the Company and their acquisition is referred to as the “Moody Three Portfolio” in the above chart.

All of the Company’s hotel revenue and expenses are comprised of hotel revenue and expenses from the hotels acquired during the year ended December 31, 2010.

Pro Forma Financial Information

The following condensed pro forma financial information presents the results of operations as if the acquisition of the Initial Acquisition, Houston, Holtsville, Moody Three Portfolio, New Rochelle and Carlsbad hotels had taken place on January 1, 2010. Since the Company commenced operations on April 21, 2010 upon completion of the IPO, pro forma adjustments have been included for corporate general and administrative expense and income taxes for the period presented. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of what actual results of operations would have been had the acquisition taken place on January 1, 2010, nor do they purport to represent the results of operations for future periods (in thousands, except share and per share data).

	For the Year Ended December 31, 2010 (Unaudited)
Pro forma total revenue	$ 54,984
Pro forma total hotel expense	32,507
Pro forma total operating expenses	48,616
Pro forma operating income	6,368
Pro forma net income	$ 5,186
Pro forma income per share:	
Basic and diluted	$ 0.56
Weighted average Common Shares Outstanding	
Basic and diluted	9,208,750

4. Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts at a level believed to be adequate to absorb estimated probable losses. That estimate is based on past loss experience, current economic and market conditions and other relevant factors. The allowance for doubtful accounts was $15 thousand as of December 31, 2010.

5. Investment in Hotel Properties

The Company did not own any hotel properties at December 31, 2009. Investment in hotel properties as of December 31, 2010, consisted of the following (in thousands):

	December 31, 2010
Land and improvements	$ 24,620
Building and improvements	176,354
Furniture, fixtures and equipment	6,138
Construction in progress	3,505
	210,617
Less accumulated depreciation	(2,537)
Investment in hotel properties, net	$ 208,080

6. Debt

The Company assumed a $7.0 million loan on the Altoona hotel and a $5.4 million loan on the Washington hotel in connection with their acquisition. Each loan is collateralized by the hotel and requires a minimum debt service coverage ratio and the Company was in compliance with these covenants at December 31, 2010. Certain information regarding the loans are as follows (in thousands):

	Altoona Loan	Washington Loan
Balance at December 31, 2010	$ 6,924	$ 5,408
Interest rate	5.96%	5.84%
Maturity	April 1, 2016	April 1, 2015
Monthly principal and interest payment	$ 49	$ 39
Minimum debt service coverage ratio	1.5x	1.65x

On October 12, 2010, the Company, as parent guarantor and the Operating Partnership, as borrower (the “Borrower”), entered into a $85.0 million, three-year, secured revolving credit agreement (the “Credit Agreement”) subject to certain terms and conditions set forth in the Credit Agreement, the Borrower may increase the original principal amount of the Credit Agreement by an additional $25.0 million. Pursuant to the Credit Agreement, the Company and certain indirect subsidiaries of the Company guarantee the obligations under the Credit Agreement, any notes and the other loan documents, including any obligations under hedging arrangements. From time to time, the Borrower may be required to cause additional subsidiaries to become guarantors under the Credit Agreement. The Credit Agreement permits the issuance of letters of credit and provides for swing line loans.

Availability under the credit agreement is based on the least of the following: (i) the aggregate commitments of all lenders, (ii) a percentage of the “as-is” appraised value of qualifying borrowing base properties (subject to certain concentration limitations and other deductions) and (iii) a percentage of net operating income from qualifying borrowing base properties (subject to certain limitations and other deductions). We incur a 0.50% fee for amounts unused on the credit facility calculated by subtracting amounts borrowed from the total facility amount. The credit agreement is secured by each borrowing base property, including all personal property assets related thereto, and the equity interests of borrowing base entities and certain other of our subsidiaries. At December 31, 2010, there were eleven properties in the borrowing base under the credit agreement.

Borrowings bear interest at a rate per annum equal to, at the option of the Company, (i) the greater of (A) 1.25% plus a margin that fluctuates based upon the Company's leverage ratio or (B) the Eurodollar Rate (as defined in the Credit Agreement) plus a margin that fluctuates based upon the Company's leverage ratio; or (ii) the greatest of (A) 2.25%, (B) the prime lending rate as set forth on the Reuters Screen RTRTSY1 (or such other comparable publicly available rate if such rate no longer appears on the Reuters Screen RTRTSY1), (C) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, plus 1/2 of 1%, or (D) 1% plus the Eurodollar Rate. At December 31, 2010, the interest rate on the revolving credit facility was 4.5%.

The Credit Agreement contains representations, warranties, covenants, terms and conditions including a maximum leverage ratio, a minimum fixed charge coverage ratio and minimum net worth financial covenants, limitations on (i) liens, (ii) incurrence of debt, (iii) investments, (iv) distributions, and (v) mergers and asset dispositions, covenants to preserve corporate existence and comply with laws, covenants on the use of proceeds of the credit facility and default provisions, including defaults for non-payment, breach of representations and warranties, insolvency, non-performance of covenants, cross-defaults and guarantor defaults. The occurrence of an event of default under the Credit Agreement could result in all loans and other obligations becoming immediately due and payable and the credit facility being terminated and allow the Lenders to exercise all rights and remedies available to them with respect to the collateral.

As of December 31, 2010, the Company was in compliance with all of its financial covenants. Future scheduled principal payments of debt obligations as of December 31, 2010 are as follows (in thousands):

	Amount
2011	$ 334
2012	354
2013	38,175
2014	398
2015	4,958
Thereafter	5,914
	$50,133

7. Income Taxes

The Company's TRSs are subject to federal and state income taxes. The Company's TRSs are structured under one of two TRS holding companies that are treated separately for income tax purposes (TRS 1 and TRS 2, respectively). The consolidated income tax expense is solely attributable to the taxable income of TRS 2. TRS 1 has future income tax deductions of $0.3 million related to accumulated net operating losses and the gross deferred tax asset associated with these future tax deductions is $0.1 million. TRS 1 has recorded a valuation allowance equal to 100% of the gross deferred tax asset due to the uncertainty of realizing the benefit of this asset due to the TRSs limited operating history and the taxable losses incurred by TRS 1 since its inception.

The components of income tax expense for the year ended December 31, 2010 are as follows (in thousands):

	Year Ended December 31, 2010
Current:	
Federal	$ (13)
State	(4)
Income tax expense	$ (17)

The tax effect of each type of temporary difference and carryforward that gives rise to the deferred tax asset as of December 31, 2010 are as follows (in thousands):

	December 31, 2010
Deferred tax assets:	
Net operating loss carryforwards	$ 106
Valuation allowance	(106)
Net deferred tax asset	$ —

8. Dividends Declared and Paid

The Company declared common share dividends of $0.175 per share and distributions on LTIP units of $0.175 per unit for each of the third and fourth quarters of 2010. The dividends and distributions for the third quarter were paid on October 29, 2010 to common shareholders and LTIP unit holders of record on October 15, 2010. The dividends and distributions for the fourth quarter were paid on January 14, 2011 to common shareholders and LTIP unit holders of record on December 31, 2010.

9. Shareholders' Equity

Under the Company's initial Declaration of Trust of the Company, the total number of shares initially authorized for issuance was 1,000 common shares. On October 30, 2009, the Company issued Mr. Fisher, the sole shareholder of the Company, 1,000 common shares at $10.00 per share.

Effective March 31, 2010, the Company's Declaration of Trust was amended and restated to authorize the issuance of 500,000,000 common shares, $0.01 par value per share, and 100,000,000 preferred shares, $0.01 par value per share. Each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders. Holders of common shares are entitled to receive distributions authorized by the Company's board of trustees. On April 21, 2010, the Company completed its IPO which resulted in the sale of 8,625,000 common shares at a $20.00 price per share, generating $172.5 million in gross proceeds. Net proceeds were approximately $158.7 million, after net underwriters' discounts and commissions and other offering costs. Underwriting discounts and offering costs of $13.8 million have been recorded as a reduction in additional paid-in capital. Concurrently with the closing of the IPO, in a separate private placement pursuant to Regulation D under the Securities Act of 1933, as amended, the Company sold 500,000 of its common shares to the Company's Chairman, President and Chief Executive Officer, at the public offering price of $20.00 per share, for proceeds to the Company of $10 million. Following the close of the IPO, the Company repurchased the 1,000 shares initially issued in October 2009 at $10.00 per share.

10. Earnings Per Share

The following is a reconciliation of the amounts used in calculating basic and diluted net loss per share (in thousands, except share and per share data):

	For the Year Ended 2010
Numerator:	
Net loss attributable to common shareholders	$ (1,217)
Dividends paid on unvested restricted shares	(27)
Undistributed earnings attributable to unvested restricted shares	—
Net loss attributable to common shareholders excluding amounts attributable to unvested restricted shares	$ (1,244)
Denominator:	
Weighted average number of common shares — basic	6,377,333
Effect of dilutive securities:	
Unvested restricted shares(1)	—
Compensation-related shares	—
Weighted average number of common shares — diluted	6,377,333
Basic Earnings per Common Share:	
Net loss attributable to common shareholders per weighted average common share excluding amounts attributable to unvested restricted shares	$ (0.20)
Diluted Earnings per Common Share:	
Net loss attributable to common shareholders per weighted average common share excluding amounts attributable to unvested restricted shares	$ (0.20)

(1) Anti-dilutive for all periods presented.

11. Equity Incentive Plan

On April 9, 2010, the Company's sole shareholder approved the Equity Incentive Plan (the "Equity Incentive Plan") to attract and retain independent trustees, executive officers and other key employees and service providers. The Equity Incentive Plan provides for the grant of options to purchase common shares, share awards, share appreciation rights, performance units and other equity-based awards, including grants of restricted common shares and long-term incentive plan units ("LTIP Units"). Share awards generally vest over a period of three to five years based on continued employment. The Equity Incentive Plan is administered by the Compensation Committee of the Company's Board of Trustees (the "Compensation Committee"), who has the ability to approve all terms of awards. The Compensation Committee also has the ability to approve who will receive grants and the number of common shares subject to the grant. The Equity Incentive Plan is scheduled to terminate on April 8, 2020 but will continue to govern unexpired awards.

The number of common shares initially authorized for issuance is 565,359 under the Equity Incentive Plan. In connection with share splits, dividends, recapitalizations and certain other events, the Company's Board of Trustees will make adjustments that it deems appropriate in the aggregate number of common shares that may be issued under the Equity Incentive Plan. If any shares covered by an award are not purchased or are forfeited, if an award is settled in cash or if an award otherwise terminates without delivery of any shares, then the number of common shares counted against the aggregate number of shares available under the Equity

Incentive Plan with respect to the award will, to the extent of any such forfeiture or termination, again be available for making future awards. On April 21, 2010, 246,960 LTIP Units were granted to the Company's executive officers. In addition, on April 26, 2010 and May 20, 2010, the Company issued 40,000 and 36,550 restricted common shares to the Company's Independent Trustees and executive officers, respectively. During the third quarter, 7,200 shares granted to the Company's former Chief Financial Officer ("CFO") vested, 3,250 shares granted to the Company's former CFO were forfeited and 15,435 LTIP Units granted to the Company's former CFO were forfeited. Also, during the third quarter 10,450 restricted common shares and 26,250 LTIP Units were granted to the Company's current CFO. In addition, a portion of the Company's share-based compensation to the Company's trustees for the year ended December 31, 2010 was distributed in January of 2011 in the form of 12,104 common shares. The quantity of shares was calculated based on the average closing prices for the Company's common shares on the NYSE for the last ten trading days preceding the reporting date. The Company would have distributed the same quantity of shares had the liability classified award have been satisfied as of December 31, 2010. This amount is recorded in the balance sheet in accounts payable and accrued expenses as of December 31, 2010. As of December 31, 2010, there were 223,834 common shares available for future grant.

Restricted Share Awards

The Company measures compensation expense for restricted share awards based upon the fair market value of its common shares at the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period and is included in general and administrative expense in the accompanying consolidated statements of operations. The Company pays dividends on nonvested restricted shares.

A summary of the Company's restricted share awards for the year ended December 31, 2010 is as follows:

	Number of Shares	Weighted — Average Grant Date Fair Value
Nonvested at January 1, 2010	—	$ —
Granted	87,000	19.02
Vested	(7,200)	18.86
Forfeited	(3,250)	18.86
Nonvested at December 31, 2010	76,550	$ 19.04

As of December 31, 2010, there were $1.2 million of unrecognized compensation costs related to restricted share awards. As of December 31, 2010, these costs were expected to be recognized over a weighted — average period of approximately 2.4 years. For the year ended December 31, 2010, the Company recognized approximately $0.4 million in expense related to the restricted share awards. This expense is included in general and administrative expenses in the accompanying consolidated statement of operations. As of December 31, 2010, 7,200 shares were vested.

Long-Term Incentive Plan Units

Under the Equity Incentive Plan, each LTIP Unit issued is deemed equivalent to an award of one common share thereby reducing the availability for other equity awards on a one-for-one basis. The Company will not receive a tax deduction for the value of any LTIP Units granted to employees. LTIP Units, whether vested or not, will receive the same per unit profit distributions as other outstanding units of the Operating Partnership, which profit distribution will generally equal per share dividends on the Company's common shares. Initially, LTIP Units have a capital account balance of zero, and will not have full parity with common Operating Partnership units with respect to liquidating distributions. The Operating Partnership will revalue its assets upon the occurrence of certain specified events and any increase in valuation will be allocated first to the holders of LTIP Units to equalize the capital accounts of such holders with the capital accounts of the Operating Partnership unit holders. If such parity is reached, vested LTIP Units may be converted, at any time, into an equal number of common units of limited partnership interest in the Operating Partnership ("OP Units"), which may, at the election of the holder, be redeemed by the Company for cash or in the Company's sole and absolute discretion, exchanged for an equivalent number of the Company's common shares.

On April 21, 2010, the Company's Operating Partnership granted 246,960 LTIP Units to the Company's executive officers pursuant to the Equity Incentive Plan, all of which are accounted for in accordance with FASB Codification Topic ("ASC") 718, "Stock Compensation". The LTIP Units granted to the Company's executive officers vest ratably over a five-year period beginning on the date of grant. On September 9, 2010, the Company's Operating Partnership granted 26,250 LTIP units to the Company's new CFO and 15,435 LTIP units granted to the Company's former CFO were forfeited.

The LTIP Units' fair value was determined by using a discounted value approach. In determining the discounted value of the LTIP Units, the Company considered the inherent uncertainty that the LTIP Units would never reach parity with the other OP Units and thus have an economic value of zero to the grantee. Additional factors considered in reaching the assumptions of uncertainty included discounts for illiquidity; expectations for future dividends; no operating history as of the date of the grant; significant dependency on the efforts and services of the Company's executive officers and other key members of management to implement the Company's business plan; available acquisition opportunities; and economic environment and conditions. The Company used an expected stabilized dividend yield of 5.0% and a risk free interest rate of 2.33% based on a five-year U.S. Treasury yield.

The Company recorded $0.5 million in compensation expense related to the LTIP Units for the year ended December 31, 2010. As of December 31, 2010, there was $3.4 million of total unrecognized compensation cost related to LTIP Units. This cost is expected to be recognized over 4.3 years, which represents the weighted average remaining vesting period of the LTIP Units. As of December 31, 2010, none of the LTIP Units have reached parity.

12. Commitments and Contingencies

Litigation

The nature of the operations of the hotels exposes the hotels, the Company, the Operating Partnership and the TRS Lessees to the risk of claims and litigation in the normal course of their business. The Company is not presently subject to any material litigation nor, to the Company's knowledge, is any litigation threatened.

Hotel Ground Rent

The Altoona hotel is subject to a ground lease with an expiration date of April 30, 2029 with an option of up to 12 additional terms of five years each. Monthly payments are determined by the quarterly average room occupancy of the hotel as follows with base rent equal to approximately $6 thousand per month when monthly occupancy is less than 85% and can increase up to approximately $20 thousand per month if occupancy is 100%, with minimum rent increased on an annual basis by two and one-half percent (2.5%).

In connection with the New Rochelle hotel, there is an air rights lease and garage lease that expire on December 1, 2104. The lease agreements with the City of New Rochelle cover the space above the parking garage that is occupied by the hotel as well as 128 parking spaces in parking garage that is attached to the hotel. The annual base rent for the leases is the Company's proportionate share of the city's adopted budget for the operations, management and maintenance of the garage and established reserves fund for the cost of capital repairs. Total lease payments for the year ended December 31, 2010 were $31 thousand.

The following is a schedule of the minimum future obligation payments required under the ground leases (in thousands):

2011	201
2012	203
2013	205
2014	207
2015	210
Thereafter	11,871
Total	12,897

Condominium Leases

The White Plains hotel is part of a condominium known as La Reserva Condominium (the "Condominium"). The Condominium is comprised of 143 residential units and four commercial units. The four commercial units are owned by the Company and are part of the White Plains hotel. The White Plains hotel is comprised of 129 of the residential units owned by the Company and four residential units leased by the Company from unaffiliated third party owners. The remaining 10 residential units are owned and occupied by unaffiliated third party owners.

The Company leases 4 residential units in the White Plains hotel from individual owners (the "Condo Owner"). The lease agreements are for 6 years with a one-time 5 year renewal option. The White Plains hotel has the right to sublease the unit to any third party (a "Hotel Guest") for such rent and on such terms as the White Plains hotel may determine. Each Condo Owner may reserve the unit for seven (7) days in any calendar quarter or two (2) weeks in any calendar year. Each Condo Owner is also obligated to reimburse the White Plains hotel for renovations that were completed in 2008. Minimum annual rents payable to the Condo Owner are approximately $70 thousand per year and amounts receivable from the Condo Owner for its renovation reimbursements are approximately $11 thousand per year, subject to a balloon repayment at the end of the lease term of any remaining reimbursements. The White Plains hotel is responsible for paying assessments to the Condominium association on a monthly basis for all residential units owned and leased. The White Plains hotel provides certain services to the Condominium association for housekeeping, maintenance and certain other services and receives compensation from the Condominium association for said services.

13. Related Party Transactions

The Company paid $3.2 million to reimburse Mr. Fisher for expenses he incurred in connection with the Company's formation and the IPO, including $2.5 million he funded as earnest money deposits for the Company's purchase of the Initial Acquisition Hotels. Mr. Fisher had also advanced $14 thousand to the Company which was included in accounts payable and accrued expenses on the accompanying consolidated balance sheet as of December 31, 2009 which was reimbursed following the close of the IPO.

Mr. Fisher owns 90% of Island Hospitality Management, Inc. ("IHM"), a hotel management company. The Company has entered into hotel management agreements with IHM to manage three of its hotels. Management and accounting fees paid to IHM for the year ended December 31, 2010 were $0.2 million.

14. Quarterly Operating Results (unaudited)

	Quarter Ended — 2010			
	March 31	June 30	September 30	December 31
	(In thousands, except per share data)			
Total revenue	$ —	$4,658	$ 8,383	$ 12,429
Total operating expenses	—	5,291	8,720	11,920
Operating income (loss)	—	(633)	(337)	509
Net loss attributable to common shareholders	—	(642)	(288)	(287)
Loss per common share, basic and diluted(1)	—	(0.09)	(0.03)	(0.03)

(1) The sum of per share amounts for the four quarters may differ from the annual per share amounts due to the required method of computing weighted-average number of common shares outstanding in the respective periods.

15. Subsequent Events

On January 31, 2011, the Company signed a contract to acquire an upscale extended-stay hotel in Pittsburgh, PA for $24.9 million. The acquisition will be funded in part through the assumption of an existing $7.3 million mortgage loan with the balance funded from available cash.

The Company completed a public offering on February 8, 2011. The offering resulted in the sale of 4,600,000 common shares at a $16.00 price per share generating $73.6 million in gross proceeds. Net proceeds were approximately $69.0 million after underwriters' discounts and commissions and other offering costs paid to third parties.

Report of Independent Registered Certified Public Accounting Firm
on
Financial Statement Schedule

To the Board of Trustees and Shareholders
Of Chatham Lodging Trust:

Our audits of the consolidated financial statements referred to in our report dated March 8, 2011 appearing in the 2010 Annual Report to Shareholders of Chatham Lodging Trust (which report and consolidated financial statements are included in this Annual Report on Form 10-K, as amended) also included an audit of the financial statement schedule listed in Item 8 of this Form 10-K, as amended. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
Fort Lauderdale, Florida
March 8, 2011

CHATHAM LODGING TRUST SCHEDULE 3 - REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2010

Description	Year of Acquisition	Encumbrances	Initial Cost: Land	Initial Cost: Buildings & Improvements	Cost Cap. Sub. to Acq. Land	Cost Cap. Sub. to Acq. Bldg & Improvements	Gross Amount at End of Year: Land	Gross Amount at End of Year: Buildings & Improvements	Gross Amount at End of Year: Total	Bldg & Improvements	Accumulated Depreciation	Depreciation Life
					(In thousands)							
Homewood Suites Orlando — Maitland, FL	2010	(1)	1,800	7,200	—	—	1,800	7,200	9,000	7,200	125	40 Years
Homewood Suites Boston — Billerica, MA	2010	(1)	1,470	10,555	—	2	1,470	10,557	12,027	10,557	183	40 Years
Homewood Suites Minneapolis — Mall of America, Bloomington, MN	2010	(1)	3,500	13,960	—	1	3,500	13,961	17,461	13,961	242	40 Years
Homewood Suites Nashville — Brentwood, TN	2010	(1)	1,525	9,300	—	1	1,525	9,301	10,826	9,301	161	40 Years
Homewood Suites Dallas — Market Center, Dallas, TX	2010	(1)	2,500	7,583	—	1	2,500	7,584	10,084	7,584	131	40 Years
Homewood Suites Hartford — Farmington, CT	2010	(1)	1,325	9,375	—	2	1,325	9,377	10,702	9,377	162	40 Years
Hampton Inn & Suites Houston — Houston, TX	2010	(1)	3,200	12,709	—	—	3,200	12,709	15,909	12,709	159	40 Years
Residence Inn Holtsville — Holtsville, NY	2010	(1)	2,200	18,765	—	—	2,200	18,765	20,965	18,765	194	40 Years
Courtyard Altoona — Altoona, PA	2010	6,924	—	10,730	—	—	—	10,730	10,730	10,730	95	40 Years
Springhill Suites Washington — Washington, PA	2010	5,408	1,000	10,692	—	—	1,000	10,692	11,692	10,692	95	40 Years
Residence Inn White Plains — White Plains, NY	2010	(1)	2,200	17,677	—	—	2,200	17,677	19,877	17,677	121	40 Years
Residence Inn New Rochelle — New Rochelle, NY	2010	(1)	—	20,281	—	—	—	20,281	20,281	20,281	122	40 Years
Homewood Suites Carlsbad — Carlsbad, CA	2010	(1)	3,900	27,520	—	—	3,900	27,520	31,420	27,520	111	40 Years
Grand Total(s)			**24,620**	**176,347**	**—**	**7**	**24,620**	**176,354**	**200,974**	**176,354**	**1,901**	

(1) This property is pledged as collatral to borrowings made under the revolving credit facility obtained on October 12, 2010, which had outstanding borrowings of $37,800 as of December 31, 2010.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

3. Exhibits

The following exhibits are filed as part of this Amendment No. 1 on Form 10-K/A:

EXHIBIT INDEX

Exhibit Number	Exhibit Description
23.1	PricewaterhouseCoopers LLP Consent to include Report on Financial Statements and Financial Statement Schedule of Chatham Lodging Trust
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHATHAM LODGING TRUST

By: /s/ Jeffrey H. Fisher

Jeffrey H. Fisher
Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

Dated: January 26, 2012

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-162889) of Chatham Lodging Trust of our reports dated March 8, 2011 relating to the financial statements and financial statement schedule which appear in this Form 10-K/A.

/s/ PricewaterhouseCoopers LLP
Fort Lauderdale, Florida
January 26, 2012

EXHIBIT 31.1

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey H. Fisher, certify that:

1. I have reviewed this Amendment No. 1 to Annual Report on Form 10-K of Chatham Lodging Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the report based on such evaluation; and
   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

CHATHAM LODGING TRUST

Dated: January 26, 2012

/S/ JEFFREY H. FISHER

Jeffrey H. Fisher
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Dennis M. Craven, certify that:

1. I have reviewed this Amendment No. 1 to Annual Report on Form 10-K of Chatham Lodging Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the report based on such evaluation; and
    c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

CHATHAM LODGING TRUST

Dated: January 26, 2012

/s/ DENNIS M. CRAVEN

Dennis M. Craven
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with Amendment No. 1 to the Annual Report on Form 10-K of Chatham Lodging Trust (the "Company") for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey H. Fisher, Chairman, President and Chief Executive Officer of the Company and I, Dennis M. Craven, Executive Vice President and Chief Financial Officer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHATHAM LODGING TRUST

Dated: January 26, 2012

/s/ JEFFREY H. FISHER
Jeffrey H. Fisher
Chairman, President and Chief Executive Officer

/s/ DENNIS M. CRAVEN
Dennis M. Craven
Executive Vice President and Chief Financial Officer