

HAHN & HESSEN LLP
488 Madison Avenue
New York, New York 10022
Telephone: (212) 478-7200
Facsimile: (212) 478-7400
Mark T. Power
Christopher A. Jarvinen

*Proposed Counsel for the
Official Committee of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11
:
EXTENDED STAY INC., et al., : Case No. 09-13764 (JMP)
:
Debtors. : (Jointly Administered)
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**STIPULATION AND AGREED ORDER BETWEEN
THE DEBTORS AND THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF EXTENDED STAY INC., ET AL.,
CLARIFYING ITS REQUIREMENT TO PROVIDE ACCESS
TO INFORMATION PURSUANT TO 11 U.S.C. §§ 105(A), 1102(B)(3)(A) AND 1103(C)**

Extended Stay Inc., and certain of its subsidiaries and affiliates (collectively, the “Debtors”) and the Official Committee of Unsecured Creditors of Extended Stay Inc., *et al.* (the “Committee”), by and through their respective counsel, hereby enter into this stipulation and agreed order (the “Stipulated Order”) and stipulate and agree as follows:

RECITALS

WHEREAS, on June 15, 2009 (the “Petition Date”) and continuing thereafter, each of the Debtors filed in the Bankruptcy Court for the Southern District of New York (the “Court”) a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);



WHEREAS, on June 16, 2009, the Court entered an order jointly administering these chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”);

WHEREAS, on June 19, 2009 (the “Committee Formation Date”) the Office of the United States Trustee for the Southern District of New York appointed the Committee. The Committee currently consists of five members;¹

WHEREAS, the Committee has an obligation pursuant to Bankruptcy Code section 1102(b)(3)(A) to provide the Debtors’ unsecured creditors with access to information;

WHEREAS, in order to ensure that the Committee fulfills its obligations under the Bankruptcy Code and protects the Debtors’ confidential, privileged and/or proprietary information, the Committee and the Debtors have agreed to a Creditor Information Protocol (as defined below); and

WHEREAS, prior to the filing of this Stipulated Order, the Committee provided the United States Trustee with a draft of the Stipulated Order, and the United States Trustee has no objection to the entry of the Stipulated Order.

AGREED ORDER

NOW, THEREFORE, the Committee and the Debtors hereby stipulate and agree that, upon Court approval hereof, it shall be ordered that:

1. Access To Creditor Information. In satisfaction of the Committee’s obligations to provide access to information for unsecured creditors (the “Creditor Information Protocol”) in accordance with Bankruptcy Code sections 1102(b)(3)(A) and (B), the Committee

¹ Ashford Hospitality Finance L.P.; Bank of America, N.A.; Hospitality F LLC; Manufacturers and Traders Trust Company; and Wachovia Bank, N.A.

shall, until the earliest to occur of dissolution of the Committee, dismissal, or conversion of the Debtors' chapter 11 cases (the "Chapter 11 Cases"), or a further order of the Court:

(a) Establish and maintain an Internet-accessed website (the "Committee Website") to be maintained by and through an information agent to be retained by the Committee (the "Information Agent") that provides, without limitation:

- (i) a link or other form of access to the website maintained by the Debtors' notice, claims, and balloting agent at <http://www.kccllc.net/extendedstay>, which shall include, among other things, the case docket and claims register;
- (ii) highlights of significant events in the Chapter 11 Cases;
- (iii) a calendar with upcoming significant events in the Chapter 11 Cases;
- (iv) a general overview of the chapter 11 process;
- (v) press releases (if any) issued by the Committee or the Debtors;
- (vi) a registration form for creditors to request "real-time" updates regarding the Chapter 11 Cases via electronic mail;
- (vii) a form to submit creditor questions, comments, and requests for access to information;
- (viii) responses to creditor questions, comments, and requests for access to information; provided, that the Committee may privately provide such responses in exercise of its reasonable discretion, including in the light of the nature of the information request and the creditor's agreement to appropriate confidentiality and trading constraints;
- (ix) answers to frequently asked questions;
- (x) links to other relevant websites;
- (xi) the names and contact information for the Debtors' counsel and restructuring advisor(s); and
- (xii) the names and contact information for the Committee's counsel and financial advisor(s).

(b) Distribute the updates by and through the Information Agent regarding the Chapter 11 Cases via electronic mail for creditors that have registered for such service on the Committee website.

(c) Establish and maintain a telephone number and electronic mail address by and through the Information Agent for creditors to submit questions and comments.

2. Privileged and Confidential Information. The Committee shall not be required to disseminate to any entity (all references to “entity” herein shall be as defined in Bankruptcy Code section 101(15), “Entity”): (i) without further order of the Court, confidential, proprietary, or other non-public information concerning the Debtors or the Committee, including (without limitation) with respect to the acts, conduct, assets, liabilities and financial condition of the Debtors, the operation of the Debtors’ businesses and all matters related thereto, or any other matter relevant to the Chapter 11 Cases or to the formulation of one or more chapter 11 plans (including any and all confidential, proprietary, or other non-public materials of the Committee) whether provided (voluntarily or involuntarily) by or on behalf of the Debtors or by any third party or prepared by or for the Committee (collectively, the “Confidential Information”) or (ii) any other information if the effect of such disclosure would constitute a general waiver of the attorney/client, work-product, or any other applicable privilege possessed by the Committee.

3. Any information received (formally or informally) by the Committee from any Entity in connection with an examination pursuant to Bankruptcy Rule 2004 or in connection with any formal or informal discovery in any contested matter, adversary proceeding or other litigation shall not be governed by the terms of this Order but, rather, by any order governing such discovery.

4. The Debtors shall assist the Committee in identifying any Confidential Information concerning the Debtors that has already been, or will be, provided by the Debtors or their agents or professionals, or by any third party, to the Committee, its agents and

professionals. From and after the date of entry of this Stipulated Order, any documents, information or other materials designated by the Debtors as confidential shall also be treated as Confidential Information for purposes of this Stipulated Order.

5. Creditor Information Requests. If a creditor (the “Requesting Creditor”) submits a written request (including on the Committee Website or by electronic mail) (the “Information Request”) for the Committee to disclose information, the Committee shall (a) as soon as practicable, but no more than ten (10) days after receipt of the Information Request, provide a response to the Information Request (including on the Committee Website) (the “Response”), including providing access to the information requested or the reasons the Information Request cannot be complied with and (b) provide the Debtors with (i) notice of the Information Request within five (5) business days of the Committee’s receipt of the Information Request and (ii) a copy of the Response. If the Response is to deny the Information Request because the Committee believes the Information Request implicates Confidential Information that need not be disclosed pursuant to the terms of this Order or otherwise under Bankruptcy Code section 1102(b)(3)(A), or that the Information Request is unduly burdensome, the Requesting Creditor may, after a good faith effort to meet and confer with an authorized representative of the Committee regarding the Information Request and the Response, seek to compel such disclosure for cause pursuant to a motion brought before this Court. Such motion shall be served and the hearing on such motion shall be noticed and scheduled pursuant to (a) the Final Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 1015(c) and 9007 to Implement Certain Notice and Case Management Procedures (the “Case Management Order”) (Docket No. 176) or (b) the Local Rules of this Court, which Case Management Order and the Local Rules include procedures for bringing motions in urgent

matters before the Court on shortened notice, upon the request of the movant (subject, however, to the requirement and the conditions of the Local Rules and to the Court's approval for any shortened notice). The Committee shall not object to any Requesting Creditor's request to participate in any such hearing by telephone conference. Nothing herein shall be deemed to preclude the Requesting Creditor from requesting (or the Debtors or the Committee objecting to such request) that the Committee provide the Requesting Creditor a log or other index of any information specifically responsive to the Requesting Creditor's request that the Committee deems to be Confidential Information or protected by the attorney/client, work-product, or any other privilege. Furthermore, nothing herein shall be deemed to preclude the Requesting Creditor from requesting that this Court conduct an in camera review of any information specifically responsive to the Requesting Creditor's request that the Committee claims is Confidential Information or subject to the attorney/client, work-product, or any other privilege.

6. In its Response to an Information Request, the Committee shall consider whether (a) the Requesting Creditor is willing to agree to reasonable confidentiality and trading restrictions with respect to such Confidential Information and represent that such trading restrictions and any information-screening process complies with applicable securities laws; and (b) under the particular facts, such agreement and any information-screening process that the Requesting Creditor implements will reasonably protect the confidentiality of such information; provided, however, that if the Committee elects to provide access to Confidential Information on the basis of such confidentiality and trading restrictions, the Committee shall have no responsibility for the Requesting Creditor's compliance with, or liability for violation of, applicable securities or other laws. Any disputes with respect to this paragraph shall be resolved as provided in the preceding paragraph, and, to the extent applicable, the next paragraph.

7. Release of Confidential Information of Third Parties. If the Information Request implicates Confidential Information of the Debtors (or any other Entity) and the Committee agrees that such request should be satisfied, or if the Committee on its own wishes to disclose such Confidential Information to creditors, the Committee may make a demand (the “Demand”) for the benefit of the Debtors’ creditors: (a) if the Confidential Information is information of the Debtors, by submitting a written request, each captioned as a “Committee Information Demand,” to Weil Gotshal & Manges LLP, counsel for the Debtors, 767 Fifth Avenue, New York, New York, 10153, attention: Jacqueline Marcus, Esq. at jacqueline.marcus@weil.com, Marcia Goldstein at marcia.goldstein@weil.com and Jae Kim at jae.kim@weil.com (the “Debtors’ Counsel”), stating that such information will be disclosed in the manner described in the Demand unless the Debtors object to such Demand on or before fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor or the Debtors may schedule a hearing with this Court pursuant to the Case Management Order and the Local Rules of this Court seeking a ruling with respect to the Demand under 11 U.S.C. § 704(a)(7), which Case Management Order and Local Rules include procedures for bringing motions in urgent matters before the Court on shortened notice; and (b) if the Confidential Information is information of another Entity, by submitting a written request to such Entity and its counsel of record, with a copy to Debtors’ Counsel, stating that such information will be disclosed in the manner described in the Demand unless such Entity objects to such Demand on or before fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor, such Entity or the Debtors may schedule a hearing with the Court pursuant to the Case Management Order seeking a ruling with respect to the Demand.

8. Nothing in this Order requires the Committee to provide access to information or solicit comments from any Entity that has not demonstrated to the satisfaction of the Committee, in its sole discretion, or to the Court, that it holds claims of the kind described in Bankruptcy Code section 1102(b)(3).

9. Exculpation. None of the Debtors, the Committee or any of their respective directors, officers, employees, members, attorneys, consultants, advisors and agents (acting in such capacity) (collectively, the “Exculpated Parties”), shall have or incur any liability to any Entity (including the Debtors and their affiliates) for any act taken or omitted to be taken in connection with the preparation, dissemination, or implementation of the Creditor Information Protocol, the Committee Website or any other information to be provided pursuant to Bankruptcy Code section 1102(b)(3); provided, however, that the foregoing shall not affect the liability of any Exculpated Party protected pursuant to this paragraph 9 that otherwise would result from any such act or omission to the extent that such act or omission is determined in a final non-appealable order to have constituted (a) a breach of fiduciary duty, gross negligence, or willful misconduct, including, without limitation, fraud and criminal misconduct or (b) the breach of any confidentiality agreement or order. Notwithstanding any of the foregoing, the exculpation provided in this paragraph shall be coextensive with any Exculpated Party’s qualified immunity under applicable law.

10. This Order shall be effective as of the date it is entered by the Court, however, the terms of this Order shall apply to all information governed by this Order, including information in the Committee’s possession after the Committee Formation Date.

11. This Order shall be binding in all respects upon the Debtors and any successors thereto.

Dated: New York, New York
August 5, 2009

HAHN & HESSEN LLP

/s/ Mark T. Power

Mark T. Power
Christopher A. Jarvinen
488 Madison Avenue
New York, New York 10022
Telephone: (212) 478-7200
Facsimile: (212) 478-7400
mpower@hahn Hessen.com
cjarvinen@hahn Hessen.com

*Proposed Counsel for the Official Committee
of Unsecured Creditors of Extended Stay Inc.*

WEIL GOTSHAL & MANGES LLP

/s/ Jacqueline Marcus

Jacqueline Marcus
Marcia L. Goldstein
Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
jacqueline.marcus@weil.com
marcia.goldstein@weil.com
jae.kim@weil.com

*Counsel to the Debtors and Debtors in
Possession*

SO ORDERED.

Dated: New York, New York
August 12, 2009

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge