

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

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In re	:	Chapter 11
	:	
EXTENDED STAY INC., <u>et al.</u>,	:	Case No. 09-13764 (JMP)
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Debtors.	:	(Jointly Administered)
	:	
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	:	
In re	:	Chapter 11
	:	
ESH/MSTX GP L.L.C.,	:	Case No. 10-10807 (JMP)
	:	
Debtor.	:	
	:	
Employer Tax I.D. No. 20-1085876	:	
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**STATEMENT OF FINANCIAL AFFAIRS FOR
ESH/MSTX GP LLC**



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**GENERAL NOTES AND STATEMENT OF
LIMITATIONS, METHODOLOGY AND DISCLAIMER
REGARDING THE SUBSEQUENT DEBTORS' SCHEDULES AND SOFAS**

On June 15, 2009 (the "Commencement Date"), Extended Stay Inc. ("ESI"), and 69 certain of its affiliates, as debtors and debtors in possession (collectively, the "Initial Debtors"), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Initial Debtors' chapter 11 cases have been consolidated for procedural purposes only under Case No. 09-13764 (JMP). On February 18, 2010 (the "Subsequent Commencement Date"), five additional affiliates (collectively, the "Subsequent Debtors") each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, and filed a motion seeking the joint administration of the chapter 11 cases of the Subsequent Debtors with the jointly administered chapter 11 cases of the Initial Debtors [Docket No. 772]. The hearing to consider the relief requested is scheduled for March 16, 2010. Together, the 75 debtors (collectively, the "Debtors," or "Extended Stay") continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

With the assistance of their Bankruptcy Court-appointed advisors, the Subsequent Debtors prepared their Schedules of Assets and Liabilities (collectively, the "Schedules") and their Statements of Financial Affairs (the "SOFAs" and together with the Schedules, the "Schedules and SOFAs") pursuant to section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure.¹ The Schedules and SOFAs are unaudited and do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), and they are not intended to be fully reconciled to the Debtors' financial statements.

Although the Subsequent Debtors have made every reasonable effort to ensure that the Schedules and SOFAs are accurate and complete based on information that was available to them at the time of preparation, inadvertent errors or omissions may have occurred. As discussed below in the section entitled "Disclaimer Regarding Information," the information provided herein, except as otherwise noted, is what was available to the Debtors and their professionals, as may have been provided by HVM L.L.C. ("HVM") and The Lightstone Group, as custodians of most of the books and records of the Debtors, as of the close of business on February 18, 2010.

Because the information provided herein is unaudited and, except as otherwise noted, is as of the close of business on February 18, 2010, subsequent receipt of information or an audit may result in material changes in financial data requiring amendment of the Schedules and SOFAs. There can be no assurance that the Schedules and SOFAs are complete. Accordingly, the Schedules and SOFAs remain subject to the Subsequent Debtors' further review, verification, and potential adjustment. The Subsequent Debtors reserve their right to amend the Schedules and SOFAs from time-to-time as may be necessary or appropriate,

¹ The Initial Debtors have already filed their Schedules and SOFAs [Docket Nos. 314-452].

including, but not limited to, the right to dispute or otherwise assert offsets or defenses to any claim reflected in the Schedules and SOFAs as to amount, liability, or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.” Furthermore, nothing contained in the Schedules and SOFAs shall constitute a waiver of rights with respect to these chapter 11 cases, including, but not limited to, any rights or claims of the Subsequent Debtors against any third party, issues involving substantive consolidation, equitable subordination and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets or avoid transfers.

The Schedules and SOFAs have been signed by F. Joseph Rogers, the Assistant Secretary for the Subsequent Debtors. In reviewing and signing the Schedules and SOFAs, Mr. Rogers has necessarily relied upon the efforts, statements, and representations of the Debtors’ personnel and professionals and the information, efforts, statements, and representations of the accounting and non-accounting personnel of the Debtors and their advisors. Mr. Rogers has not (and could not have) personally verified the accuracy of each such statement and representation, including statements and representations concerning amounts owed to creditors and their addresses.

These General Notes and Statement of Limitations, Methodology, and Disclaimer Regarding the Subsequent Debtors’ Schedules and SOFAs (the “General Notes”) are incorporated by reference in, and comprise an integral part of, the Schedules and SOFAs and should be referred to and considered in connection with any review of the Schedules and SOFAs.

Disclaimer Regarding Information. All of the Extended Stay hotels are managed by HVM, an entity that is affiliated with, but not 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 substantially all goods and materials utilized in the operation of the business. HVM employs approximately 9,000 employees in connection with the operation of the hotels. Accordingly, the Debtors themselves do not have any employees. Thus, the Schedules and SOFAs have been prepared, in large part, based upon the information and work product and/or representations made available to the Subsequent Debtors and their professionals by representatives of HVM, and in limited instances, corporate records held by The Lightstone Group (which indirectly owns the equity of certain of the Debtors).

Prior to the Commencement Date and the Subsequent Commencement Date, and continuing thereafter, the operations of the Debtors were necessarily connected with and collectively managed by HVM. With the exception of certain service providers, HVM has historically been the entity that has been responsible for the payments to the employees, utility companies, and other third party providers that provide services to the Extended Stay hotels. However, certain contracts may also list one of the Debtor entities as a party, and as a result, it may not be immediately clear whether that certain Debtor entity or HVM is liable for certain of the obligations listed on the Schedules and SOFAs. In addition, the financial affairs and business of the Debtors and HVM are complex and intertwined, and certain payments may have been made by one entity on behalf of another.

Given that HVM's continued performance of its management services was critical to the Debtors' operations, the Debtors were authorized by the Bankruptcy Court to continue to reimburse HVM so that HVM could continue to pay the employees, vendors, utility companies and other third party service providers that provide crucial and necessary services to continue the operations at the Extended Stay hotels. Additionally, HVM was authorized to pay certain amounts for services that may have been provided to the Debtors prior to the Commencement Date.

This disclaimer is incorporated by reference in, and comprises an integral part of the Schedules and SOFAs, and should be considered in connection with any review of the Schedules and SOFAs.

Asset Presentation. The Subsequent Debtors each hold a 1% general partnership interest in a Debtor, or a 1% member interest in a limited liability company, and as parent-only entities, each of the Subsequent Debtors does not record on its books and records a 1% single-line, equity method share of the income or loss for its 1% interest. The Subsequent Debtors believe that it would be an inefficient use of the assets of the Debtors' estates for the Subsequent Debtors to obtain current market valuations of all of such assets.

There may be additional assets that belong to the Debtors that have not been included on the Schedules and SOFAs. The Debtors reserve their right to amend or adjust the value of each asset or liability set forth herein and to add additional assets, as such information becomes available. In addition, any omission of an asset of the Subsequent Debtors on the Schedules and SOFAs does not constitute a representation regarding the ownership of the asset, and any such omission shall not constitute a waiver of any and all rights of the Subsequent Debtors with respect to that particular asset.

Liabilities. There may be additional liabilities of the Subsequent Debtors that have not been included on the Schedules and SOFAs. The Debtors reserve their right to amend or adjust the value of each asset and liability set forth herein, and to add additional liabilities, as such information becomes available.

Excluded Assets and Liabilities Values. The Subsequent Debtors have excluded the following categories of assets and liabilities from the Schedules and Statements: certain immaterial assets and liabilities, and assets with a net book value of zero, and liabilities that have been or will be satisfied.

Intellectual Property Rights. Exclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have been abandoned, have been terminated, or otherwise expired by their terms, or have been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, have not been terminated, or otherwise expired by their terms, or have not been assigned or otherwise transferred pursuant to a sale, acquisition, or other transaction. Accordingly, the Subsequent Debtors reserve all of their rights with respect to the legal status of any and all such intellectual property rights.

Recharacterization. The Subsequent Debtors have made reasonable efforts to correctly characterize, classify, categorize, and designate the claims, assets, executory contracts, unexpired leases, and other items reported in the Schedules and SOFAs. However, due to the complexity and size of the Debtors' business, the Subsequent Debtors may have improperly characterized, classified, categorized, or designated certain items. The Subsequent Debtors thus reserve all of their rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and SOFAs at a later time as necessary or appropriate as additional information becomes available.

Intercompany Claims, Agreements, and Related Matters. The Schedules and SOFAs generally do not include intercompany claims, distributions, agreements, or other related matters between Subsequent Debtors and between Subsequent Debtors and the Initial Debtors, or between the Subsequent Debtors and non-Debtor affiliates, or between the Subsequent Debtors and HVM.

Contingent Assets/Causes of Action. The Subsequent Debtors believe that they may possess certain claims and causes of action against various parties. Additionally, the Subsequent Debtors may possess contingent claims in the form of various avoidance actions they could commence under the provisions of chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws. The Subsequent Debtors, despite reasonable efforts, may not have set forth all of their causes of action against third parties as assets in their Schedules and SOFAs. The Subsequent Debtors reserve all of their rights with respect to any claims, causes of action, or avoidance actions they may have and nothing contained in these General Notes or the Schedules and SOFAs shall be deemed a waiver of any such claims, avoidance actions, or causes of action or in any way prejudice or impair the assertion of such claims.

The Subsequent Debtors may also possess contingent and unliquidated claims against affiliated or formerly affiliated entities (both Debtor and non-Debtor) for various financial accommodations and similar benefits they have extended from time to time, including contingent and unliquidated claims for contribution, reimbursement and/or indemnification arising from, among other things, (i) letters of credit, (ii) notes payable and receivable, (iii) surety bonds, (iv) guaranties, (v) indemnities, (vi) warranties, and (vii) taxes.

Insiders. In the circumstances where the Schedules and SOFAs require information regarding "insiders" (as defined in the instructions to the Schedules and SOFAs), the Subsequent Debtors have included information with respect to certain individuals who served as officers and directors, as the case may be, during the relevant time periods. Such individuals may no longer serve as an officer or director of the Subsequent Debtors.

Inclusion of information with respect to any such individual is not intended to be, nor shall it be construed as, a binding or legal characterization of such individual as an "insider," as defined under the Bankruptcy Code, federal and state securities laws or any other applicable law. Additionally, the inclusion of information with respect to any such individual is not intended to be, nor shall it be, an admission of any fact, or any claim, right or defense, and any and all such rights, claims and defenses are hereby expressly reserved for all purposes. Information regarding

the individuals listed as “insiders” in the Schedules and SOFAs has been included for informational purposes only; such information may not be used for the purpose of determining control of the Subsequent Debtors, or the extent to which any individual exercised management responsibilities or functions with respect to, or corporate decision-making authority over, the Debtors.

Schedule E- Creditors Holding Unsecured Priority Claims. The Bankruptcy Court entered an order granting authority to the Debtors to pay certain prepetition tax obligations that would otherwise be entitled to priority status in the ordinary course. Accordingly, the Debtors may have not included such claims on Schedule E to the extent that the Debtors have satisfied such claims in full or anticipate satisfying such claims in full.

The listing of any claim on Schedule E does not constitute an admission by the Debtors that such claim is entitled to priority under section 507 of the Bankruptcy Code. The Debtors reserve the right to dispute the priority status of any claim on any basis. Moreover, the listing of any tax claim on Schedule E is not an admission or designation by the Debtors that such claim is a prepetition tax claim.

While reasonable efforts have been made, determination of the date upon which each claim in Schedule E was incurred or arose would be unduly burdensome and therefore, the Debtors do not list a date for each claim listed on Schedule E.

Schedule F- Creditors Holding Unsecured Nonpriority Claims. Although the Subsequent Debtors and their professionals have generated financials the Subsequent Debtors believe to be reasonable, actual liabilities (and assets) may deviate from the Schedules and SOFAs due to certain events that occur through the duration of these chapter 11 cases. Accordingly, the actual amount of claims against the Subsequent Debtors may vary from the represented liabilities. Parties in interest should not accept that the listed liabilities necessarily reflect the correct amount of any unsecured creditor’s allowed claims or the correct amount of all unsecured claims. Similarly, parties in interest should not anticipate that recoveries in these cases will reflect the relationship of aggregate asset values and aggregate liabilities set forth in the Schedules and SOFAs. Parties in interest should consult their own professionals and/or advisors with respect to pursuing a claim.

Schedule G- Executory Contracts. While every effort has been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred. The Debtors may have entered into various other types of agreements in the ordinary course of their business, such as subordination agreements, nondisturbance agreements, supplemental agreements, amendments/letter agreements, title agreement and confidentiality agreements. Such documents are not set forth on Schedule G. Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or unexpired lease. The Subsequent Debtors’ rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.

The Subsequent Debtors have used reasonable efforts to locate and identify guaranties and other secondary liability claims (collectively, “Guaranties”), including Guaranties of each of their

executory contracts, unexpired leases, secured financings, debt instruments, and other agreements. The Subsequent Debtors, however, believe that certain Guaranties embedded in the Subsequent Debtors' executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements may have been inadvertently omitted. Thus, the Subsequent Debtors reserve all of their rights to amend the Schedules and SOFAs to the extent that such additional Guaranties are identified. Thus, the Subsequent Debtors reserve their right to amend the Schedules to the extent that additional Guaranties are identified or such Guaranties are discovered to have expired or become unenforceable.

Schedule H- Codebtors. Schedule H does not reflect the other Subsequent Debtor or Initial Debtor entities that may be jointly and severally liable on the debts listed by each Subsequent Debtor. Each Subsequent Debtor's applicable schedule should be referenced for such information.

In addition, the Subsequent Debtors may not have identified certain guarantees that are embedded in the Subsequent Debtors' executory contracts, unexpired leases, secured financings, debt instruments and other such agreements. Thus, the Subsequent Debtors reserve their right to amend the Schedules to the extent that any guarantees are identified.

SOFA 19(d) – Financial Statements. For SOFA 19(d), the Debtors report that, in its ordinary course of business, they issued various financial statements to various interested parties, including, without limitation, the holders of the Mortgage Debt and the Mezzanine Debt, as well as other creditors, equity holders, insurance brokers and insurance carriers for the debtors, certain large vendors and/or utility providers, and other parties. Such financial statements may have included the financial statements of the Subsequent Debtors. The Subsequent Debtors did not maintain a record of each of these various recipients or the date on which these financial statements were issued.

SOFA 21(b) – Indirect Stockholders. Due to the complex nature of the corporate structure of the Debtors, each stockholder who indirectly owns, controls or hold five percent or more of the voting or equity securities of the Subsequent Debtors has not been listed.

Specific Notes. These General Notes are in addition to the specific notes set forth in the individual Schedules and SOFAs. The fact that the Subsequent Debtors have prepared a specific note with respect to a particular Schedule or SOFA and not as to others does not reflect and should not be interpreted as a decision by the Subsequent Debtors to exclude the applicability of such General Note to any or all of the Subsequent Debtors' remaining Schedules or SOFAs, as appropriate. Disclosure of information in one Schedule, SOFA, exhibit, or continuation sheet even if incorrectly placed, shall be deemed to be disclosed in the correct Schedule, SOFA, exhibit or continuation sheet.

Totals. All totals that are included in the Schedules and SOFAs represent totals of the liquidated amounts for the individual schedule for which they are listed.

Categories or Labels Used in Schedules and SOFAS. Information requested by the Schedules and SOFAs requires the Subsequent Debtors to make judgments regarding the appropriate

category in which information should be presented or how certain parties, claims or other data should be labeled. The Subsequent Debtors' decisions regarding the category or label to use is based on the best information available as of the filing of these Schedules and SOFAs and within the time constraints imposed by the Bankruptcy Code and Federal Rule of Bankruptcy Procedure. The Subsequent Debtors reserve the right to modify, change or delete any information in the Schedules and SOFAs by amendment, including to the extent some information currently presented should be moved to a different category or labeled in a different way.

General Reservation of Rights. The Subsequent Debtors specifically reserve the right to amend, modify, supplement, correct, change or alter any part of the Schedules and SOFAs as and to the extent necessary as they deem appropriate.

FORM 7 - STATEMENT OF FINANCIAL AFFAIRS
UNITED STATES BANKRUPTCY COURT
Southern District of New York

In re: ESH/MSTX GP LLC

Case No. 10-10807 (JMP)

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. To indicate payments, transfers and the like to minor children, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE AMOUNT

SOURCE

X



2. Income other than from employment or operation of business

State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	AMOUNT	SOURCE
X		

3. Payment to creditors

Complete a. or b., as appropriate, and c.

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency.

NONE	NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
X				

b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,475. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
X				

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
X				

4. Suits and administrative proceedings, executions, garnishments and attachments

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
X				

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
X			

5. Repossessions, foreclosures and returns

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
X			

6. Assignments and receiverships

a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
X			

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
X				

7. Gifts

List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
X				

8. Losses

List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCE AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
X			

9. Payments related to debt counseling or bankruptcy

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NONE	NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
X			

10. Other transfers

a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
X			

b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NONE	NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
X			

11. Closed financial accounts

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
X			

12. Safe deposit boxes

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO THE BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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X

13. Setoffs

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE	NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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X

14. Property held for another person

List all property owned by another person that the debtor holds or controls.

NONE	NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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X

15. Prior address of debtor

If the debtor has moved within the **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

NONE	ADDRESS	NAME USED	DATES OF OCCUPANCY
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X

16. Spouses and Former Spouses

If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NONE	NAME
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X

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

NONE	SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
X				

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

NONE	SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
X				

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NONE	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
X			

18. Nature, location and name of business

a. *If the debtor is an individual*, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full – or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NONE	NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
X					

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NONE	NAME	ADDRESS
X		

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NONE	NAME AND ADDRESS	DATES SERVICES RENDERED
	HVM L.L.C. 100 Dunbar Street Spartanburg, SC 29306	6/11/2007-6/15/2009
	The Lightstone Group 1985 Cedarbridge Avenue Lakewood, NJ 08701	6/11/2007-6/15/2009

b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NONE	NAME	ADDRESS	DATES SERVICES RENDERED
	HVM L.L.C.	100 Dunbar Street Spartanburg, SC 29306	2007-2009
	Ernst & Young, LLP	75 Beattie Place Ste 800 Greenville, SC 29601	2007-2008

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NONE	NAME	ADDRESS
	HVM L.L.C.	100 Dunbar Street Spartanburg, SC 29306
	The Lightstone Group	1985 Cedarbridge Avenue Lakewood, NJ 08701

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NONE	NAME AND ADDRESS	DATE ISSUED
X		

20. Inventories

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

NONE	DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
X			

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

NONE	DATE OF INVENTORY	NAME AND ADDRESS OF CUSTODIAN OF INVENTORY RECORDS
X		

21. Current Partners, Officers, Directors and Shareholders

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NONE	NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
X			

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NONE	NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
	David Lichtenstein 1985 Cedarbridge Avenue Lakewood, NJ 08701	Director/President	
	ESH/Homestead Mezz LLC 100 Dunbar Street Spartanburg, SC 29306		100%
	F. Joseph Rogers 100 Dunbar Street Spartanburg, SC 29306	Assistant Secretary	
	Jennifer L. Joyce 141 Peaked Mountain Rd Townshend, VT 05353	Independent Director	
	Joseph Teichman 1985 Cedarbridge Avenue Lakewood, NJ 08701	Secretary	
	Susan R. Rowell 141 Peaked Mountain Rd Townshend, VT 05353	Independent Director	

22. Former partners, officers, directors and shareholders

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NONE	NAME	ADDRESS	DATE OF WITHDRAWAL
X			

b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NONE	NAME AND ADDRESS	TITLE	DATE OF TERMINATION
X			

23. Withdrawals from a partnership or distributions by a corporation

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NONE	NAME AND ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
X			

24. Tax Consolidation Group.

If the debtor is a corporation, list the name and federal taxpayer-identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NONE	NAME OF PARENT CORPORATION	TAXPAYER-IDENTIFICATION NUMBER(EIN)
	DL-DW Holdings LLC	20-8853915

25. Pension Funds

If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within six years immediately preceding the commencement of the case.

NONE	NAME OF PENSION FUND	TAXPAYER-IDENTIFICATION NUMBER(EIN)
X		

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

In re: ESH/MSTX GP LLC

Case No. 10-10807 (JMP)

Declaration Concerning Debtor's Statement of Financial Affairs

I, F. Joseph Rogers, Assistant Secretary of the corporation named as debtor in this case, declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 3/4/2010

Signature: / s / F. Joseph Rogers

F. Joseph Rogers

Assistant Secretary