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Apple REIT Eight, Inc. (Filer) CIK: 0001387361

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Document And Entity Information	6 Months Ended	
	Jun. 30, 2011	Aug. 01, 2011
Document and Entity Information [Abstract]		
Entity Registrant Name	Apple REIT Eight, Inc.	
Document Type	10-Q	
Current Fiscal Year End Date	--12-31	
Entity Common Stock, Shares Outstanding		93,717,834
Amendment Flag	false	
Entity Central Index Key	0001387361	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Filer Category	Non-accelerated Filer	
Entity Well-known Seasoned Issuer	No	
Document Period End Date	Jun. 30, 2011	
Document Fiscal Year Focus	2011	
Document Fiscal Period Focus	Q2	

Consolidated Balance Sheets (USD \$) In Thousands	Jun. 30, 2011	Dec. 31, 2010
ASSETS		
Investment in real estate, net of accumulated depreciation of \$108,290 and \$90,261	\$ 928,906	\$ 945,312
Cash and cash equivalents	80	0
Restricted cash-furniture, fixtures and other escrows	10,471	8,934
Due from third party managers, net	9,230	4,031
Other assets, net	4,289	4,209
TOTAL ASSETS	952,976	962,486
LIABILITIES		
Credit facilities	76,328	51,893
Mortgage debt	147,624	148,546
Accounts payable and accrued expenses	18,858	14,878
Intangible liabilities, net	10,169	10,600
TOTAL LIABILITIES	252,979	225,917
SHAREHOLDERS' EQUITY		
Preferred stock, value issued	0	0
Common stock, no par value, authorized		

200,000,000 shares; issued and outstanding 94,329,706 and 94,615,462 shares, respectively	935,784	938,733
Distributions greater than net income	(235,811)	(202,188)
TOTAL SHAREHOLDERS' EQUITY	699,997	736,569
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	952,976	962,486
Series A Preferred Stock [Member]		
SHAREHOLDERS' EQUITY		
Preferred stock, value issued	0	0
SeriesB Convertible Preferred Stock [Member]		
SHAREHOLDERS' EQUITY		
Preferred stock, value issued	\$ 24	\$ 24

Consolidated Balance Sheets (Parentheticals) (USD \$) In Thousands, except Share data	Jun. 30, 2011	Dec. 31, 2010
	Real estate accumulated depreciation (in Dollars)	\$ 108,290
Preferred stock, shares authorized	15,000,000	15,000,000
Preferred stock, shares issued	0	0
Preferred stock, shares outstanding	0	0
Common stock, shares authorized	200,000,000	200,000,000
Common stock, shares issued	94,329,706	94,615,462
Common stock, shares outstanding	94,329,706	94,615,462
Common stock, par value (in Dollars per share)	\$ 0	\$ 0
Series A Preferred Stock [Member]		
Preferred stock, shares authorized	200,000,000	200,000,000
Preferred stock, shares issued	94,329,706	94,615,462
Preferred stock, shares outstanding	94,329,706	94,615,462
Preferred stock, par value (in Dollars per share)	\$ 0	\$ 0
SeriesB Convertible Preferred Stock [Member]		
Preferred stock, shares authorized	240,000	240,000
Preferred stock, shares issued	240,000	240,000
Preferred stock, shares outstanding	240,000	240,000
Preferred stock, par value (in Dollars per share)	\$ 0	\$ 0

Consolidated Statements of Operations (USD \$) In Thousands, except Per Share data	3 Months Ended		6 Months Ended	
	Jun. 30, 2011	Jun. 30, 2010	Jun. 30, 2011	Jun. 30, 2010
Revenues:				
Room revenue	\$ 48,389	\$ 46,084	\$ 85,885	\$ 82,639
Other revenue	3,494	3,190	6,315	6,038
Total revenue	51,883	49,274	92,200	88,677
Expenses:				
Operating expense	12,835	12,328	24,099	23,353
Hotel administrative expense	4,143	3,987	7,960	7,723
Sales and marketing	3,913	3,737	7,258	6,851
Utilities	2,011	1,857	3,991	3,787
Repair and maintenance	2,447	2,421	4,796	4,606
Franchise fees	2,049	1,965	3,615	3,472

Management fees	1,829	1,675	3,226	3,054
Taxes, insurance and other	2,340	2,711	4,789	5,286
Land lease expense	1,597	1,597	3,194	3,194
General and administrative	1,405	1,539	2,539	2,736
Depreciation expense	9,196	8,747	18,029	17,399
Total expenses	43,765	42,564	83,496	81,461
Operating income	8,118	6,710	8,704	7,216
Investment income, net	0	7	0	3,023
Interest expense, net	(3,344)	(2,306)	(6,039)	(4,439)
Net income	\$ 4,774	\$ 4,411	\$ 2,665	\$ 5,800
Basic and diluted net income per common share (in Dollars per share)	\$ 0.05	\$ 0.05	\$ 0.03	\$ 0.06
Weighted average common shares outstanding - basic and diluted (in Shares)	94,196	94,069	94,280	93,920

Consolidated Statements of Cash Flows (USD \$) In Thousands	6 Months Ended	
	Jun. 30, 2011	Jun. 30, 2010
Cash flows from operating activities:		
Net income	\$ 2,665	\$ 5,800
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	18,029	17,399
Amortization of deferred financing costs, fair value adjustments and other non-cash expenses, net	(27)	316
Net realized gain on sale of investments	0	(3,011)
Changes in operating assets and liabilities:		
Increase in due from third party managers, net	(5,199)	(5,091)
Increase in other assets	(893)	(693)
Increase in accounts payable and accrued expenses	3,764	1,521
Net cash provided by operating activities	18,339	16,241
Cash flows from investing activities:		
Capital improvements	(1,500)	(5,284)
Net (increase) decrease in cash restricted for property improvements	(863)	2,467
Proceeds from sale of equity securities - available for sale	0	3,804
Net cash provided by (used in) investing activities	(2,363)	987
Cash flows from financing activities:		
Net proceeds related to issuance of Units	12,935	13,057
Redemptions of Units	(15,999)	(5,455)
Distributions paid to common shareholders	(36,288)	(36,134)
Net proceeds from credit facility	24,435	12,405
Payments of mortgage debt	(941)	(1,101)
Deferred financing costs	(38)	0
Net cash used in financing activities	(15,896)	(17,228)
Net change in cash and cash	80	0

equivalents		
Cash and cash equivalents, beginning of period	0	0
Cash and cash equivalents, end of period	\$ 80	\$ 0

Basis of Presentation	6 Months Ended
	Jun. 30, 2011
Basis of Accounting [Text Block]	<p>1. Basis of Presentation</p> <p>The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations for reporting on Form 10-Q. Accordingly, they do not include all of the information required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These unaudited financial statements should be read in conjunction with the Company's audited consolidated financial statements included in its 2010 Annual Report on Form 10-K. Operating results for the three and six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the twelve month period ending December 31, 2011.</p>

General Information and Summary of Significant Accounting Policies	6 Months Ended
	Jun. 30, 2011
Nature Of Operations And Significant Accounting Policies [Text Block]	<p>2. General Information and Summary of Significant Accounting Policies</p> <p>Organization</p> <p>Apple REIT Eight, Inc., together with its wholly owned subsidiaries (the "Company"), is a Virginia corporation that has elected to be treated as a real estate investment trust ("REIT") for federal income tax purposes. The Company was formed to invest in income-producing real estate in the United States. Initial capitalization occurred on January 22, 2007 and operations began on November 9, 2007 when the Company acquired its first hotels. The Company concluded its best efforts offering of Units (each Unit consists of one common share and one Series A preferred share) in April 2008. The Company's fiscal year end is December 31. As of June 30, 2011, the Company owned 51 hotels. The Company has no foreign operations or assets and its operating structure includes two segments. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated.</p> <p>Significant Accounting Policies</p>

Use of Estimates

The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Earnings Per Common Share

Basic earnings per common share is computed based upon the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated after giving effect to all potential common shares that were dilutive and outstanding for the period. There were no potential common shares with a dilutive effect for the three or six months ended June 30, 2011 or 2010. As a result, basic and diluted outstanding shares were the same. Series B convertible preferred shares are not included in earnings per common share calculations until such time that such shares are eligible to be converted to common shares.

Gain on Sale of Investments	6 Months Ended
	Jun. 30, 2011
Investments in Debt and Marketable Equity Securities (and Certain Trading Assets) Disclosure [Text Block]	3. Gain on Sale of Investments In the first quarter of 2010, the Company sold equity securities that had been classified as available-for-sale, in accordance with the Financial Accounting Standards Board's ("FASB") accounting standards codification for accounting for certain investments in debt and equity securities. The sale resulted in a realized gain of \$3.0 million which is recorded in Investment income, net on the Company's consolidated statements of operations in 2010.

Credit Facility and Mortgage Debt	6 Months Ended
	Jun. 30, 2011
Debt Disclosure [Text Block]	4. Credit Facility and Mortgage Debt The Company has a \$75 million unsecured credit facility with a commercial bank that is utilized for working capital, hotel renovations, and other general corporate funding purposes, including the payment of redemptions and distributions. The applicable interest rate is equal to LIBOR (the London Interbank Offered Rate, 0.19% at June 30, 2011) plus 2.25% annually with a floor of 3.5%. The credit facility has a scheduled maturity of October 2012. At June 30, 2011, the credit facility had an

outstanding principal balance of \$56.3 million. At December 31, 2010, the credit facility had an outstanding principal balance of \$51.9 million. The credit facility is unsecured, however it does currently contain a negative pledge agreement that requires approval from the lender to materially change the Company's investment in 10 properties including using those 10 properties as security for additional financing. The credit facility also has financial covenants requiring a minimum consolidated net worth and debt service charge and a maximum debt to equity and distribution to income ratio. The Company was in compliance with these covenants at June 30, 2011, with the exception of the distribution to income ratio. The lender waived this covenant.

On April 19, 2011, the Company entered into a Loan Agreement (the "Loan Agreement") with Bank of America, N.A. The Loan Agreement provides for a revolving credit facility of \$20 million and a maturity date of April 19, 2012. Interest is payable quarterly on the outstanding balance based on an annual rate of LIBOR plus 2.0%. Under the terms and conditions of the Loan Agreement, the Company may make voluntary prepayments in whole or in part, at any time. The Loan Agreement is guaranteed by Glade M. Knight, the Company's Chairman and Chief Executive Officer and is secured by assets of Mr. Knight. Mr. Knight will not receive any consideration in exchange for providing this guaranty and security. Proceeds of the loan will be used by the Company for general working capital purposes, including the payment of redemptions and distributions. The independent directors of the Company's Board of Directors approved Mr. Knight providing a guaranty under the Loan Agreement. At June 30, 2011, the Loan Agreement had an outstanding principal balance of \$20 million.

In March 2011, the Company requested the loans secured by the Winston-Salem, North Carolina Courtyard, Tampa, Florida TownePlace Suites, Greenville, South Carolina Residence Inn and Suffolk, Virginia TownePlace Suites and Courtyard to be placed with a special servicer to re-negotiate the terms of the loans. To have the loans placed with the special servicer the Company suspended making its scheduled monthly debt payments beginning in March 2011. On May 31, 2011, the loans secured by the Suffolk, Virginia TownePlace Suites and Courtyard were modified and returned to current status. Under the modified agreements, the Company is required to make monthly interest payments at an annual rate of 5.031%, with no payment of principal until March 1, 2013. During this period, interest will continue to accrue at 6.031%, with the 1% difference accrued and payable at maturity. Certain lender expenses were reimbursed to the lender as part of the restructuring of the two loans and a modification fee of approximately 0.75% of the principal will be due at maturity.

The Company has received default notices from the lender on the three loans secured by the Winston-Salem, North Carolina Courtyard, Tampa, Florida TownePlace Suites and Greenville, South Carolina Residence Inn and does not know the timing and resolution of the anticipated renegotiations. The total outstanding balance including unpaid interest of the three loans in default at

	June 30, 2011 was approximately \$22.9 million. The net book value of the properties securing these loans at June 30, 2011 was approximately \$31.8 million. If the Company is unable to renegotiate the loans, it may be more cost beneficial to pursue a deed in lieu of foreclosure with the lender.
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Fair Value of Financial Instruments	6 Months Ended
	Jun. 30, 2011
Fair Value Disclosures [Text Block]	<p>5. Fair Value of Financial Instruments</p> <p>The Company estimates the fair value of its fixed rate debt and the credit spreads over variable market rates on its variable rate debt by discounting the future cash flows of each instrument at estimated market rates or credit spreads consistent with the maturity of the debt obligation with similar credit terms and credit characteristics. Market rates and credit spreads take into consideration general market conditions and maturity. As of June 30, 2011, the carrying value and estimated fair value of the Company's debt was \$224.0 million and \$226.4 million. As of December 31, 2010, the carrying value and estimated fair value of the Company's debt was \$200.4 million and \$200.5 million.</p> <p>The Company has an interest rate swap agreement that effectively fixes the interest rate on a variable rate mortgage. The notional amount was \$6.9 million as of June 30, 2011, and matures in October 2015. This derivative is recorded on the Company's consolidated balance sheets at fair value of approximately \$58,000 (liability) and \$40,000 (asset) at June 30, 2011 and December 31, 2010 and is included in accounts payable and accrued expenses at June 30, 2011 and other assets, net at December 31, 2010. The fair value of the interest rate swap is determined using the market standard methodology of netting the discounted future fixed cash payments (or receipts) and the discounted expected variable cash receipts (or payments) which is considered a Level 2 measurement within the FASB's fair value hierarchy. The variable cash receipts (or payments) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. This derivative is not designated as a hedge, and the changes in the fair value are recorded to interest expense, net in the consolidated statements of operations. For the three and six months ended June 30, 2011, the change in fair value was \$141,000 and \$98,000. The carrying value of the Company's other financial instruments approximates fair value due to the short-term nature of these financial instruments.</p>

Related Parties	6 Months Ended
	Jun. 30, 2011
Related Party Transactions Disclosure [Text Block]	<p>6. Related Parties</p>

The Company has, and is expected to continue to engage in, significant transactions with related parties. These transactions cannot be construed to be arm's length, and the results of the Company's operations may be different if these transactions were conducted with non-related parties. The Company's independent members of the Board of Directors oversee and annually review the Company's related party relationships (which include the relationships discussed in this section) and are required to approve any significant modifications to these contracts, as well as any new significant related party transactions. There were no changes to the contracts discussed in this section and no new significant related party transactions (other than the loan guarantee discussed above in Note 4) during the six months ended June 30, 2011. The Board of Directors is not required to approve each individual transaction that falls under a related party relationship, however under the direction of the Board of Directors, at least one member of the Company's senior management team approves each related party transaction.

The Company is party to an advisory agreement with Apple Eight Advisors, Inc. ("A8A"), pursuant to which A8A provides management services to the Company. An annual fee ranging from 0.1% to 0.25% of total equity proceeds received by the Company, in addition to certain reimbursable expenses, are payable for these services. Total advisory fees incurred by the Company under the advisory agreement are included in general and administrative expenses and totaled approximately \$0.5 million for both the six months ended June 30, 2011 and 2010.

In addition to the fees payable to A8A, the Company reimbursed A8A or paid directly to Apple REIT Six, Inc. ("AR6") on behalf of A8A approximately \$0.9 million and \$1.1 million for the six months ended June 30, 2011 and 2010. The costs are included in general and administrative expenses and are for the Company's proportionate share of the staffing and related costs provided by AR6. The advisors are staffed with personnel of AR6. AR6 provides similar staffing for Apple Six Advisors, Inc. ("A6A"), Apple Seven Advisors, Inc. ("A7A"), Apple Nine Advisors, Inc. ("A9A") and Apple Ten Advisors, Inc. ("A10A"). A6A, A7A, A9A and A10A provide management services to, respectively, AR6, Apple REIT Seven, Inc., Apple REIT Nine, Inc. and Apple REIT Ten, Inc. Although there is a potential conflict on time allocation of personnel due to the fact that a senior manager, officer or staff member will provide services to more than one company, the Company believes that the executives and staff compensation sharing arrangement allows the companies to share costs yet attract and retain superior executives and staff. The cost sharing structure also allows each entity to maintain a much more cost effective structure than having separate staffing arrangements. Amounts reimbursed to AR6 include both compensation for personnel and "overhead" (office rent, utilities, benefits, office supplies, etc.) utilized by the companies. The allocation of costs from AR6 is made by the management of the several REITs and is reviewed at least annually by the Compensation Committees of the several REITs. In making the allocation, management and the Compensation Committee, consider all relevant facts related to the Company's level of business activity and the extent to which the Company requires the services of particular personnel of AR6.

Such payments are based on actual costs of the services and are not based on formal record keeping regarding the time these personnel devote to the Company, but are based on a good faith estimate by the employee and/or his or her supervisor of the time devoted by the employee to the Company. As part of this arrangement, the day to day transactions may result in amounts due to or from the noted related parties. To efficiently manage cash disbursements, the individual companies may make payments for any or all of the related companies. The amounts due to or from the related individual companies are reimbursed or collected and are not significant in amount.

A8A is 100% owned by Glade M. Knight, Chairman and Chief Executive Officer of the Company. Mr. Knight is also Chairman and Chief Executive Officer of AR6, Apple REIT Seven, Inc., Apple REIT Nine, Inc. and Apple REIT Ten, Inc. Members of the Company's Board of Directors are also on the boards of AR6, Apple REIT Seven, Inc., Apple REIT Nine, Inc. and Apple REIT Ten, Inc.

Included in other assets, net on the Company's consolidated balance sheets is a 24% equity investment in Apple Air Holding, LLC ("Apple Air"). The other members of Apple Air are Apple REIT Six, Inc., Apple REIT Seven, Inc. and Apple REIT Nine, Inc. Through its equity investment the Company has access to Apple Air's aircraft for asset management and renovation purposes. The Company's equity investment was \$2.2 million at both June 30, 2011 and December 31, 2010. The Company has recorded its share of income and losses of the entity under the equity method of accounting and adjusted its investment in Apple Air accordingly. For the six months ended June 30, 2011 and 2010, the Company recorded a loss of approximately \$90,000 and \$213,000 in each period as its share of the net loss of Apple Air, which primarily relates to the depreciation of the aircraft, and is included in general and administrative expense in the Company's consolidated statements of operations. Apple Air owned two aircraft during 2010, but reduced its ownership to one aircraft during the first quarter of 2011.

Shareholders' Equity	6 Months Ended
	Jun. 30, 2011
Stockholders' Equity Note Disclosure [Text Block]	<p>7. Shareholder's Equity</p> <p>The Company has a Unit Redemption Program to provide limited interim liquidity to its shareholders who have held their Units for at least one year. Shareholders may request redemption of Units for a purchase price equal to 92% of the price paid per Unit if the Units have been owned for less than three years, or 100% of the price paid per Unit if the Units have been owned more than three years. The Company reserves the right to change the purchase price for redemptions, reject any request for redemption, or otherwise amend the terms of, suspend, or terminate the Unit Redemption Program. During the six months ended June 30, 2011, the Company redeemed approximately 1.5</p>

million Units in the amount of \$16.0 million under the program. For the first six months of 2010, the Company redeemed approximately 0.5 million Units in the amount of \$5.5 million. Since inception of the program through June 30, 2011, the Company has redeemed approximately 4.2 million Units representing approximately \$44.9 million. As contemplated by the program, beginning with the January 2011 redemption, the Company redeemed Units on a pro-rata basis with approximately 61% of the amount requested redeemed in the first quarter of 2011 and approximately 48% of the amount requested in the second quarter of 2011. Prior to 2011, 100% of requested redemptions were redeemed.

In the second quarter of 2008, the Company instituted a Dividend Reinvestment Plan for its shareholders. The plan provides a way to increase shareholder investment in the Company by reinvesting dividends to purchase additional Units of the Company. The uses of the proceeds from this plan may include purchasing Units under the Company's Unit Redemption Program, enhancing properties, satisfying financing obligations and other expenses, increasing working capital, funding various corporate operations, and acquiring hotels. The Company has registered 10 million Units for potential issuance under the plan. During the first six months of 2011 and 2010, approximately 1.2 million Units were issued under the plan in each period representing approximately \$12.9 million and \$13.1 million. Since inception of the plan through June 30, 2011, the Company has issued approximately 7.4 million Units representing approximately \$81.9 million.

For the three months ended June 30, 2011 and 2010 the Company made distributions of \$0.193 per common share for a total of \$18.1 million. For the six months ended June 30, 2011 and 2010 the Company made distributions of \$0.385 per common share for a total of \$36.3 million and \$36.1 million. In June 2011 the Company's Board of Directors reduced the annual distribution rate to \$0.55 per common share. The reduction was effective with the July 2011 distribution. The distribution will continue to be paid monthly.

Industry Segments	6 Months Ended
	Jun. 30, 2011
Segment Reporting Disclosure [Text Block]	<p>8. Industry Segments</p> <p>The Company has two reportable segments: the New York hotel and all other hotels. The New York hotel is a full service hotel in New York City, New York. The Company's other hotels are extended-stay and select service hotel properties throughout the United States that generate rental and other property related income. The Company separately evaluates the performance of each of its hotel properties. However, because each of the hotels has similar economic characteristics, facilities, and services, and each hotel is not individually significant, other than the New York hotel, the other properties have been aggregated into a single</p>

operating segment. The Company does not allocate corporate-level accounts to its operating segments, including corporate general and administrative expenses, non-operating interest income and interest expense. The following table summarizes the results of operations and assets for each segment for the three and six months ending June 30, 2011 and 2010. Dollar amounts are in thousands.

For the three months ended June 30, 2011

	New York, New York Hotel	All Other Hotels	Corporate	Consolidated
Total revenue	\$ 5,481	\$ 46,402	\$ 0	\$ 51,883
Hotel operating expenses	4,536	28,628	0	33,164
General and administrative expense	0	0	1,405	1,405
Depreciation expense	1,636	7,560	0	9,196
Operating income/(loss)	(691)	10,214	(1,405)	8,118
Interest expense, net	—	(2,466)	(878)	(3,344)
Net income/(loss)	\$ (691)	\$ 7,748	\$ (2,283)	\$ 4,774
Total assets	\$115,287	\$835,248	\$ 2,441	\$ 952,976

For the six months ended June 30, 2011

	New York, New York Hotel	All Other Hotels	Corporate	Consolidated
Total revenue	\$ 9,558	\$ 82,642	\$ 0	\$ 92,200
Hotel operating expenses	8,861	54,067	0	62,928
General and administrative expense	0	0	2,539	2,539
Depreciation expense	3,269	14,760	0	18,029
Operating income/(loss)	(2,572)	13,815	(2,539)	8,704
Interest expense, net	0	(4,370)	(1,669)	(6,039)
Net income/(loss)	\$ (2,572)	\$ 9,445	\$ (4,208)	\$ 2,665
Total assets	\$115,287	\$835,248	\$ 2,441	\$ 952,976
For the three months ended June 30, 2010				
	New York, New York Hotel	All Other Hotels	Corporate	Consolidated
Total revenue	\$ 4,860	\$ 44,414	\$ 0	\$ 49,274

Hotel operating expenses	4,408	27,870	0	32,278
General and administrative expense	0	0	1,539	1,539
Depreciation expense	1,602	7,145	0	8,747
Operating income/(loss)	(1,150)	9,399	(1,539)	6,710
Investment income, net	0	0	7	7
Interest expense	0	(1,928)	(378)	(2,306)
Net income/(loss) \$	(1,150) \$	7,471 \$	(1,910) \$	4,411
Total assets	\$121,298	\$861,767	\$ 2,607	\$ 985,672

For the six months ended June 30, 2010

	New York, New York Hotel	All Other Hotels	Corporate	Consolidated
Total revenue	\$ 8,808	\$ 79,869	\$ 0	\$ 88,677
Hotel operating expenses	8,482	52,844	0	61,326
General and administrative expense	0	0	2,736	2,736
Depreciation expense	3,195	14,204	0	17,399

Operating income/(loss)	(2,869)	12,821	(2,736)	7,216	
Investment income, net	0	0	3,023	3,023	
Interest expense	0	(3,733)	(706)	(4,439)	
Net income/(loss) \$	(2,869) \$	9,088 \$	(419) \$	5,800	
Total assets	\$121,298	\$861,767	\$ 2,607	\$ 985,672	

Legal Proceedings and Related Matters	6 Months Ended	
	Jun. 30, 2011	
Legal Matters and Contingencies [Text Block]	<p>9. Legal Proceedings and Related Matters</p> <p>The term the “Apple REIT Companies” means Apple REIT Six, Inc. Apple REIT Seven, Inc., the Company, Apple REIT Nine, Inc. and Apple REIT Ten, Inc.</p> <p>On June 20, 2011, two shareholders of the Apple REIT companies filed a putative class action captioned <i>Kronberg et al. v. David Lerner Associates Inc., et al</i>, Case No. 2:11-cv-03558, in the United States District Court for the District of New Jersey against David Lerner Associates, Inc. and certain of its officers, and the Apple REIT Companies and Glade M. Knight. The complaint, purportedly brought on behalf of purchasers of Units in the Apple REIT Companies, asserts claims and seeks, among other things, certification of the class, compensatory, special and general damages, and other costs and expenses. The complaint alleges, among other things, that: (1) David Lerner Associates, Inc. made false and misleading misrepresentations about (a) the value of the Units of the Apple REIT Companies, (b) previous distribution payments made by the Apple REIT Companies, and (c) the operations of the Apple REIT Companies, (2) the significant risks associated with the illiquid investment in the Apple REIT Companies were not properly disclosed to investors, and (3) under the various agency agreements between David Lerner Associates, Inc. and the Apple REIT Companies, the Apple REIT Companies and Glade M. Knight are responsible for the actions and representations of David Lerner Associates, Inc. and its certain officers regarding the sale of Units of the Apple REIT Companies. The Company believes that these claims against the Apple REIT Companies and Glade M. Knight are without merit, and the Company intends to defend against them vigorously. At</p>	

this time, the Company cannot reasonably predict the outcome of these proceedings or provide a reasonable estimate of the possible loss or range of loss due to these proceedings, if any.

In addition to the lawsuit discussed above, there were two additional lawsuits filed against David Lerner Associates, Inc., Apple REIT Nine, Inc. and Apple REIT Ten, Inc. The Company was not named in these suits.

On May 27, 2011, the Financial Industry Regulatory Authority ("FINRA") filed a complaint against David Lerner Associates, Inc., related to its sales practices relative to the Units of Apple REIT Ten, Inc. David Lerner Associates, Inc. was also the sole distributor (managing dealer) of the Company. The Company is unaffiliated with David Lerner Associates, Inc.; however, the Company relies upon it for administration of the Units. The Company intends on cooperating with regulatory or governmental inquiries.

Subsequent Events	6 Months Ended
	Jun. 30, 2011
Subsequent Events [Text Block]	<p>10. Subsequent Events</p> <p>In July 2011, the Company declared and paid approximately \$4.3 million in distributions to its common shareholders, or \$0.045833 per outstanding common share. Under the Company's Dividend Reinvestment Plan, \$1.4 million were reinvested, resulting in the issuance of approximately 125,000 Units.</p> <p>In July 2011, the Company redeemed approximately 737,000 Units in the amount of \$8.1 million under the guidelines of its Unit Redemption Program. As contemplated in the Program, the Company redeemed Units on a pro-rata basis whereby a percentage of each requested redemption was fulfilled at the discretion of the Company's Board of Directors. The redemption was approximately 9% of the requested redemption amount.</p> <p>In August 2011, the Company completed the renegotiation of the loans secured by the Winston-Salem, North Carolina Courtyard, Tampa, Florida TownePlace Suites and Greenville, South Carolina Residence Inn. The renegotiation resulted in the reinstatement of the Winston-Salem, North Carolina Courtyard and Greenville, South Carolina Residence Inn loans and the payoff and contemporaneous extinguishment of the Tampa, Florida TownePlace Suites loan by the lender. The net savings for the Company was approximately \$1 million.</p>

Apple REIT Eight, Inc. (Filer) CIK: 0001387361 (see all company filings)

IRS No.: **208268625** | State of Incorpor.: **VA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-53175** | Film No.: **111034735**
SIC: **6798** Real Estate Investment Trusts
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