

TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT (this "Agreement"), entered into as of _____, 2009 (the "Execution Date"), by and between Homestead Village L.L.C., a Delaware limited liability company ("Licensor"), and HFI Acquisitions Company LLC., a Delaware limited liability company ("Licensee").

BACKGROUND

- A. Licensor is the owner of the trademark, service mark and trade name Homestead Village (the "Name") and the trademarks shown and described in Schedule A (hereinafter the "Marks").
- B. Licensee is the owner the hotel listed on Schedule B attached hereto and the buildings, structures, fixtures and additions now or hereafter located thereon (the "Property").
- C. Licensee has entered into a Management Agreement (the "Management Agreement") with HVM L.L.C. (the "Manager") to manage the Property and the hotel located thereon.
- D. Licensee wishes to use the Names and the Marks in connection with its ownership of, and Manager's operation of, the Property, and Licensor is willing to grant Licensee a license to use the Names and the Marks in connection with the ownership and operation of the Property, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 GRANT OF LICENSES

1.1. License of Marks. Subject to the terms and conditions hereinafter set forth, Licensor grants to Licensee a non-exclusive and non-transferable right to use the Marks in connection with the operation of the Property.

1.2. License of the Names. Licensor hereby grants Licensee a non-exclusive and non-transferable right to use the Names in connection with the operation of the Property as the trade names and/or corporate names to identify itself, subject to the terms and conditions set forth in this Agreement.

1.3. Limitation of License. The license granted herein is personal to Licensee and any entity operating the Property on behalf of Licensee and shall not be transferable to any entity without Licensor's prior written consent, which may be withheld or granted in Licensor's sole and absolute discretion. Licensee shall have no right to grant additional licenses for use of the Names and the Marks.

1.4 Modification of Marks and Names. During the term of this Agreement, Licensor retains the right to modify the Marks and the Names, subject to each of the following conditions.

(a) Licensor shall inform Licensee of any modifications to the Marks and the Names, and shall provide not less than one hundred eighty (180) days prior notice to Licensee of the final modifications to the Marks and Names to be implemented at the Property.

(b) Modifications to the Marks and the Names must be applicable to all extended stay hotels operated under the "Homestead" brand name (the "ESH System").

(c) The Marks and Names shall continue to use the words "Homestead" and make it clear that the Property is being operated under the ESH System, otherwise Licensee shall have the right to terminate this Agreement and the Management Agreement without payment of any fee or charge to Licensor or Manager.

(d) The cost of modification in signage, equipment or supplies containing the Marks and the Names based upon changes in the brand or the use of the Marks and Names among all hotels in the ESH System, shall be borne solely by Licensee as an operating expense or capital expenditure of the Property, as applicable, out of the operation of the Property in accordance with the Annual Business Plan under the Management Agreement. The Licensee may, in Licensee's sole discretion, phase in the changes over the course of 18 months following the end of the one hundred eighty (180) day period for notice to Licensee in Section 1.4(a) above.

ARTICLE 2

ACKNOWLEDGMENT OF LICENSOR'S RIGHTS; LICENSOR'S REPRESENTATIONS

2.1. Ownership and Validity. Licensee acknowledges Licensor's ownership of the entire right, title and interest in and to the Websites, the Marks and the Names and all trademark and service mark registrations and applications which include the Marks and/or Names in the United States. Licensee acknowledges that its use shall not create in Licensee any right, title or interest in the Websites, the Marks or the Names. Licensee shall take no action challenging the validity of Licensor's right to use the Marks and Names.

2.2. Actions Prohibited. Licensee acknowledges that any right to use the Websites, the Marks or the Names is limited to the rights granted herein. During and after the term of this Agreement, regardless of how the License is terminated, Licensee shall not:

(a) use the Marks or the Names in combination with any Names, mark, word (in English or any other language), symbol, letter or design not previously approved by Licensor in writing which approval may be withheld or granted in Licensor's sole and absolute discretion;

(b) adopt or seek to register or take any other action to use or establish rights in any name, mark, word (in English or any other language), symbol, letter or design which is confusingly similar to the Marks or the Names;

(c) attack or perform any action, direct or indirect, which might challenge, impair or otherwise adversely affect the validity of the Marks or the Names or Licensor's ownership thereof; or

(d) engage in any action which it knows or has reason to know would threaten, injure or diminish the image or reputation of Licensor, the Websites, the Marks or the Names.

2.3. Licensor's Representations. Licensor represents and warrants to Licensee that:

(a) All right, title or interest in and to all Marks and the Names are owned exclusively by the Licensor. To the Licensor's knowledge, the Marks and the Names are valid and enforceable in the United States, and have not been adjudged invalid or unenforceable in whole or in part.

(b) No claim has been asserted or threatened in writing against the Licensor or its Affiliates challenging their interest in or use of any of the Names or Marks.

(c) To Licensor's knowledge, neither the Licensor's nor any of its Affiliates use of the Names or the Marks is infringing, misappropriating, or otherwise violating the intellectual property rights of any person; and (ii) no action is pending, or, to the Licensor's knowledge, threatened in writing, in which a third party alleges any such infringement, misappropriation or other violation; (iii) to the Licensor's knowledge, no person is infringing, misappropriating, or otherwise violating the intellectual property rights of the Licensor in the Marks or the Names.

2.4. Licensor's Indemnification. Licensor will protect, defend, indemnify and hold Licensee harmless from and against any and all liabilities, damages, judgments, penalties, losses, costs, expenses (including without limitation reasonable attorneys' fees), claims, suits or demands, suffered by Licensee or brought by any third party against Licensee or any Affiliate of Licensee or any officer, director, employee or agent of Licensee or any Affiliate of Licensee, arising out of the use of the Marks or Names, including any claim that the use of the Marks or Names violates or infringes the rights of any person, except to the extent that any such claim results from the use (unless such use results from the action or inaction of the Manager) of the Marks or Names by Licensee in violation of this Agreement.

ARTICLE 3 ENFORCEMENT AND PROTECTION OF LICENSOR'S RIGHTS

3.1. Registrations, Maintenance and Enforcement. Licensor shall take all reasonable actions to maintain, enforce and defend the Names and the Marks and the registration of the Marks.

3.2. Maintenance and Enforcement Costs. Licensor shall pay any costs required to obtain and maintain, and to protect and enforce, the Marks and Names, including, without limitation, trademark and service mark fees, license recordation and registered user fees, costs associated with legal actions against alleged infringers, and costs incurred in other enforcement proceedings deemed appropriate by Licensor.

ARTICLE 4
USE OF THE MARKS AND THE NAMES AND QUALITY CONTROL

Licensee has the right to monitor and control the quality of any products or services in connection with which the Marks or Names are used. Licensee shall strictly observe the standards, specifications and instructions set forth or approved by Licensor or its appointed representative during the term of this Agreement with respect to the appearance and manner of use of the Marks and the Names, including guidelines, artwork and stylemasters for the Marks and Names as may be provided or approved by Licensor. Except as approved by Licensor prior to use, Licensee shall not use the Marks and/or the Names as a combined mark or name with any other service or trademarks whatsoever or use the Marks or the Names other than in connection with the operation of the Property.

ARTICLE 5
NOTICE OF NON-COMPLIANCE

5.1. Notice in Writing. If Licensor discovers that Licensee is using the Marks and/or the Names in any manner other than as permitted herein, Licensor shall be entitled to notify the Licensee in writing, requiring same to be rectified or remedied within 30 days.

5.2. Cure Period. If after 30 days Licensee has not corrected the noted misuse of the Marks and/or Names, Licensor may terminate this Agreement effective immediately upon delivery of written notice of termination to Licensee.

5.3. Manager's Violations Notwithstanding anything to the contrary contained in this Agreement, in no event shall Licensee be liable for any damages resulting from, and in no event may Licensor terminate this Agreement by reason of, any misuse of the Marks and/or the Names or any breach of this Agreement arising out of any action or inaction by Manager.

ARTICLE 6
TERM AND FEES

6.1. This Agreement shall become effective (the "Effective Date") as of the date this Agreement is approved by the United States Bankruptcy Court, and shall continue, unless sooner terminated as specifically provided herein, for that period of time that is co-terminus with the Management Agreement, with an option to extend as described below for an additional five (5) years. Upon the Effective Date, Licensee's use of the Names and the Marks pursuant to that certain Assignment and Assumption of License Agreement dated _____, 2009 shall be deemed terminated and superseded by this Agreement, which shall thereafter govern Licensee's use of the Names and the Marks.

6.2. In the event that the Management Agreement is terminated, Licensor or Licensee shall have the option to terminate this Agreement at any time upon not less than sixty (60) days' notice to the other party without payment of any penalties or fees of any kind, except for those License Fees properly accrued prior to the date of termination.

6.3. This Agreement shall terminate automatically upon the date that the Property ceases to be owned by Licensee.

6.4. During the first two (2) years following the Effective Date of this Agreement, either Licensor or Licensee may terminate this Agreement at any time upon sixty (60) days' prior notice to the other party. If no such termination occurs, then this Agreement shall continue for a term of five (5) years from the Effective Date.

6.5. No less than 180 days in advance of the 5th anniversary date of the Effective Date, either party may give notice to extend the term of this Agreement for an additional term of 5 years. If such extension is elected, this Agreement will terminate on the 10th anniversary of the Effective Date. If no election to extend is made, then this Agreement will terminate on the 5th anniversary of the Effective Date.

6.6. Notwithstanding anything herein to the contrary, Licensee may terminate this Agreement upon sixty (60) days prior notice to Licensor during the 3rd through 10th year following the Effective Date if there is a change in control of Licensor or Manager. For all purposes hereof, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Licensor or Manager, or the power to veto major policy decisions of Licensor or Manager, whether through the ownership of voting securities, by contract, or otherwise.

6.7. During each calendar year of the term of this Agreement (and for any partial calendar year), in consideration of the rights provided to Licensee under this Agreement, Licensor will be paid a fee (the "Fee") at the rate of 1.0% of Gross Operating Revenues (as defined below) per calendar year. The Fee will be payable by Licensee in monthly installments. For purposes of this Agreement, "Gross Operating Revenues" shall be determined in accordance with generally accepted accounting principles and shall mean all revenues, income and proceeds of sales of every kind received by Licensee from the operation of the Property, and shall include, without limitation: room rentals; rent or other payments received from sub-tenants, licensees, and occupants of commercial and retail space located in the Property; the proceeds of insurance received by Licensee with respect to use and occupancy or business interruption insurance; deposits forfeited and not refunded; and any amount recovered in any legal action or proceeding or settlement thereof pertaining to room revenues or other income from the hotel which arose out of the operation of the Property, including phone charges, laundry and vending machine income, and other fees to guests. Gross Operating Revenues shall exclude all sales, use, occupancy, and excise taxes and any similar taxes collected as direct taxes payable to taxing authorities; gratuities or service charges collected for payment to and paid to employees; credit or refunds to guests; proceeds of insurance (save and except for proceeds of insurance with respect to use and occupancy or business interruption insurance); proceeds of sales of depreciable property or proceeds of any sale, exchange, refinancing, condemnation, or other disposition of all or any part of the Property, any loans to Licensee whether or not secured by all or any part of the Property, any capital contributions by Licensee; security deposits, advance deposits; interest on funds held in bank accounts; payments for signage ; and proceeds of condemnation.

ARTICLE 7 RIGHTS UPON TERMINATION

Upon termination of this Agreement, Licensor shall be entitled to procure immediate cancellation of any recordation of this Agreement, or registration of the Licensee as

user of the Marks and/or the Names, and Licensee shall render all necessary assistance in the process of such cancellation.

ARTICLE 8 CESSATION OF USE

8.1. Termination for Non-Compliance. In the event this Agreement is terminated for Licensee's failure to comply with the terms herein, Licensee shall immediately cease all use of the Marks, the Names and the Websites and return or destroy all undistributed written materials bearing the Marks or the Names. Licensee agrees that it will not thereafter use any of the Marks or the Names or any other mark or trade name confusingly similar to any of the Marks or to the Names.

8.2. Termination for Reasons Other Than Non-Compliance. If this Agreement is terminated for reasons other than non-compliance, Licensee shall cease use of the Marks and the Name as soon as practicable in accordance with a phase-out schedule mutually agreed upon by the parties. In the absence of such mutual agreement, Licensee shall cease using the Marks and the Name within two (2) weeks after termination. Licensee agrees that it will not thereafter use any of the Marks or the Name or any other mark or trade name confusingly similar to any of the Marks or to the Name.

8.3. Damages in Event the Licensee Fails to Cease Use. If Licensee should willfully or negligently continue to use any of the Marks, the Names or the Websites outside the terms of this Agreement. Licensee shall pay to Licensor the amount of its damages and in any event, not less than \$4,000 for each day that Licensee continues to use the Marks or the Names beyond the period during which, or outside the terms under which use is permitted hereunder. Such payment shall not in any way limit any other rights or remedies otherwise available to the Licensor.

ARTICLE 9 MISCELLANEOUS

9.1. Costs Incident to Agreement. Except as otherwise set forth herein, each party shall pay its own legal, accounting and other expenses incident to this Agreement and the consummation of the transactions contemplated thereby.

9.2. Notices. Notices, statements and other communications to be given under the terms of this Agreement shall be in writing and delivered by hand against receipt or sent by certified or registered mail or by Federal Express or other similar overnight mail service as follows:

If to Licensor:

Homestead Village L.L.C.
100 Dunbar Street
Spartanburg, South Carolina 29306
Attention: President

If to Licensee: HFI Acquisitions Company LLC
c/o Square Mile Capital Management LLC
450 Park Avenue
New York, NY 10022
Attention: Charles Ochman

and to:

HFI Acquisitions Company LLC
c/o Square Mile Capital Management LLC
450 Park Avenue
New York, NY 10022
Attention: Joseph D'Angelo

And to:

HFI Acquisitions Company LLC
c/o Garrison Investors
1350 Avenue of Americas
9th Floor
New York, NY 10019
Attention: Brian Chase

9.3. Governing Law. This Agreement shall be construed under, and governed in accordance with, the laws of the State of New York.

9.4. Headings. The headings of Articles and Sections in this Agreement are inserted for convenience only and shall not be deemed to affect in any way the meaning of the provisions to which they refer.

9.5. Successors Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.6. No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between Licensor and Licensee or their respective successors in interest.

9.7. Savings Clause. If any one or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

9.8. Waiver. No failure or delay on the part of any party in the exercise of any power, right, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

9.9. Non-Exclusive Nature of Expressed Remedies. All of the parties rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

9.10. Entire Agreement. This Agreement, together with other writings signed by the parties expressly stated to be supplementing hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement and understanding between the parties as to the subject matter hereof. No modification or amendment of this Agreement shall be valid or binding unless made in writing and signed on behalf of the parties hereto.

9.11. Incorporation of Recitals. The recitals set forth in the preamble of this Agreement are hereby incorporated into this Agreement as if fully set forth herein.

9.12. Execution. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.13 Financing. Licensee shall have the right to encumber, pledge, grant, or convey its rights, title and interest in and to its interests in this Agreement by way of a security agreement, a pledge and/or collateral assignment (collectively, a "Pledge") to secure the payment of any loan or loans obtained by Licensee to finance or refinance the Hotel provided that the Secured Party (as defined herein below) enters into a Non-Disturbance and Attornment Agreement in a form reasonably acceptable to Licensor and which explicitly provides that the Secured Party may not terminate Licensor under this Agreement under any circumstance except to the extent Licensor may be terminated in accordance with the terms of this Agreement irrespective of whether any loan is in default or has been foreclosed upon or the Secured Party has acquired the Hotel by deed-in-lieu of foreclosure. The beneficiary of a Pledge, such as a secured party of a security agreement, is referred to herein as a "Secured Party." Pursuant to any such agreements, the fees under this Agreement shall not be subordinated to any Pledge or right of the Secured Party, and Licensor shall not be obligated to forbear from pursuing its remedies hereunder or waive, suspend or modify its rights hereunder. A Secured Party (and/or any affiliate of Secured Party) shall have the right and power to exercise its rights under a Pledge and upon so doing may elect to become the Licensee under this Agreement or elect to terminate this Agreement, subject to a limited right to use the Name and Marks under this Agreement for a transition period not exceeding one hundred twenty (120) days from the effective date of the termination of this Agreement. Notwithstanding Section 6.2, a Secured Party that becomes the Licensee shall not be obligated to pay accrued but unpaid fees under this Agreement. In the event that a Secured Party (or an affiliate of a Secured Party) obtains title to the Hotel, such Secured Party (or its affiliate) shall obtain Licensor's consent prior to transferring title to the Hotel and the Licensee's interest in this Agreement.

9.14 Assignment. Except as provide in Section 9.13 above, Licensee shall not assign or transfer or permit the assignment of transfer of this Agreement without the prior written consent of the Licensor in its sole and absolute discretion.

IN WITNESS WHEREOF, Licensor and Licensee have caused this Agreement to be duly executed on their behalf in the manner legally binding upon them.

LICENSOR:

Homestead Village L.L.C., a Delaware limited liability company

By: _____
Name:
Title:

LICENSEE:

HFI Acquisitions Company LLC, a Delaware limited liability company

By: _____
Name:
Authorized Signatory

SCHEDULE A

Marks

Int. Cl.: 43

Prior U.S. Cls: 100 and 101

Reg. No. 3,095,003

United States Patent and Trademark Office

Registered May 23, 2006

SERVICE MARK
PRINCIPAL REGISTER



BRE HOMESTEAD VILLAGE L.L.C. (DELA-
WARE CORPORATION)
100 DUNBAR STREET
SPARTANBURG, SC 29306

THE COLORS RED, WHITE AND BLUE IS/ARE
CLAIMED AS A FEATURE OF THE MARK.

FOR PROVIDING TEMPORARY ACCOMMODA-
TIONS, MOTEL AND HOTEL SERVICES, IN CLASS
43 (U.S. CLS. 100 AND 101).

THE MARK CONSISTS OF BLUE BACKGROUND
WITH WHITE LETTERING OF THE WORDS
"HOMESTEAD STUDIO SUITES HOTELS" COM-
BINED WITH A RED AND WHITE FLOWER DE-
SIGN INSIDE A DIAMOND SHAPE.

FIRST USE 12-1-2000; IN COMMERCE 2-15-2001.

OWNER OF U.S. REG. NOS. 2,482,936, 2,564,446
AND OTHERS.

SER. NO. 78-475,869, FILED 8-30-2004

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "STUDIO SUITES HOTELS", APART
FROM THE MARK AS SHOWN.

JIM RINGLE, EXAMINING ATTORNEY

Int. Cl.: 42

Prior U.S. Cls.: 100 and 101

United States Patent and Trademark Office

Reg. No. 2,564,446
Registered Apr. 23, 2002

SERVICE MARK
PRINCIPAL REGISTER

HOMESTEAD STUDIO SUITES

HOMESTEAD VILLAGE INCORPORATED
(MARYLAND CORPORATION)
2100 RIVEREDGE PARKWAY, SUITE 900
ATLANTA, GA 30328

FOR: EXTENDED STAY LODGING SERVICES,
IN CLASS 42 (U.S. CLS. 100 AND 101).

FIRST USE 7-15-2001; IN COMMERCE 2-15-2001.

OWNER OF U.S. REG. NOS. 1,819,557 AND
2,033,621.

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "STUDIO SUITES", APART FROM
THE MARK AS SHOWN.

SN: 76-047,353, FILED 5-12-2000.

TARAH HARDY, EXAMINING ATTORNEY

SCHEDULE B

Property

WDC 371995159v9 December 24, 2009