

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|---|--|----------------------|
| 1 Issuer's name Summit Hotel Properties, Inc. | | 2 Issuer's employer identification number (EIN) 27-2962512 | |
| 3 Name of contact for additional information JoLynn Sorum, CPA | 4 Telephone No. of contact 512.538.2321 | 5 Email address of contact jsorum@shpreit.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2701 S. Minnesota Ave. Suite 6 | | 7 City, town, or post office, state, and Zip code of contact Sioux Falls, SD 57105 | |
| 8 Date of action 3/12/2013 | 9 Classification and description Common Stock | | |
| 10 CUSIP number 866082100 | 11 Serial number(s) | 12 Ticker symbol INN | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Summit Hotel Properties, Inc. has revised their Earnings and Profits as of 12/31/2012. In doing so, the allocation of 2012 quarterly distributions between return of capital and taxable dividend has been revised.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **A portion of each cash distribution made during the calendar year 2012 is not taxable as a dividend under Section 301(c)(1), but is treated as reduction of basis in the shareholder's stock under Section 301(c)(2). The per-share amount of each quarterly distribution classified as a reduction of basis is as follows:**

| Distribution Date | Amount per Share |
|-------------------|------------------|
| February 28, 2012 | \$0.030017 |
| May 31, 2012 | \$0.030017 |
| August 31, 2012 | \$0.030017 |
| November 30, 2012 | \$0.030017 |

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The non-dividend distribution represents distributions associated with the 2012 tax year which are in excess of current year accumulated earnings and profits.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ I.R.C. Section 301(c)(2)

18 Can any resulting loss be recognized? ▶ No tax loss can be recognized by shareholders as a result of receiving the distribution payments.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Jolynn M Sorum Date ▶ 3-12-13

Print your name ▶ Jolynn M Sorum Title ▶ Vice President - Controller

| | | | | | |
|-------------------------------|--|----------------------------|----------------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Beth Feuchtenberger, CPA | <u>Beth Feuchtenberger</u> | <u>3/12/13</u> | | P00094367 |
| | Firm's name ▶ Eide Bailly LLP | | | Firm's EIN ▶ | 45-0250958 |
| | Firm's address ▶ 200 E. 10th St. PO Box 5125, Sioux Falls, SD 57117-5125 | | | Phone no. | 605.339.1999 |