

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Extended Stay Inc., et. al.

Case No. (Jointly Administered): 09-13764 (JMP)  
Reporting Period: 31-Aug-09

Federal Tax I.D. #: 20-1087401

**CORPORATE MONTHLY OPERATING REPORT**

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	Refer to attached stmt	
Copies of bank statements		Refer to attached stmt	
Cash disbursements journals		Yes	
Statement of Operations	<u>MOR-2</u>	Yes	
Balance Sheet	<u>MOR-3</u>	Yes	
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	
Copies of IRS Form 6123 or payment receipt		n/a	See MOR-4
Copies of tax returns filed during reporting period		n/a	See MOR-4
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	n/a	Note A
Listing of Aged Accounts Payable	<u>MOR-4 (CONT.)</u>	Yes	
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	
Taxes Reconciliation and Aging	<u>MOR-5</u>	n/a	Note B
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>	Yes	
Debtor Questionnaire	<u>MOR-7</u>	Yes	

**Note A:** All unpaid post-petition debts remain current as of August 31, 2009.

**Note B:** All taxes payable are current at August 31, 2009.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

/s/ Joseph E. Teichman  
Signature of Authorized Individual\*

September 15, 2009  
Date

Joseph E. Teichman  
Printed Name of Authorized Individual

Secretary  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

(Amounts in \$'s)

TIME PERIOD:  
8/01/2009 - 8/31/2009

Debtor	Case Number	Cash Receipts	Disbursements	Total
Extended Stay Inc.	09-13764	\$ 111,754	\$ (4,319,613)	\$ (4,207,859)
ESA P Portfolio LLC	09-13765	37,517,145	(18,248,549)	19,268,596
Homestead Village LLC	09-13766	10,951,436	(113,691)	10,837,745
ESA 2005 Portfolio LLC	09-13767	-	-	-
ESA MD Beneficiary LLC	09-13768	-	-	-
ESA P Portfolio MD Trust	09-13769	-	-	-
ESA 2005 San Jose LLC	09-13770	-	-	-
ESA MD Properties Business Trust	09-13771	-	-	-
ESA P Portfolio MD Beneficiary LLC	09-13772	-	-	-
ESA 2005 Waltham LLC	09-13773	-	-	-
ESA Canada Properties Trust	09-13774	-	(80)	(80)
ESA Acquisition Properties LLC	09-13775	-	-	-
ESA Canada Trustee Inc.	09-13776	-	-	-
ESH/Homestead Mezz 5 LLC	09-13777	-	-	-
ESH/Homestead Portfolio LLC	09-13778	229,003	(421)	228,582
ESA Canada Beneficiary Inc.	09-13779	-	-	-
ESA Alaska LLC	09-13780	-	-	-
ESA P Mezz 5 LLC	09-13781	-	-	-
ESA UD Properties LLC	09-13782	-	(1,498)	(1,498)
ESA 2007 Operating Lessee Inc.	09-13783	168,912	-	168,912
ESA Mezz 5 LLC	09-13784	-	-	-
ESA Canada Properties Borrower LLC	09-13785	-	-	-
ESH/HV Properties LLC	09-13786	3,427,621	(5,111)	3,422,510
ESA 2005 Operating Lessee Inc.	09-13787	2,189,679	(17,774)	2,171,905
ESH/Homestead Mezz 6 LLC	09-13788	-	-	-
ESA Operating Lessee Inc.	09-13789	573	-	573
ESH/MSTX Property LP	09-13790	-	-	-
ESA FL Properties LLC	09-13791	-	-	-
ESA P Mezz 6 LLC	09-13792	-	-	-
ESH/TN Properties LLC	09-13793	-	-	-
ESA MD Borrower LLC	09-13794	-	-	-
ESA P Portfolio Operating Lessee Inc.	09-13795	-	(47,999,147)	(47,999,147)
ESA Mezz 6 LLC	09-13796	-	-	-
ESA Business Trust	09-13797	-	-	-
ESA MN Properties LLC	09-13798	30,561	(579)	29,982
ESA Management LLC	09-13799	-	-	-
ESA P Portfolio Holdings LLC	09-13800	-	-	-
ESH/Homestead Mezz 7 LLC	09-13801	-	-	-
ESH/TX Properties LP	09-13802	-	-	-
ESA P Portfolio MD Borrower LLC	09-13803	-	-	-
ESA Canada Operating Lessee Inc.	09-13804	1,350,983	(534,966)	816,017
ESH/Homestead Mezz LLC	09-13805	-	-	-
ESA P Mezz 7 LLC	09-13806	-	-	-
ESA P Portfolio PA Properties LLC	09-13807	118,323	(444)	117,879
Extended Stay Hotels LLC	09-13808	-	-	-
ESA P Portfolio TXNC Properties LP	09-13809	-	-	-
ESA Mezz 7 LLC	09-13810	-	-	-
ESA PA Properties LLC	09-13811	23,409	(119)	23,290
ESH/Homestead Mezz 8 LLC	09-13812	-	-	-
ESA P Mezz LLC	09-13813	-	-	-
ESA P Mezz 8 LLC	09-13814	-	-	-
ESA Properties LLC	09-13815	25,804,723	(132,436)	25,672,287
ESA Mezz LLC	09-13816	-	-	-
ESA Mezz 8 LLC	09-13817	-	-	-
ESA TX Properties LP	09-13818	-	-	-
ESH/Homestead Mezz 2 LLC	09-13819	-	-	-
ESA P Mezz 2 LLC	09-13820	-	-	-
ESH/Homestead Mezz 9 LLC	09-13821	-	-	-
ESA P Mezz 9 LLC	09-13822	-	-	-
ESA Mezz 2 LLC	09-13823	-	-	-
ESA Mezz 9 LLC	09-13824	-	-	-
ESH/Homestead Mezz 10 LLC	09-13825	-	-	-
ESH/Homestead Mezz 3 LLC	09-13826	-	-	-
ESA P Mezz 10 LLC	09-13827	-	-	-
ESA P Mezz 3 LLC	09-13828	-	-	-
ESA Mezz 10 LLC	09-13829	-	-	-
ESA Mezz 3 LLC	09-13830	-	-	-
ESH/Homestead Mezz 4 LLC	09-13831	-	-	-
ESA P Mezz 4 LLC	09-13832	-	-	-
ESA Mezz 4 LLC	09-13833	-	-	-
Totals		\$ 81,924,122	\$ (71,374,428)	\$ 10,549,694

Note: Cash receipts and disbursements related to intercompany transfers among Debtor entities are not included in this schedule. Accordingly, net cash activity will not agree to the change in general ledger activity or bank statement balances.

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$ 71,374,428
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$ 71,374,428

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Time Period: 8/1/09-8/31/09

### BANK RECONCILIATIONS

#### Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.  
(Bank account numbers may be redacted to last four numbers.)

The above-captioned debtors (the "Debtors") hereby submit this attestation regarding bank reconciliations in lieu of providing copies of bank statements and copies of all Debtor account reconciliations. These documents would be furnished upon request.

I attest that all of the Debtors' bank account balances per general ledger are reconciled to the respective bank statements on a calendar month end basis, with material reconciling items, if any, recorded in the general ledger in the appropriate month.

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/s/ Joseph E. Teichman

Joseph E. Teichman

Secretary

Extended Stay Inc.

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**COMBINED STATEMENT OF OPERATIONS (Income Statement)**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

Note: This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the Bankruptcy Cases and is in a format acceptable to the U.S. Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with generally accepted accounting principles ("GAAP") in the United States.

	8/1/09 - 8/31/09	Cumulative Filing to Date
	Amounts in Thousands	
Revenues		
Room revenues	\$ 71,860	\$ 184,480
Other property revenues	1,465	3,917
Total revenues	<u>73,325</u>	<u>188,397</u>
Operating expenses		
Property operating expenses	39,046	95,059
Corporate operating expenses	1,186	3,836
Officer/Insider Compensation*	-	-
Trademark license fees expense*	78	200
Management fees and G&A reimbursement expense*	4,900	11,994
Depreciation and amortization	30,947	78,295
Total operating expenses	<u>76,157</u>	<u>189,384</u>
Other income	-	8
Operating income	<u>(2,832)</u>	<u>(979)</u>
Interest expense (A)	(18,585)	(47,314)
Loss on investments in debt securities and interest rate caps	(2)	(498)
Interest income	3	16
Net loss before reorganization items	<u>(21,416)</u>	<u>(48,775)</u>
Reorganization items		
Professional fees	4,431	8,619
U.S. Trustee quarterly fees	44	123
Interest earned on accumulated cash from Chapter 11	-	-
Total reorganization items	<u>4,475</u>	<u>8,742</u>
Net loss	<u>\$ (25,891)</u>	<u>\$ (57,517)</u>

\*\*"Insider" is defined in 11 U.S.C. Section 101(31).

(A) Does not include interest at the default rate which may be payable under the Final Cash Collateral Order.

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**BREAKDOWN OF "OTHER" CATEGORY**

**PROPERTY OPERATING EXPENSES**

	8/1/09 - 8/31/09	6/15/09 - 8/31/09
Payroll	\$ 13,013	\$ 32,723
Payroll related	2,754	6,925
Room expense	1,767	3,985
Maintenance	2,411	5,848
Sales and marketing	69	179
General and administrative	1,334	3,269
Telecom	1,075	2,755
Commissions	1,357	3,382
Cash/credit management	157	437
Utilities	6,358	14,578
Noncontrollable	8,684	20,637
Other	67	341
Total property operating expenses	\$ 39,046	\$ 95,059

**CORPORATE OPERATING EXPENSES**

	8/1/09 - 8/31/09	6/15/09 - 8/31/09
Legal/professional fees	\$ 250	\$ 1,538
Insurance	515	1,305
Taxes & penalties	226	541
Other miscellaneous	195	452
Total corporate operating expenses	\$ 1,186	\$ 3,836

**REORGANIZATION ITEMS - PROFESSIONAL FEES**

	8/1/09 - 8/31/09	6/15/09 - 8/31/09
HVS Consulting & Valuation Services	\$ 1,298	\$ 2,630
CB Richard Ellis	875	1,750
Weil, Gotshal & Manges, LLP	561	1,232
McKenna, Long & Aldridge, LLP	660	1,039
Latham & Watkins, LLP	407	698
Lazard Freres & Co., LLC	200	507
TriMont Real Estate Advisors, Inc.	132	256
US Trustee for Southern District of New York	44	123
PricewaterhouseCoopers, LLP	233	262
The Highland Group	21	26
Kurtzman Carson Consultants, LLC	-	100
Sitrick and Company	44	119
Total reorganization items	\$ 4,475	\$ 8,742

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## COMBINED BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

Note: This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the Bankruptcy Cases and is in a format acceptable to the U.S. Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with generally accepted accounting principles ("GAAP") in the United States.

<i>Amounts in Thousands</i>	Book Value at 8/31/2009	Book Value at 7/31/2009	Book Value at Petition 6/15/2009
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents, unrestricted	\$ 2,736	\$ 2,998	\$ 10,320
Debtor in possession cash account	67,057	58,068	-
Cash management account, including deposits in transit	16,207	11,433	39,476
Accounts receivable—net of allowance for doubtful accounts	18,314	19,355	21,385
Restricted cash, escrows and reserves	-	-	8,588
Other current assets	30,113	31,870	33,065
Investment in derivative instruments, at fair value	1	3	499
Due from insiders - non-debtor affiliates	-	-	-
<b>Total current assets</b>	<b>134,428</b>	<b>123,727</b>	<b>113,333</b>
Property and equipment—net of accumulated depreciation	6,474,255	6,500,637	6,544,239
Land available for sale	2,000	2,000	2,000
Deferred financing costs—net of accumulated amortization	17,610	18,148	19,431
Trademarks	15,000	15,000	15,000
License of trademarks—net of accumulated amortization	9,977	10,031	10,114
Under market trademark licenses - net of accumulated amortization	13,842	13,913	14,021
Intangible assets, net of accumulated amortization	17,317	17,412	17,556
Other assets	17,038	15,391	14,940
<b>Total assets</b>	<b>\$ 6,701,467</b>	<b>\$ 6,716,259</b>	<b>\$ 6,750,634</b>
<b>Liabilities and Shareholders'/Members' (Deficit) Equity</b>			
<b>Liabilities not subject to compromise</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 169	\$ 137	\$ -
Accrued occupancy taxes payable	4,460	4,425	2,552
Accrued state franchise/income tax	1,674	1,567	1,295
Accrued sales and use taxes payable	5,648	5,097	5,069
Accrued property and general liability insurance reserves	6,080	6,118	6,566
Accrued utilities	5,583	5,138	4,792
Other property accruals	1,137	2,023	1,711
Deferred revenue	10,465	9,366	9,950
General and administrative accruals	1,420	1,266	1,216
Accrued professional fees	6,556	4,400	614
Accrued real estate taxes	33,580	31,311	27,381
Accrued interest payable	9,902	9,909	18,083
Advance from insider, including accrued interest of \$1,395, \$1,391 and \$1,383 at August 31, 2009, July 31, 2009 and June 15, 2009, respectively	7,895	7,891	7,883
Due to insiders - non-debtor affiliates	34,428	29,343	33,670
<b>Total current liabilities</b>	<b>128,997</b>	<b>117,991</b>	<b>120,782</b>
Other liabilities	4,697	4,674	4,656
<b>Total liabilities not subject to compromise</b>	<b>133,694</b>	<b>122,665</b>	<b>125,438</b>
<b>Liabilities subject to compromise</b>			
Accounts payable	372	302	278
Accrued interest payable	9,577	9,577	9,577
Mortgages payable	4,108,349	4,108,349	4,108,349
Mezzanine loans	3,295,456	3,295,456	3,295,456
Subordinated notes, net of discount	7,408	7,408	7,408
<b>Total liabilities subject to compromise</b>	<b>7,421,162</b>	<b>7,421,092</b>	<b>7,421,068</b>
<b>Shareholders'/Members' (deficit) equity</b>			
Additional paid in capital	573,141	573,141	573,141
Retained deficit - pre-petition	(1,369,013)	(1,369,013)	(1,369,013)
Retained deficit - post-petition	(57,517)	(31,626)	-
<b>Total shareholders'/members' (deficit) equity</b>	<b>(853,389)</b>	<b>(827,498)</b>	<b>(795,872)</b>
<b>Total liabilities and shareholders'/members' (deficit) equity</b>	<b>\$ 6,701,467</b>	<b>\$ 6,716,259</b>	<b>\$ 6,750,634</b>

\*\*Insider" is defined in 11 U.S.C. Section 101(31).

**COMBINED BALANCE SHEET**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

Note: This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the Bankruptcy Cases and is in a format acceptable to the U. S. Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with generally accepted accounting principles ("GAAP") in the United States.

**BALANCE SHEET - continuation section**  
*Amounts in Thousands*

ASSETS	Book Value at 8/31/2009	Book Value at 7/31/2009	Book Value at Petition 6/15/2009
<b>Other Current Assets</b>			
Supplies inventory	\$ 12,216	\$ 12,216	\$ 12,216
Prepaid insurance	9,225	10,696	12,319
Other prepaids	2,695	3,417	2,805
Supplier deposits	4,562	4,156	4,359
Other current assets	1,415	1,385	1,366
<b>Total</b>	<b>\$ 30,113</b>	<b>\$ 31,870</b>	<b>\$ 33,065</b>

Other Assets	Book Value at 8/31/2009	Book Value at 7/31/2009	Book Value at Petition 6/15/2009
Security deposits as guarantor for leased property assets of non-filing subsidiary	\$ 10,000	\$ 10,000	\$ 10,000
Security deposits	3,500	2,000	1,546
Utility deposits	1,688	1,527	1,521
Below market ground lease, net of accumulated amortization	1,086	1,090	1,096
Sales tax deposits	764	774	777
<b>Total</b>	<b>\$ 17,038</b>	<b>\$ 15,391</b>	<b>\$ 14,940</b>

LIABILITIES AND MEMBERS EQUITY	Book Value at 8/31/2009	Book Value at 7/31/2009	Book Value at Petition 6/15/2009
<b>General and Administrative Accruals</b>			
Audit fees	\$ 458	\$ 401	\$ 315
Tax returns preparation	462	434	386
Tax consulting	54	49	58
Real estate tax services	298	250	324
Storage costs	32	16	19
Other	116	116	114
<b>Total</b>	<b>\$ 1,420</b>	<b>\$ 1,266</b>	<b>\$ 1,216</b>

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**STATUS OF POST-PETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero. Note: All taxes are listed under the order for payment of prepetition taxes.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes. - N/A

Attach photocopies of any tax returns filed during the reporting period. - Note: Due to the volume of tax returns, these items will be made available upon request.

Amounts In Thousands

Federal	Beginning Tax Liability (July 31, 2009)	Amount Withheld or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax Liability (Aug 31, 2009)	Notes
Withholding							(A)
FICA-Employee							(A)
FICA-Employer							(A)
Unemployment							(A)
Income							(A)
Other:							(A)
<b>Total Federal Taxes</b>	-	-	-	-	-	-	
State and Local							
Withholding							(A)
Sales, Use, and Occupancy Tax	\$ (9,522)	\$ (6,434)	\$ 5,848	various	various	\$ (10,108)	(B)(D)
Excise							(A)
Unemployment							(A)
Real Property	(31,311)	(7,079)	4,810	various	various	(33,580)	(B)(C)
Personal Property							(C)
Other: State Franchise/Income	(1,567)	(187)	80	various	various	(1,674)	(B)
<b>Total State and Local</b>	<b>(42,400)</b>	<b>(13,700)</b>	<b>10,738</b>			<b>(45,362)</b>	
<b>Total Taxes</b>	<b>\$ (42,400)</b>	<b>\$ (13,700)</b>	<b>\$ 10,738</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (45,362)</b>	

- (A) Not applicable.
- (B) Occupancy, property, and state/franchise taxes were paid on various dates with multiple disbursements during the period via check or ACH debit. Details will be furnished upon request.
- (C) Real and personal property are combined for this presentation.
- (D) Amount includes certain prepetition taxes that are unliquidated, disputed and contingent liabilities.

**SUMMARY OF UNPAID POST-PETITION DEBTS**

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable						
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders						
Other:						
Other:						
<b>Total Post-petition Debts</b>						

Explain how and when the Debtor intends to pay any past due post-petition debts.

Note: All post petition debts are current and detailed on the balance sheet.



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**Pre-Petition Accounts Payable**

Vendor	Current	31-60	61-90	91 and over	Total
Thomson Property Tax Services	\$ -	\$ -	\$ -	\$ 217,649	\$ 217,649
Zurich North America	-	-	-	46,734	46,734
George A. Tsongas, PhD PE	-	-	-	41,464	41,464
Siver	-	-	-	31,933	31,933
Glazing Consultants International	-	-	-	24,019	24,019
Armstrong Teasdale, LLP	-	-	-	4,578	4,578
K C M	-	-	-	3,933	3,933
The Brattle Group	-	-	1,325	-	1,325
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,325</u>	<u>\$ 370,311</u>	<u>\$ 371,636</u>

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### ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Amounts in thousands

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$ 19,868
Plus: Amounts billed during the period	13,752
Less: Amounts collected during the period	14,682
Less: Amounts charged off, net of recoveries	59
Total Accounts Receivable at the end of the reporting period	\$ 18,879

Amounts in thousands

Accounts Receivable Aging	Amount
0 - 30 days old	\$ 13,332
31 - 60 days old	4,029
61 - 90 days old	1,083
91+ days old	435
Total Accounts Receivable	18,879
Less: Bad Debts (Amount considered uncollectible)	565
Net Accounts Receivable	\$ 18,314

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
HVM LLC	Operating Expenses	\$ 47,925,000	\$ 125,425,000
HVM Hotel Management ULC	Operating Expenses	441,850	1,239,119
BHAC Capital IV LLC	Trademark Fee	78,316	225,790
TOTAL PAYMENTS TO INSIDERS		\$ 48,445,166	\$ 126,889,909

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE (6/15/09 - 8/31/09)	TOTAL INCURRED & UNPAID*
HVS Consulting & Valuation Services	7/23/2009	**	\$ 1,331,850	\$ 1,331,850	\$ 1,298,000
CB Richard Ellis	7/23/2009	Pending	-	-	1,750,000
Weil, Gotshal & Manges, LLP	7/17/2009	80% of fees; 100% of expenses	-	-	1,031,051
McKenna, Long & Aldridge, LLP	7/23/2009	**	378,713	378,713	660,197
Latham & Watkins, LLP	7/23/2009	**	291,642	291,642	406,791
Lazard Freres & Co., LLC	7/23/2009	80% of fees; 100% of expenses	-	-	400,000
PricewaterhouseCoopers, LLP	7/23/2009	**	29,137	29,137	233,555
US Trustee for Southern District of New York	N/A	N/A	-	55,675	66,796
The Highland Group	7/23/2009	**	5,000	5,000	20,542
Sitrick & Company	N/A	N/A	-	-	44,509
TriMont Real Estate Advisors, Inc.	N/A	N/A	132,391	256,241	-
TOTAL PAYMENTS TO PROFESSIONALS		\$ -	\$ 2,168,733	\$ 2,348,258	\$ 5,911,442

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

\*\* Per the Final Cash Collateral Order, dated July 23, 2009, the Debtors are authorized to pay the undisputed and reasonable fees, costs and charges incurred in connection by the professionals retained by the Mortgage Debt Parties or the Special Servicer.

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

Amounts in thousands

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION	
			Principal	Interest
Wachovia Bank, N.A., et. al. under the 6/11/07 loan agreement (A)	9/12/2009	\$ 18,027	\$ 4,099,849	\$ 9,879
Bank of America Mortgage (B)	9/1/2009	23	8,500	23
Harmon Meadows Properties, LLC (C)	9/1/2009	-	-	-
Claude A. Adams III (C)	9/1/2009	4	-	-
Morelli Enterprises LP (C)	9/1/2009	9	-	-
Paradise Homes (C)	10/1/2009	-	-	-
Jersey Gardens Center (C)	11/1/2009	-	-	-
TOTAL PAYMENTS		\$ 18,063	\$ 4,108,349	\$ 9,902

(A) - Mortgage of \$4.1 billion secured by 666 properties. Amount paid during the month consists of mortgage interest payment made on 8/12/09.  
 (B) Mortgage secured by 2 properties.  
 (C) Ground lease.

In re Extended Stay Inc., et. al.

Case No. (Jointly Administered): 09-13764 (JMP)

Reporting Period: 31-Aug-09

Federal Tax I.D. #: 20-1087401

Time Period: 8/1/09 - 8/31/09

**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>		<b>Yes</b>	<b>No</b>	<b>Notes</b>
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X	
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X	
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X	
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X	
5	Is the Debtor delinquent in paying any insurance premium payment?		X	
6	Have any payments been made on pre-petition liabilities this reporting period?	X		(A)
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X	
8	Are any post petition payroll taxes past due?	N/A	N/A	
9	Are any post petition State or Federal income taxes past due?		X	
10	Are any post petition real estate taxes past due?		X	
11	Are any other post petition taxes past due?		X	
12	Have any pre-petition taxes been paid during this reporting period?	X		(A)
13	Are any amounts owed to post petition creditors delinquent?		X	
14	Are any wage payments past due?	N/A	N/A	
15	Have any post petition loans been received by the Debtor from any party?		X	
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X	
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X	
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X	

(A) In accordance with cash collateral order for funding of operating costs and taxes, pre-petition costs were paid via the management company, HVM L.L.C.