

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Marcia L. Goldstein
Jacqueline Marcus

Proposed Attorneys for Debtors and
Debtors in Possession

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

-----X
In re :

EXTENDED STAY INC., et al., :

Debtors. :

Chapter 11 Case No.

09-____()

(Joint Administration Requested)
-----X

**DEBTORS' APPLICATION FOR AN ORDER
AUTHORIZING AND APPROVING THE RETENTION
OF KURTZMAN CARSON CONSULTANTS LLC AS
NOTICE AND CLAIMS AGENT FOR THE DEBTORS**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Extended Stay Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, "Extended Stay" or the "Debtors"),¹ submit this application (the "Application") and respectfully represent:

Background

1. On the date hereof (the "Commencement Date"), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are authorized to operate their business and manage their

¹ A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, is attached hereto as "Exhibit A."



properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Contemporaneously herewith, the Debtors filed a motion seeking joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Extended Stay’s Business

3. Extended Stay is the largest owner and operator of mid-price extended stay hotels in the United States, holding one of the most geographically diverse portfolios in the lodging sector with properties located across 44 states (including 11 hotels located in New York) and two provinces in Canada. As a result of acquisitions and mergers, Extended Stay’s portfolio has expanded to encompass over 680 properties, consisting of hotels directly owned or leased by Extended Stay or one of its affiliates. Extended Stay currently operates five hotel brands: (i) Crossland Economy Studios, (ii) Extended Stay America, (iii) Extended Stay Deluxe, (iv) Homestead Studio Suites, and (v) StudioPLUS Deluxe Studios, each designed to appeal to value-conscious customers at different price points in their respective markets, and offering Extended Stay guests a range of amenities and services.

4. Extended Stay’s business model is a hybrid between a hotel and an apartment, as it provides value-conscious guests seeking longer-term accommodations with an affordable, attractive alternative to traditional hotels and apartments. Extended Stay achieves lower operating costs than traditional hotels, which provide higher service levels such as room service and daily maid service, by eliminating these services and other amenities in exchange for a lower per night price and a fully equipped kitchen, cable TV, and wireless internet access in each of its available rooms, in addition to on site laundry facilities. Typical Extended Stay guests include

government and business travelers, people on temporary work assignments or training programs, individuals relocating or purchasing a home and individuals with other short-term housing needs.

5. For the year ending December 31, 2008, Extended Stay's audited financial statements show consolidated assets (including nondebtor affiliates) totaling approximately \$7.1 billion and consolidated liabilities totaling approximately \$7.6 billion. Consolidated revenues for the 12 months ending December 31, 2008 were approximately \$1 billion.

6. All Extended Stay hotels are managed by HVM L.L.C. ("HVM"), an entity that is affiliated with, but not directly owned by, the Extended Stay family of companies. HVM, on behalf of Extended Stay, pays all property level expenses of the hotels, contracts with service providers and purchases all goods and materials utilized in the operation of the business. HVM employs approximately 10,000 employees in connection with the operation of the hotels at any given point in time.

Jurisdiction and Venue

7. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

8. By this Application, the Debtors respectfully request, pursuant to 28 U.S.C. § 156(c) and Rule 5075-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the "Local Bankruptcy Rules"), entry of an order substantially in the form attached hereto as "Exhibit B" (the "Proposed Order"), appointing Kurtzman Carson Consultants ("KCC") as the official claims and notice agent ("Claims Agent") in these chapter 11 cases in accordance with

the terms and conditions of that certain services agreement (the “KCC Agreement”) annexed hereto as “Exhibit C.”

KCC’s Qualifications

9. Although the Debtors have not yet filed their schedules of assets and liabilities or statement of financial affairs (collectively, the “Schedules”), they anticipate that there may be in excess of 1,000 creditors and other parties in interest in these chapter 11 cases, including numerous taxing authorities in various jurisdictions spread over 44 states. In view of the number of anticipated creditors and parties in interest and the complexity of the Debtors’ business, the Debtors submit that the appointment of KCC as Claims Agent is both necessary and in the best interests of the Debtors, their estates and other parties in interest. Further, by appointing KCC as Claims Agent, the distribution of notices and the processing of claims will be expedited, and the Office of the Clerk of the Court (the “Clerk’s Office”) will be relieved of the administrative burden of processing what may be an overwhelming number of claims. Accordingly, the Debtors seek an order appointing KCC as Claims Agent in these chapter 11 cases pursuant to 28 U.S.C. § 156(c) and Local Bankruptcy Rule 5075-1(a).

10. KCC is fully equipped to handle the volume of mailing involved in properly sending required notices to and processing the claims of creditors and other interested parties in these chapter 11 Cases. KCC is one of the country’s leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. KCC has substantial experience in matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases pending in this District and other districts nationwide. See e. g., In re Gen. Growth Props., Inc., Case No. 09-11977 (ALG) (Bankr. S.D.N.Y. Apr. 16, 2009) [Docket No.

36]; In re Tronox Inc., Case No. 09-10156 (ALG) (Bankr. S.D.N.Y. Jan. 13, 2009) [Docket No. 40]; In re Bally Total Fitness of Greater New York, Inc., Case No. 08-14818 (BRL) (Bankr. S.D.N.Y. Dec. 9, 2008) [Docket No. 72]; In re T H Agriculture & Nutrition, L.L.C., Case No. 08-14692 (REG) (Bankr. S.D.N.Y. Dec. 1, 2008) [Docket No. 64]; In re BH S&B Holdings, LLC, Case No. 08-14604 (MG) (Bankr. S.D.N.Y. Nov. 21, 2008) [Docket No. 56]; In re Paper Int'l, Inc., Case No. 08-13917 (RDD) (Bankr. S.D.N.Y. Oct. 10, 2008) [Docket No. 17]; In re EOS Airlines, Inc., Case No. 08-22581 (ASH) (Bankr. S.D.N.Y. May 13, 2008) [Docket No. 70]; In re Tricom S.A., Case No. 08-10720 (SMB) (Bankr. S.D.N.Y. Mar. 27, 2008) [Docket No. 103]; In re Wellman, Inc., Case No. 08-10595 (SMB) (Bankr. S.D.N.Y. Mar. 12, 2008) [Docket No. 99]; In re DJK Residential LLC, Case No. 08-10375 (JMP) (Bankr. S.D.N.Y. Feb. 5, 2008) [Docket No. 50]; In re Calpine Corp., Case No. 05-60020 (BRL) (Bankr. S.D.N.Y. Dec. 22, 2005) [Docket No. 59]; see also, e.g., In re Aleris Int'l Inc., Case No. 09-10478 (BLS) (Bankr. D. Del. Feb. 13, 2009) [Docket No. 45]; In re VeraSun Energy Corp., Case No. 08-12606 (BLS) (Bankr. D. Del. Nov. 4, 2008) [Docket No. 56]; In re Washington Mutual, Inc., Case No. 08-12229 (MFW) (Bankr. D. Del. Oct. 30, 2008) [Docket No. 202]; In re Mervyn's Holdings, LLC, Case No. 08-11586 (KG) (Bankr. D. Del. July 30, 2008) [Docket No. 46].²

Services To Be Provided

11. KCC, at the request of the Debtors or the Clerk's Office, may perform Claims Agent and related administrative services for the Debtors in accordance with the terms of the KCC Agreement and will undertake the following services:

- (a) Notify all potential creditors of the filing of the bankruptcy petitions and of the setting of the first meeting of creditors, pursuant to §341(a) of the Bankruptcy

² Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon request of Debtors' counsel, including at the hearing to consider the Motion.

Code, under the proper provisions of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure as determined by Debtors' counsel;

- (b) Prepare and serve required notices in these chapter 11 cases, including:
 - i. a notice of the commencement of these chapter 11 cases and the initial meeting of creditors under section 341(a) of the Bankruptcy Code;
 - ii. notices of objections to claims (if necessary);
 - iii. notices of any hearings on a disclosure statement and confirmation of a plan or plans of reorganization; and
 - iv. such other miscellaneous notices as the Debtors, Clerk of the Court (the "Clerk"), or Court may deem necessary or appropriate for an orderly administration of these chapter 11 cases.
- (c) Maintain an official copy of the Debtors' Schedules, listing the Debtors' known creditors and the amounts owed thereto;
- (d) Provide access to the public for examination of copies of the proofs of claim or proofs of interest filed in the chapter 11 cases without charge during regular business hours (if necessary);
- (e) Furnish a notice of the last date for the filing of proofs of claims and a form for the filing of a proof of claim, after such notice and form are approved by this Court;
- (f) File with the Clerk an affidavit or certificate of service for each pleading filed which includes a copy of the notice, a list of persons to whom it was mailed (in alphabetical order), and the date mailed, within ten (10) days of service;
- (g) Docket all claims received by the Clerk's office, maintain the official claims registers (the "Claims Registers") for each Debtor on behalf of the Clerk, and provide the Clerk with certified duplicate, unofficial Claims Registers on a monthly basis, unless otherwise directed;
- (h) Record all transfers of claims, pursuant to Bankruptcy Rule 3001(e), and provide any notices of such transfers required by Bankruptcy Rule 3001(e);
- (i) Specify, in the applicable Claims Register, the following information for each claim docketed: (i) the claim number assigned, (ii) the date received, (iii) the name and address of the claimant and agent, if applicable, who filed the claim, and (iv) the classification(s) of the claim (e.g., secured, unsecured, priority, etc.);
- (j) Relocate, by messenger, all of the actual proofs of claim filed with the Court to KCC, not less than weekly;

- (k) Upon completion of the docketing process for all claims received to date by the clerk's office for each case, turn over to the Clerk copies of the claims register for the Clerk's review;
- (l) Make changes in the Claims Registers pursuant to Court Order;
- (m) Maintain the official mailing list for each Debtor of all entities that have filed a proof of claim, which list shall be available upon request by a party-in-interest or the Clerk;
- (n) Assist with, among other things, solicitation and calculation of votes and distribution as required in furtherance of confirmation of plan(s) of reorganization;
- (o) Provide such other claims processing, noticing, and administrative services as may be requested from time to time by the Debtors;
- (p) Thirty (30) days prior to the close of these cases, an Order dismissing KCC as Claims Agent shall be submitted terminating the services upon completion of its duties and responsibilities and upon the closing of these cases;
- (q) File with the Court the final version of the Claims Register immediately before the closing of these chapter 11 cases; and
- (r) At the close of these cases, box and transport all original documents, in proper format, as provided by the Clerk's Office, to the Federal Archives Record Administration, located at Central Plains Region, 200 Space Center Drive, Lee's Summit, MO 64064.

12. In addition to the foregoing, KCC will assist the Debtors with, among other things: (a) maintaining and updating the master mailing lists of creditors; (b) to the extent necessary, gathering data in conjunction with the preparation of the Debtors' Schedules; (c) tracking and administration of claims; and (d) performing other administrative tasks pertaining to the administration of these chapter 11 cases as may be requested by the Debtors or the Clerk's Office in accordance with the terms of the KCC Agreement.

Terms of Retention

13. The Debtors propose to retain KCC on the terms and conditions set forth in the KCC Agreement, attached hereto and incorporated herein as "Exhibit C." In accordance with the Protocol for the Employment of Claims Agents, dated May 8, 2006 and last revised January 23,

2008 (the “Claims Agent Protocol”), issued by the Clerk, the Debtors selected KCC after the review and competitive comparison of at least three proposals.

14. The Debtors propose that the cost of KCC’s services be paid from the Debtors’ estates as provided by 28 U.S.C. § 156(c) and section 503(b)(1)(A) of the Bankruptcy Code. The Debtors believe that the proposed rates to be charged by KCC are reasonable and appropriate for services of this nature. The Debtors believe KCC’s rates are competitive and reasonable given the quality of KCC’s services and KCC’s prior bankruptcy expertise. Prior to the Commencement Date, the Debtors paid KCC a retainer of \$100,000.

15. As part of the overall compensation payable to KCC under the terms of the KCC Agreement, the Debtors have agreed to certain indemnification and contribution obligations. The KCC Agreement provides that the Debtors will indemnify and hold harmless KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents under certain circumstances specified in the KCC Agreement, except in circumstances of gross negligence or willful misconduct. Both the Debtors and KCC believe that such provisions are customary and reasonable for notice and claims agents in chapter 11 cases.

16. In an effort to reduce the administrative expenses related to KCC’s retention, the Debtors request authority to pay KCC’s undisputed fees and expenses as an administrative expense of the Debtors’ estates in the ordinary course of business, without the filing of formal fee applications in accordance with the provisions of the KCC Agreement. However, in accordance with the Claims Agent Protocol, KCC will (i) maintain records of all services, which will show dates, categories of services, fees charged, and expenses incurred; and (ii) serve monthly invoices on the Office of the United States Trustee of the Southern District of New York, any Official Committee of Unsecured Creditors appointed in these cases, and any party-in-

interest who requests service of KCC's monthly invoices. In addition, KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

17. The fees and expenses of KCC incurred in performance of the above services shall be paid by the Debtors in accordance with the KCC Agreement after the tenth (10th) day after each KCC invoice has been received by the Debtors, unless KCC is advised, within that ten-day period, that the Debtors object to the invoice, in which case the Debtors will schedule a hearing before the Court to consider the disputed invoice. In such case, the Debtors shall remit to KCC only the undisputed portion of the invoice and, if applicable, shall pay the remainder to KCC upon the resolution of the dispute, as mandated by this Court. Notwithstanding the foregoing, KCC may require prepayment from the Debtors under certain circumstances as set forth in the KCC Agreement.

18. In the event KCC is unable to provide the services set forth in the Application and the KCC Agreement or the KCC Agreement is terminated, KCC will immediately notify the Clerk and the Debtors' attorneys and cause all original proofs of claim and computer information to be turned over to another claims agent with the advice and consent of the Clerk and the Debtors' attorneys. In the event that KCC's services are terminated, KCC will continue to perform its duties until a complete transition of such duties to the Clerk or any successor claims/noticing agent.

KCC's Disinterestedness

19. The Debtors have many creditors, and accordingly, KCC may have rendered and may continue to render services to certain of these creditors. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC employees may, in

the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors or may have used the Debtors' services.

20. Although the Debtors do not propose to employ KCC under section 327 of the Bankruptcy Code, to the best of the Debtors' knowledge, information, and belief, and except as disclosed in the Affidavit of Michael J. Frishberg (the "Frishberg Affidavit") attached hereto as "Exhibit D," KCC has represented that it neither holds nor represents any interest materially adverse to the Debtors' estate in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in Bankruptcy Code § 327(a) and as defined in Bankruptcy Code § 101(14), as modified by Bankruptcy Code § 1107(b). KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

21. In connection with its retention as notice and claims agent, KCC represents, among other things, that:

- (a) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these chapter 11 cases;
- (b) By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- (c) In its capacity as the notice and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States; and
- (d) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice and claims agent in these chapter 11 cases.

Basis for Relief

22. Section 156(c) of title 28 of the United States Code, which governs the staffing and expenses of the Bankruptcy Court, authorizes the Court to use facilities other than those of the Clerk while administering these chapter 11 cases. Specifically, section 156(c) provides:

[a]ny court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States.

28 U.S.C. § 156(c).

In addition, Local Bankruptcy Rule 5075-1(a) provides, in relevant part, as follows:

The Court may direct, subject to the supervision of the Clerk, the use of agents either on or off the Court's premises to file Court records, either by paper or electronic means, to issue notices, to maintain case dockets, to maintain Judges' calendars, and to maintain and disseminate other administrative information where the costs of such facilities or services are paid for by the estate.

S.D.N.Y. LBR 5075-1.

23. Due to the number of creditors and other parties in interest involved in the Debtors' chapter 11 cases, the Debtors seek an order appointing KCC as the Claims Agent in these chapter 11 cases pursuant to both 28 U.S.C. § 156(c) and Local Bankruptcy Rule 5075-1(a) in order to relieve the Court and the Clerk's Office of these heavy administrative and other burdens. Because the claims-related services are necessary in these cases, the Debtors believe that the employment of KCC for the services set forth above is appropriate and in the best interests of the Debtors' estates. The Debtors request, therefore, authority to employ and retain KCC on the terms and conditions set forth in the KCC Agreement.

Notice

24. No trustee, examiner, or creditors' committee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on the parties listed on "Exhibit 1" attached to the Proposed Order, and those creditors holding the five largest unsecured claims against the Debtors' estates (on a consolidated basis). The Debtors submit that no other or further notice need be provided.

WHEREFORE the Debtors respectfully request entry of the Proposed Order (a) authorizing and approving the retention of KCC as notice and claims agent to the Debtors and (b) granting such other further relief as is just and proper.

Dated: June 15, 2009
New York, New York

Extended Stay Inc.
(for itself and on behalf of its affiliated
Debtors and Debtors in Possession)

By: /s/ Joseph Teichman
Joseph Teichman
General Counsel and Secretary

Exhibit A

Debtor	Last Four Digits of Federal Tax I.D. Number
Extended Stay Inc.	7401
ESA P Portfolio L.L.C.	7190
f/k/a BRE/ESA P Portfolio L.L.C.	
ESA 2005 Portfolio L.L.C.	8617
f/k/a BRE/ESA 2005 Portfolio L.L.C.	
ESA 2005-San Jose L.L.C.	1317
f/k/a BRE/ESA 2005-San Jose L.L.C.	
ESA 2005-Waltham L.L.C.	1418
f/k/a BRE/ESA 2005-Waltham L.L.C.	
ESA Acquisition Properties L.L.C.	8149
f/k/a BRE/ESA Acquisition Properties L.L.C.	
ESA Alaska L.L.C.	8213
f/k/a BRE/ESA Alaska L.L.C.	
ESA Canada Properties Borrower L.L.C.	7476
f/k/a BRE/ESA Canada Properties Borrower L.L.C.	
ESA FL Properties L.L.C.	7687
f/k/a BRE/ESA FL Properties L.L.C.	
ESA MD Borrower L.L.C.	8839
f/k/a BRE/ESA MD Borrower L.L.C.	
ESA MN Properties L.L.C.	0648
f/k/a BRE/ESA MN Properties L.L.C.	
ESA P Portfolio MD Borrower L.L.C.	7448
f/k/a BRE/ESA P Portfolio MD Borrower L.L.C.	
ESA P Portfolio PA Properties L.L.C.	6306
f/k/a BRE/ESA P Portfolio PA Properties L.L.C.	
ESA P Portfolio TXNC Properties L.P.	7378
f/k/a BRE/ESA P Portfolio TXNC Properties L.P.	
ESA PA Properties L.L.C.	7652
f/k/a BRE/ESA PA Properties L.L.C.	
ESA Properties L.L.C.	1249
f/k/a BRE/ESA Properties L.L.C.	
ESA TX Properties L.P.	1295
f/k/a BRE/ESA TX Properties L.P.	
ESH/Homestead Portfolio L.L.C.	9049
f/k/a BRE/Homestead Portfolio L.L.C.	
ESH/HV Properties L.L.C.	8927
f/k/a BRE/HV Properties L.L.C.	
ESH/MSTX Property L.P.	5862
f/k/a BRE/MSTX Property L.P.	
ESH/TN Properties L.L.C.	5781
f/k/a BRE/TN Properties L.L.C.	
ESH/TX Properties L.P.	6964
f/k/a BRE/TX Properties L.P.	
ESH/Homestead Mezz L.L.C.	9883
f/k/a BRE/Homestead Mezz L.L.C.	

Debtor	Last Four Digits of Federal Tax I.D. Number
ESA P Mezz L.L.C. f/k/a BRE/ESA P Mezz L.L.C.	7467
ESA Mezz L.L.C. f/k/a BRE/ESA Mezz L.L.C.	0767
ESH/Homestead Mezz 2 L.L.C. f/k/a BRE/Homestead Mezz 2 L.L.C.	9903
ESA P Mezz 2 L.L.C. f/k/a BRE/ESA P Mezz 2 L.L.C.	7480
ESA Mezz 2 L.L.C. f/k/a BRE/ESA Mezz 2 L.L.C.	0866
ESH/Homestead Mezz 3 L.L.C. f/k/a BRE/Homestead Mezz 3 L.L.C.	9936
ESA P Mezz 3 L.L.C. f/k/a BRE/ESA P Mezz 3 L.L.C.	8977
ESA Mezz 3 L.L.C. f/k/a BRE/ESA Mezz 3 L.L.C.	0929
ESH/Homestead Mezz 4 L.L.C. f/k/a BRE/Homestead Mezz 4 L.L.C.	9953
ESA P Mezz 4 L.L.C. f/k/a BRE/ESA P Mezz 4 L.L.C.	8997
ESA Mezz 4 L.L.C. f/k/a BRE/ESA Mezz 4 L.L.C.	0964
ESH/Homestead Mezz 5 L.L.C. f/k/a BRE/Homestead Mezz 5 L.L.C.	9613
ESA P Mezz 5 L.L.C. f/k/a BRE/ESA P Mezz 5 L.L.C.	9186
ESA Mezz 5 L.L.C. f/k/a BRE/ESA Mezz 5 L.L.C.	1006
ESH/Homestead Mezz 6 L.L.C. f/k/a BRE/Homestead Mezz 6 L.L.C.	9667
ESA P Mezz 6 L.L.C. f/k/a BRE/ESA P Mezz 6 L.L.C.	9247
ESA Mezz 6 L.L.C. f/k/a BRE/ESA Mezz 6 L.L.C.	8995
ESH/Homestead Mezz 7 L.L.C. f/k/a BRE/Homestead Mezz 7 L.L.C.	9722
ESA P Mezz 7 L.L.C. f/k/a BRE/ESA P Mezz 7 L.L.C.	9349
ESA Mezz 7 L.L.C. f/k/a BRE/ESA Mezz 7 L.L.C.	9065
ESH/Homestead Mezz 8 L.L.C. f/k/a BRE/Homestead Mezz 8 L.L.C.	9779
ESA P Mezz 8 L.L.C.	9402
ESA Mezz 8 L.L.C. f/k/a BRE/ESA Mezz 8 L.L.C.	9117
ESH/Homestead Mezz 9 L.L.C. f/k/a BRE/Homestead Mezz 9 L.L.C.	1011
ESA P Mezz 9 L.L.C.	0281
ESA Mezz 9 L.L.C.	0923

Debtor	Last Four Digits of Federal Tax I.D. Number
ESH/Homestead Mezz 10 L.L.C. f/k/a BRE/Homestead Mezz 10 L.L.C.	1063
ESA P Mezz 10 L.L.C.	0224
ESA Mezz 10 L.L.C.	0175
Homestead Village L.L.C. f/k/a BRE/Homestead Village L.L.C.	8930
ESA MD Beneficiary L.L.C. f/k/a BRE/ESA MD Beneficiary L.L.C.	7038
ESA P Portfolio MD Trust f/k/a BRE/ESA P Portfolio MD Trust	8258
ESA MD Properties Business Trust f/k/a BRE/ESA MD Properties Business Trust	6992
ESA P Portfolio MD Beneficiary L.L.C. f/k/a BRE/ESA P Portfolio MD Beneficiary L.L.C.	8432
ESA Canada Properties Trust f/k/a BRE/ESA Canada Properties Trust	2314
ESA Canada Trustee Inc. f/k/a BRE/ESA Canada Trustee Inc.	2861
ESA Canada Beneficiary Inc. f/k/a BRE/ESA Canada Beneficiary Inc.	7543
ESA UD Properties L.L.C.	7075
ESA 2007 Operating Lessee Inc. f/k/a BRE/ESA 2007 Operating Lessee Inc.	9408
ESA 2005 Operating Lessee Inc. f/k/a BRE/ESA 2005 Operating Lessee Inc.	8471
ESA Operating Lessee Inc. f/k/a BRE/ESA Operating Lessee Inc.	4369
ESA P Portfolio Operating Lessee Inc. f/k/a BRE/ESA P Portfolio Operating Lessee Inc.	7433
ESA Business Trust f/k/a BRE/ESA Business Trust	8078
ESA Management L.L.C.	9101
ESA P Portfolio Holdings L.L.C. f/k/a BRE/ESA P Portfolio Holdings L.L.C.	8432
ESA Canada Operating Lessee Inc. f/k/a BRE/ESA Canada Operating Lessee Inc.	8838
Extended Stay Hotels L.L.C.	7438

Exhibit B

Proposed Order

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

-----X		
In re	:	
	:	Chapter 11 Case No.
	:	
EXTENDED STAY INC., <u>et al.</u>,	:	09-____()
	:	
Debtors.	:	(Joint Administration Requested)
	:	
-----X		

**ORDER PURSUANT TO 28 U.S.C. § 156(C) AND
LOCAL BANKRUPTCY RULE 5075-1(a) APPROVING THE
RETENTION OF KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE AND CLAIMS AGENT FOR THE DEBTORS**

Upon the application dated June __, 2009 (the "Application")¹ of Extended Stay Inc. and its debtor affiliates, as debtors and debtors in possession (the "Debtors"), for an order pursuant to section 156(c) of title 28 of the United States Code and Local Bankruptcy Rule 5075-1(a) authorizing the employment and retention of Kurtzman Carson Consultants LLC ("KCC") as the Claims Agent to the Debtors, all as more fully set forth in the Application; and upon the Affidavit of Michael J. Frishberg, which is attached to the Application as "Exhibit D," wherein it appears that KCC does not, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, hold or represent any interest adverse to the Debtors, their estates or any class of creditors or equity interest holders with respect to the matters upon which it is to be engaged, and is not connected with the Debtors, their creditors, other parties-in-interest, or the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee"), with respect to the matters upon which KCC is to be engaged; and it appearing that KCC is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code; and the

¹ Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Application.

Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided to the parties listed on "Exhibit 1" attached hereto and those creditors holding the five largest unsecured claims against the Debtors' estates (on a consolidated basis), and it appearing that no other or further notice need be provided; and the Court having determined that the relief requested in the Application is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted; and it is further

ORDERED that the Debtors are authorized to retain and employ KCC, effective as of the commencement of these chapter 11 cases, as Claims Agent under the KCC Agreement (as such term is defined in the Application); and it is further

ORDERED that the terms of the KCC Agreement are approved; and it is further

ORDERED that KCC is appointed as the Claims Agent to the Debtors and as the custodian of court records and, as such, is designated as the authorized repository for all proofs of claim filed in these chapter 11 cases and is authorized and directed to maintain official claims registers for each of the Debtors; and it is further

ORDERED that the debtors and KCC are authorized to take such other action as is reasonably necessary to comply with each of their respective duties set forth in the Application and this Order; and it is further;

ORDERED that KCC shall perform the services set forth in the Application and the KCC Agreement; and it is further

ORDERED that the fees and expenses of KCC incurred in performance of the above services are to be treated as administrative expense claims against the Debtors' estates; and it is further

ORDERED that the Debtors are authorized to pay KCC's undisputed fees and expenses as set forth in the KCC Agreement in the ordinary course of business without the necessity of KCC filing fee applications with this Court (without prejudice to the Debtors' right to dispute any such invoices); and it is further

ORDERED that the fees and expenses of KCC incurred in performance of the above services shall be paid by the Debtors in accordance with the KCC Agreement after the tenth (10th) day after each KCC invoice has been received by the Debtors, unless KCC is advised, within that ten-day period, that the Debtors object to the invoice, in which case the Debtors will schedule a hearing before the Court to consider the disputed invoice. In such case, the Debtors shall remit to KCC only the undisputed portion of the invoice and, if applicable, shall pay the remainder to KCC upon the resolution of the dispute, as mandated by this Court. Notwithstanding the foregoing, KCC may require prepayment from the Debtors under certain circumstances as set forth in the KCC Agreement; and it is further

ORDERED that, in accordance with the Claims Agent Protocol, KCC shall (i) maintain records of all services, which will show dates, categories of services, fees charged, and

expenses incurred; and (ii) serve its monthly invoices on the U.S. Trustee, any Official Committee of Unsecured Creditors appointed in these cases, and any party-in-interest who requests service of KCC's monthly invoices; and it is further

ORDERED that KCC will comply with all requests of the Office of the Clerk of the Bankruptcy Court (the "Clerk") and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c); and it is further

ORDERED that, in the event KCC is unable to provide the services set out in this Order, KCC will immediately notify the Clerk and Debtors' counsel and cause to have all original proofs of claim and computer information turned over to another claims agent with the advice and consent of the Clerk and Debtors' counsel; and it is further

ORDERED that, if these cases convert to cases under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services until the claims filed in these cases have been completely processed; provided, further, that if claims agent representation is necessary in the converted chapter 7 case, KCC will continue to be paid in accordance with 28 U.S.C. § 156(c) under the terms set out in the KCC Agreement and this Order; and it is further

ORDERED that, notwithstanding the possible applicability of Rules 6004(h), 7062 and 9014 of the Federal Rules of Bankruptcy Procedure or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Application as provided therein shall be deemed good and sufficient notice of such Application; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: June , 2009
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

<p>The Office of the United States Trustee for the Southern District of New York</p> <p>33 Whitehall Street, 21st Floor, New York New York 10004 Attn: Paul Schwartzburg, Esq.</p>	<p>Counsel to the Supporting Certificate Holders</p> <p>Fried Frank Harris Shriver & Jacobson LLP One New York Plaza, New York, New York 10004 Attn: Brad Eric Scheler, Esq. Jennifer Rodburg, Esq.</p>
<p>Counsel to the Ad Hoc Mezzanine Lender Group</p> <p>Cleary, Gottlieb, Steen & Hamilton One Liberty Plaza 37th Floor New York, NY 10006 Attn: Michael Weinberger, Esq.</p>	<p>- and-</p> <p>Counsel to Cerberus Capital Management, L.P.</p> <p>Schulte Roth & Zabel LLP 919 Third Avenue New York, NY 10022 Attn: Adam Harris, Esq.</p>
<p>Counsel to Wachovia Bank National Association, the Agent under the Mortgage Loan Agreement and the Mezzanine Loan Agreements</p> <p>Morrison & Foerster L.L.P. 1290 Avenue of the Americas New York, N.Y. 10104-0050 Attn: Jeffrey Temple, Esq.</p>	<p>Counsel to the Ad Hoc Mezzanine Lender Group</p> <p>Kaye Scholer LLP 425 Park Avenue, New York, New York 10022 Attn: Jeannie Bionda, Esq. and Louis Hait, Esq.</p>
<p>Trustee under the Trust and Servicing Agreement</p> <p>Wells Fargo Corporate Trust Services MAC N2702-011 9062 Old Annapolis Road Columbia, MD 21045 Attn: Elizabeth A. Brewster, Vice President</p>	<p>Counsel to Fortress Investment Group L.L.C.</p> <p>Sidley Austin L.L.P. 787 Seventh Avenue New York, New York 10019 Attn: Robert L. Golub, Esq.</p>
<p>Servicer under the Trust and Servicing Agreement</p> <p>Wachovia Securities 201 South College Street NC1075 Charlotte, NC 28288 Attn: Mike Benner</p>	<p>Counsel to the Servicer under the Trust and Servicing Agreement</p> <p>Seyfarth Shaw LLP 620 Eighth Avenue, New York, NY 10018 Attn: Mitchell Kaplan, Esq.</p>

Exhibit C

KCC Agreement



KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the ___ day of June, 2009, between Extended Stay Inc. (together with its affiliates and subsidiaries, the "Company"),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, "KCC").

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

- A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.
- B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC's standard reports as well as consulting and programming support for Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the KCC Fee Structure.
- C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).
- D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.
- E. The Company acknowledges and agrees that KCC will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the "Company Parties") with respect to the services being provided under this Agreement. The

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.

KCC AGREEMENT FOR SERVICES

parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or information were provided by the Company.

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect on the day such services and/or supplies are provided to the Company, in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment; provided, however, any adjustment in prices shall be subject to 90 days prior notice to the Company; and provided further, that no prices in effect on the date hereof shall be increased prior to January 1, 2010.

B. Company agrees to pay reasonable out-of-pocket expenses incurred by KCC related to transportation, lodging, meals, publications, printing, postage and other third-party charges, in addition to the hourly consulting fees set forth in the KCC Fee Structure.

C. In addition to all fees for services and expenses hereunder, Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate to be agreed upon by KCC and the Company prior to the performance of such services.

E. KCC agrees to submit its invoices to the Company monthly, provided, however, where total fees and expenses are expected to exceed \$25,000 in any single month, KCC may require advance payment which will be due and payable upon demand and prior to the performance of services hereunder. Company agrees that the amount invoiced is due and payable upon its receipt of the invoice. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, notice shall be given to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute.

F. In the event that the Company files (a "Chapter 11 Filing") for protection pursuant to chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the



KCC AGREEMENT FOR SERVICES

Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this Agreement in its entirety (the "Section 156(c) Order"). The form and substance of the motion and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. KCC shall receive a retainer in the amount of \$100,000 for services to be performed and expenses to be incurred in this matter due upon execution of this Agreement. This shall be an "evergreen retainer"; invoices shall be drawn down from the retainer and Company's payments shall then be deposited into the retainer to return the retainer to its original \$100,000.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for Company's use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with this Agreement and the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not



KCC AGREEMENT FOR SERVICES

less than ten (10) business days' written notice to the other party, release the required information.

VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined below). As used herein, the term "Cause" means (i) gross negligence or wanton misconduct of KCC that causes serious and material harm to the Company's reorganization under Chapter 11 of the Bankruptcy Code or (ii) the failure of the Company to pay KCC invoices that are not subject to dispute under II.E. for more than sixty (60) days from the date of invoice, or the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and shall provide all necessary staff, services and assistance required for an orderly transfer. Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. KCC may dispose of the data or media, and be reimbursed for the expense of such disposition, after giving the Company thirty (30) days' notice if the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center

KCC AGREEMENT FOR SERVICES

serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.

VIII. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from any losses, claims, damages, judgments, liabilities and expense (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement, other than Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC, and KCC shall notify the Company, in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company or KCC becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to Company or any person claiming through or under Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC's liability to Company for any Losses, whether direct or indirect, arising out of this Agreement which exceed the total amount billed to Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

C. Company is responsible for the accuracy of the programs and data it or any Company Party submits for processing to KCC and for the output. Company agrees to initiate and maintain backup files that would allow Company to regenerate or duplicate all programs and data submitted by Company to KCC.

D. Company agrees that except as set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.

IX. FORCE MAJEURE

Whenever performance by KCC of any of its respective obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war



KCC AGREEMENT FOR SERVICES

condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

X. INDEPENDENT CONTRACTORS

Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this agreement.

XI. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or email on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC 2335 Alaska Ave. El Segundo, CA 90245 Attn: James Le Tel: (310) 823-9000 Fax: (310) 823-9133 Email:	Extended Stay Inc. 100 Dunbar Avenue Spartanburg, SC 29306 Attn: Kevin McDougall, Esq. Tel: (864) 573-1630 Fax: (864) 573-1665 Email: kmcdougall@extendedstay.com
---	---

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

XIII. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings and other agreements, oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of Company and an officer of KCC.



KCC AGREEMENT FOR SERVICES

XIV. ASSIGNMENT


This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned by KCC to a wholly owned subsidiary of KCC.

XV. ARBITRATION


Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be brought before the United States Bankruptcy Court for the Southern District of New York, where the Chapter 11 Filing has occurred, in the first instance; thereafter the Bankruptcy Court may, in its sole discretion, refer any matter to arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC


BY: Michael J. Frishberg DATE: 6/10/09
TITLE: VP, Corporate Restructuring Services

Company


BY: Joseph Teichman DATE: _____
TITLE: Secretary and General Counsel



KCC CORPORATE RESTRUCTURING FEE STRUCTURE

FEES

Consulting Services & Rates¹

Clerical	\$45.00 - \$65.00 per hour
Project Specialist	\$80.00 - \$140.00 per hour
Consultant	\$165.00 - \$245.00 per hour
Senior Consultant	\$255.00 - \$275.00 per hour
Senior Managing Consultant	\$295.00 - \$325.00 per hour
Technology/Programming Consultant	\$145.00 - \$195.00 per hour
Weekend, holidays and overtime	Waived

EXPENSES²

KCC CaseView – Application Licensing, Web Hosting & Database Storage

Case configuration	Applicable consulting fees
Remote set-up; training	Applicable consulting fees
Permitted users	\$100.00 per user per month
License fee and data storage	\$0.05 per creditor per month \$0.01 per image per month
Case-specific public website set-up	Waived
Case-specific public website hosting	\$250.00 per month
Case-specific voicemail box for creditor inquiries	Waived
Case-specific e-mail box for creditor inquiries	Waived

Claims Management & Administration

Creditor import	\$0.20 per creditor
Proof of Claim input	\$0.25 per claim

¹ Please note that additional professional services not covered by this proposal will be charged at hourly rates, including any outsourced services performed under our supervision and control.

² Expenses shall be consistent with the general practice procedures authorized in the District of _____.

KCC CORPORATE RESTRUCTURING FEE STRUCTURE

Notice Printing & Publication Services

Set-up	Waived
Insert creditor information into customized documents	\$0.10 per piece
Electronic noticing (e-mail)	\$50.00 per 1,000
Electronic noticing (domestic facsimile)	\$0.20 per page
Claim Acknowledgement Card	\$0.25 per notice
Document folding and inserting	\$0.10 per document
Finishing – tape binding ³	\$1.25 per document
Legal notice publishing	Quote prior to publishing
Public Debt and Equity Holder noticing.	Quote as required, based on nature and type of securities

Document Management/Imaging

Electronic imaging (scanning & bar-coding)	\$0.20 per imaged page
Virtual data room	Quote prior to VDR set-up ⁴

Standard and Customized Reporting

The following services are available at consulting rates:

- Preparation of Service Lists
- Preparation of Claims Registers & Claims Reports
- Claims Reconciliation
- Preparation of Claims Objection Exhibits
- Custom Data Extraction & Forensics
- Preference Data Compilation
- Preparation of Schedules & SOFA
- Preparation of Ballot Tabulations/Disbursements Reports
- Contract and Lease Analysis
- Preparation of Claim Transfer Reports
- Preparation of Exhibits to Plan and Disclosure Statement
- Preparation of Custom Reports
- Other Services as Requested by Client

³ This is an optional service for documents exceeding 200 images.

⁴ Regular set-up fee is \$5,000. Includes two (2) users. Additional users cost \$250 per month.



KCC CORPORATE RESTRUCTURING FEE STRUCTURE

Solicitation & Vote Tabulation

Plan & Disclosure Statement Mailings – (CD or print)	Quote prior to printing
Per ballot process charge	\$0.25 per ballot

Disbursements

Check issuance	Quote prior to printing
W-9 mailing and maintenance of TIN database	See hourly rates and noticing charges

Other Services

KCC's proprietary Avoidance Application Systems	Quote prior to performance
---	----------------------------

Other Expenses

Printing, photocopies and labels	\$0.10 per image
Facsimile – standard incoming/outgoing	No charge
Archival DVD/CD-ROM	\$50 per copy

Exhibit D

Affidavit of Michael J. Frishberg

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: **Chapter 11 Case No.**
: **In re**
: **EXTENDED STAY INC., et al.,**
: **09-____ ()**
: **Debtors.** **(Joint Administration Requested)**
: **-----X**

**AFFIDAVIT OF MICHAEL J. FRISHBERG IN SUPPORT OF THE
APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING AND
APPROVING THE RETENTION OF KURTZMAN CARSON
CONSULTANTS LLC AS NOTICE AND CLAIMS AGENT TO THE DEBTORS**

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Michael J. Frishberg, being duly sworn, hereby deposes and says:

1. I am the Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC (“KCC”), which is engaged in chapter 11 administration consulting and analysis. I submit this affidavit in support of the Application Authorizing and Approving the Retention of Kurtzman Carson Consultants LLC as Notice and Claims Agent to the above-captioned Debtors (collectively, the “Debtors”), which has been filed contemporaneously herewith (the “Application”).¹

2. The services that KCC proposes to render as Claims Agent are set forth in the KCC Agreement and the Application and are incorporated herein by reference.

3. KCC specializes in providing consulting and data processing services to chapter 11 debtors in connection with the distribution of notices of filings and orders, the administration, reconciliation, and negotiation of claims, and the solicitation of votes to accept or

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

reject plans of reorganization. KCC has provided identical or substantially similar services to other chapter 11 debtors in this and other judicial districts, including, among others: In re Gen. Growth Props., Inc., Case No. 09-11977 (ALG) (Bankr. S.D.N.Y. Apr. 16, 2009) [Docket No. 36]; In re Tronox Inc., Case No. 09-10156 (ALG) (Bankr. S.D.N.Y. Jan. 13, 2009) [Docket No. 40]; In re Bally Total Fitness of Greater New York, Inc., Case No. 08-14818 (BRL) (Bankr. S.D.N.Y. Dec. 9, 2008) [Docket No. 72]; In re T H Agriculture & Nutrition, L.L.C., Case No. 08-14692 (REG) (Bankr. S.D.N.Y. Dec. 1, 2008) [Docket No. 64]; In re BH S&B Holdings, LLC, Case No. 08-14604 (MG) (Bankr. S.D.N.Y. Nov. 21, 2008) [Docket No. 56]; In re Paper Int'l, Inc., Case No. 08-13917 (RDD) (Bankr. S.D.N.Y. Oct. 10, 2008) [Docket No. 17]; In re EOS Airlines, Inc., Case No. 08-22581 (ASH) (Bankr. S.D.N.Y. May 13, 2008) [Docket No. 70]; In re Tricom S.A., Case No. 08-10720 (SMB) (Bankr. S.D.N.Y. Mar. 27, 2008) [Docket No. 103]; In re Wellman, Inc., Case No. 08-10595 (SMB) (Bankr. S.D.N.Y. Mar. 12, 2008) [Docket No. 99]; In re DJK Residential LLC, Case No. 08-10375 (JMP) (Bankr. S.D.N.Y. Feb. 5, 2008) [Docket No. 50]; In re Calpine Corp., Case No. 05-60020 (BRL) (Bankr. S.D.N.Y. Dec. 22, 2005) [Docket No. 59]; In re Aleris Int'l Inc., Case No. 09-10478 (BLS) (Bankr. D. Del. Feb. 13, 2009) [Docket No. 45]; In re VeraSun Energy Corp., Case No. 08-12606 (BLS) (Bankr. D. Del. Nov. 4, 2008) [Docket No. 56]; In re Washington Mutual, Inc., Case No. 08-12229 (MFW) (Bankr. D. Del. Oct. 30, 2008) [Docket No. 202]; and In re Mervyn's Holdings, LLC, Case No. 08-11586 (KG) (Bankr. D. Del. July 30, 2008) [Docket No. 46]. Accordingly, I believe that KCC is well qualified to act as Claims Agent in these cases.

4. Although the Debtors do not propose to retain KCC under section 327 of the Bankruptcy Code, KCC has conducted a thorough analysis of its contacts with each of the Debtors and the significant potential creditors and parties-in-interest in these chapter 11 cases. To the best of my knowledge, neither KCC nor any of its personnel have any relationship with the Debtors or any of the significant potential creditors and parties-in-interest in these chapter 11 cases that would

impair KCC's ability to serve as Claims Agent. KCC may have relationships with certain of the Debtors' creditors as vendors or in connection with cases in which KCC serves or has served in a neutral capacity as claims and noticing agent for another chapter 11 debtor. To the best of my knowledge, such relationships are completely unrelated to the services KCC would provide in these chapter 11 cases. In addition, KCC personnel may have relationships with certain of the Debtors' creditors or other parties in interest. However, to the best of my knowledge, such relationships, to the extent they exist, are of a personal financial nature and completely unrelated to these chapter 11 cases. KCC has and will continue to represent clients in matters unrelated to these chapter 11 cases. KCC also has had and will continue to have relationships in the ordinary course of its business with certain vendors, professionals and other parties in interest that may be involved in the Debtors' cases in matters unrelated to these cases.

5. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estates or any class of creditors or equity security holders. Administar, a claims and noticing agent, is also an indirect subsidiary of Computershare Limited. On June 10, 2009, the marketing and operation of Administar's restructuring services were consolidated under KCC.

6. To the best of my knowledge and except as disclosed herein, KCC neither holds nor represents any interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in Bankruptcy Code § 327(a) and as defined in Bankruptcy Code § 101(14), as modified by

Bankruptcy Code § 1107(b). KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

7. In connection with its retention as notice and claims agent, KCC represents, among other things, that:

- (a) KCC is not a creditor of the Debtors;
- (b) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice and claims agent in these chapter 11 cases;
- (c) By accepting employment in these chapter 11 cases, KCC waives any rights to receive compensation from the United States government;
- (d) In its capacity as the notice and claims agent in these chapter 11 cases, KCC will not be an agent of the United States and will not act on behalf of the United States;
- (e) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice and claims agent in these chapter 11 cases.
- (f) In its capacity as Claims Agent in these chapter 11 cases, KCC will not intentionally misrepresent any fact to any person;
- (g) KCC shall be under the supervision and control of the Clerk's Office with respect to the receipt and recordation of claims and claim transfers; and
- (h) None of the services provided by KCC as notice and claims agent shall be at the expense of the Clerk's Office.

8. As compensation for its services, KCC will charge the rates set forth in the KCC Agreement that is attached to the Application as Exhibit C. I believe that such compensation is reasonable in light of the services to be performed by KCC as Claims Agent. These rates are at least as favorable as those charged by KCC to other chapter 11 debtors for similar services.

9. KCC will comply with all requests of the Clerk of the Bankruptcy Court and follow the guidelines promulgated by the Judicial Conference of the United States for the implementation of Section 156(c), Title 28, United States Code, 28 U.S.C. § 156(c).

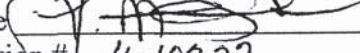


Michael J. Frishberg
Vice President of Corporate Restructuring Services
Kurtzman Carson Consultants LLC

State of California
County of Los Angeles

Subscribed and sworn to before me on this 10 day of June 2009, by Michael J. Frishberg, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature 
Commission # 1610322
My Comm. Expires 10-1-09

