

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.  
EXTENDED STAY INC., et al. : 09-13764 (JMP)  
Debtors. : (Jointly Administered)  
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**INTERIM ORDER PURSUANT TO SECTIONS 105(a), 363, 503(b)(1), 1107(a),  
AND 1108 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003  
AND 6004 (A) AUTHORIZING THE DEBTORS TO HONOR CERTAIN PREPETITION  
CUSTOMER PROGRAMS, AND (B) SCHEDULING A FINAL HEARING**

Upon the motion, dated June 15, 2009 (the “Motion”),<sup>1</sup> of Extended Stay Inc. and its debtor affiliates, as debtors and debtors in possession in the above-referenced chapter 11 cases (collectively, the “Debtors”), pursuant to sections 105(a), 363, 503(b)(1), 1107(a), and 1108 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for an order (A) authorizing the Debtors to perform and honor, in the Debtors’ discretion, the Debtors’ prepetition obligations related to certain Promotional Programs, Barter Arrangements, Gift Certificates, and Deposits (collectively, the “Customer Programs”) and to continue their Customer Programs, as they deem advisable and appropriate, in the ordinary course of their business and without further application to this Court; and (B) scheduling a hearing to consider the relief requested on a permanent basis (the “Final Hearing”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C.

§§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern

<sup>1</sup> Unless otherwise defined in this Order, capitalized terms used herein shall have the meanings ascribed to them in the Motion.



District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion 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 Motion having been provided to on 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 a hearing having been held to consider the relief requested in the Motion (the “Interim Hearing”); and the appearances of all interested parties having been noted in the record of the Interim Hearing; and upon the Declaration of Joseph Teichman Pursuant to Local Bankruptcy Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of First-Day Motions and Applications, filed contemporaneously with the Motion, the record of the Interim Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion is granted on an interim basis; and it is further

ORDERED that, pursuant to sections 105(a), 363, 503(b)(1), 1107(a) and 1108 of the Bankruptcy Code, the Debtors, in their business judgment, are authorized, but not directed, to continue, renew, replace, implement, modify, and/or terminate the Customer Programs, as they deem appropriate, in the ordinary course of business and without further application to the Court; and it is further

ORDERED that, the Debtors, in their business judgment, are authorized, but not directed, to honor prepetition obligations relating to the Customer Programs, as they deem appropriate, in the ordinary course of business, in the same manner and on the same basis as the Debtors honored such obligations prior to commencement of these chapter 11 cases; provided, however, that the relief granted herein shall not constitute an approval, assumption, or rejection of any Customer Program or related agreement or policy pursuant to section 365 of the Bankruptcy Code; and it is further

ORDERED that nothing herein shall be construed to limit, or in any way affect, the Debtors' ability to dispute any claim by a customer with respect to any Customer Program; and it is further

ORDERED that pursuant to this Order, the Debtors shall only pay Customer Program obligations that become due and payable between the Commencement Date and entry of a final order approving this Motion; and it is further

ORDERED that entry of this Order is necessary to avoid immediate and irreparable harm and to the extent the relief granted herein implicates the use of property of the estate and section 363 of the Bankruptcy Code, the requirements under Bankruptcy Rule 6003 have been satisfied; and it is further

ORDERED that notwithstanding any applicability of Bankruptcy Rules 6004(h), 7062, or 9014, 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 Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 4001(d) and 6004(a) are waived; and it is further

ORDERED that the Final Hearing to consider entry of an order granting the relief requested in the Motion on a permanent basis shall be held on July 13, 2009 at 10:00 a.m., prevailing Eastern Time; and any objections to entry of such order shall be in writing, filed with the Court in accordance with General Order M-242, and served upon (i) counsel to the Debtors; (ii) the parties listed on "Exhibit 1" attached hereto; and (iii) those creditors holding the five largest unsecured claims against the Debtors' estates (on a consolidated basis), in each case so as to be received no later than 4:00 p.m., prevailing Eastern Time on July 10, 2009; and it is further

ORDERED that the Debtors shall serve this Order within three business days of its entry on 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 is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: New York, New York  
June 16, 2009

s/ James M. Peck  
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 &amp; 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 &amp; 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 &amp; 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 &amp; 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>