

07-06-2000



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U.S. Department of Commerce
Patent and Trademark Office
24 TRADEMARK

RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

MRD 3.24.00

6-21-00

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other

Citizenship/State of Incorporation/Organization

04/25/2000 TTON11 00000313 500706 1338517

FOR OFFICE USE ONLY

01 FC:481 40.00 CH
02 FD:402 375.00 CH

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text" value="75/471632"/>	<input type="text" value="75/471494"/>	<input type="text" value="75/471633"/>	<input type="text" value="1338517"/>	<input type="text" value="1609083"/>	<input type="text" value="1622850"/>
<input type="text" value="75/471493"/>	<input type="text" value="75/471643"/>	<input type="text" value="75/498466"/>	<input type="text" value="1666936"/>	<input type="text" value="2067284"/>	<input type="text" value="2069842"/>
<input type="text" value="75/498521"/>	<input type="text" value="75/498522"/>	<input type="text"/>	<input type="text" value="2069843"/>	<input type="text" value="2069844"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:
Deposit Account

Enclosed Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein

Deborah Hartnett

March 24, 2000

Name of Person Signing

Signature

Date Signed

SECURITY AGREEMENT

This Security Agreement dated as of February 29, 2000 ("Security Agreement") is between the parties signatory hereto or to an Accession Agreement (as hereinafter defined) (collectively, the "Pledgor" whether one or more), and to and for the benefit of SOCIÉTÉ GÉNÉRALE, SOUTHWEST AGENCY, as Administrative Agent (the "Secured Party") for the Lenders as defined in the Credit Agreement herein described.

INTRODUCTION

- A. MeriStar H & R Operating Company, L.P. ("Borrower") has entered into a Senior Secured Credit Agreement dated as of February 29, 2000 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement") among Borrower, Secured Party and the lenders party thereto (the "Lenders"), providing for the making of Advances by the Lenders as described in the Credit Agreement and the issuance of Letters of Credit by the Issuing Banks.
- B. Under the Credit Agreement, it is a condition to the making of the Advances and the issuance of the Letters of Credit that the Pledgor shall secure its obligations (i) under the Credit Documents (the "Credit Obligations") and (ii) under one or more Interest Rate Agreements with any Lender or any Affiliate thereof (the "Other Obligations"; the Credit Obligations and the Other Obligations being referred to collectively herein as the "Obligations") by entering into this Security Agreement. The Pledgor will derive substantial benefit (both direct and indirect) from the transactions contemplated by the Credit Agreement.

Therefore, the Pledgor hereby agrees with the Secured Party for its benefit and the benefit of the Lenders as follows:

Section 1. Definitions. All capitalized terms not otherwise defined in this Security Agreement that are defined in the Credit Agreement shall have the meaning assigned to such terms by the Credit Agreement. All other capitalized terms not otherwise defined in this Security Agreement shall have the respective definitions set forth in the Uniform Commercial Code as adopted in the State of New York or any successor statute ("UCC").

Section 2. Pledge.

2.01. Grant of Pledge and Security Interest. The Pledgor hereby pledges as security for its Obligations to the Secured Party for its benefit and the benefit of the Lenders, and grants to the Secured Party for its benefit and the benefit of the Lenders a security interest in, the Collateral, as defined in Section 2.02 below. The security interest and pledge made herein shall secure all of (a) the Credit Obligations of the Pledgor now and hereafter existing under the Credit Agreement, the Notes and any other Credit Documents, owing to any Lender or any Affiliate thereof, interest, fees, expenses, indemnification or otherwise, (b) the Other Obligations of the Pledgor now and hereafter existing under any Interest Rate Agreement owing to any Lender or

any Affiliate thereof, interest, fees, expenses, indemnification or otherwise and (c) all obligations of the Pledgor now or hereafter existing under this Agreement (all such obligations being the "Secured Obligations").

2.02. Collateral. "Collateral" shall mean all of Pledgor's right, title, and interest in the following, whether now owned or hereafter acquired:

- (a) the Ownership Interests Collateral, and all dividends, cash, instruments, and other property from time-to-time received, receivable or otherwise distributed in respect of or in exchange for any of the Ownership Interests Collateral;
- (b) the right to receive payments for its account (including the right to receive termination payments) under any and all Permitted Property Agreements;
- (c) to the extent assignable and subject to the rights of the owner of any Hospitality Property to which the personal property in this Section 2.02(c) apply, (i) all contracts now or hereafter entered into by and between the Pledgor and any contractor or supplier, as well as any subcontracts, providing for the construction (original, restorative or otherwise) of any improvements, or the furnishing of any materials, supplies, equipment or labor in connection with any such construction; (ii) all of the plans, specifications and drawings (including, but not limited to plot plans, foundations plans, floor plans, elevations, framing plans, cross-sections of walls, mechanical plans, electrical plans and architectural and engineering plans, and architectural and engineering studies and analyses) heretofore or hereafter prepared by any architect or engineer for Pledgor; (iii) all agreements for architectural, engineering, management or consulting services rendered or to be rendered in respect of planning, design, inspection or supervision of the construction or management of any land or real estate; (iv) any completion bond, performance bond or labor and material payment bond and any other bond relating to or to any contract providing for construction of improvements to any land or real estate; and (v) Pledgor's interest in any guaranty related to the foregoing;
- (d) except for the indebtedness of Bayside Resort, Inc. & Bluewater (Sapphire), Ltd. or except as otherwise prohibited by the terms of any more senior indebtedness of the applicable obligor, any (i) indebtedness which is payable to Pledgor and secured by a mortgage lien on any Hospitality Property or the pledge of an Ownership Interest or (ii) any other indebtedness in excess of \$500,000, together with the Pledgor's interest in the liens and security interests securing such indebtedness;
- (e) all judgments in favor of Pledgor; all awards of damages and settlements hereafter made resulting from condemnation proceedings in favor of Pledgor; and all insurance proceeds payable to Pledgor;
- (f) to the extent not prohibited by the terms of any agreement with the owner of any Hospitality Property at which any of the personal property or fixtures set forth in this Section 2.02(f) are located or any secured first lien lender for any such Hospitality

Property, and subject to the rights of such owners or lenders, (i) any liens for the benefit of any landlord of Pledgor; (ii) all materials, goods (including without limitation consumables and inventories), equipment, appliances, apparatus, furniture, furnishings, inventory, and other tangible personal property, whether or not the same have or would become a part of any land or real estate owned or hereafter acquired by Pledgor, except for personal property pledged to secure purchase money financing (all such foregoing items being referred to as "Tangible Personal Property"); and (iii) Pledgor's current and future rights as lessee under any leases of the Tangible Personal Property to the extent such leases are assignable.

- (g) all trade secrets, sales and marketing literature, customer lists, sales orders, secret processes, inventions, discoveries, improvements, processes, technology, know how, formulas, drawings, specifications, plans, and all other proprietary, technical and other information and intellectual property, whether patentable or unpatentable, registered, or unregistered (collectively, the "Trade Secrets");
- (h) all trademarks, trademark registrations, tradenames, service marks, logos, prints and labels on which any of the foregoing appear, and trademark applications, together with all renewals, reissues or extensions thereof and all goodwill associated therewith or symbolized thereby and all other assets, rights and interests that uniquely reflect or embody such goodwill; all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof; the right to sue for past, present and future infringements thereof; and all rights corresponding thereto throughout the world (collectively, the "Trademarks").
- (i) All patents and patent applications of the United States or any other country, issued or pending, together with all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof, all income, royalties, shop rights, damages and payments thereto; the right to sue for past, present and future infringements thereof; and all rights corresponding thereto throughout the world (collectively, the "Patents");
- (j) all copyright rights in any work subject to the copyright laws of the United States, any political subdivision thereof or any other country, whether as author, assignee, transferee or otherwise, together with all registrations and applications for registration of any such copyright in the United States, any political subdivision thereof or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or any similar offices in any other country (collectively, the "Copyrights"; the Trade Secrets, the Trademarks, the Patents and the Copyrights being collectively referred to herein as the "Intellectual Property"); and
- (k) all proceeds from the Collateral described in this Section 2.02.

2.03. Delivery and Perfection of Collateral. The Pledgor represents and warrants as follows:

- (a) All certificates or instruments representing the Ownership Interests Collateral shall be delivered to the Secured Party and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank and stock powers, all in form and substance satisfactory to the Secured Party. The Secured Party shall have the right, at any time in its discretion and without notice to the Pledgor, to transfer to or to register in the name of the Secured Party or any of its nominees any of the Ownership Interests Collateral, subject to the rights specified in Section 2.04. In addition, the Secured Party shall have the right at any time to exchange the certificates or instruments representing the Ownership Interests Collateral for certificates or instruments of smaller or larger denominations.
- (b) If a Pledgor receives cash proceeds for any of the Collateral, then the Pledgor shall apply such cash proceeds in accordance with the terms of the Credit Agreement. If a Pledgor receives non-cash proceeds or property for any Collateral, then the Pledgor shall either (i) transfer and deliver to the Secured Party such non-cash proceeds or property so received by the Pledgor, all of which thereafter shall be held by the Secured Party, pursuant to the terms of this Agreement, as part of the Collateral or (ii) take such other action as the Secured Party shall deem necessary or appropriate to duly record the Security Interest created hereunder in such Collateral.
- (c) Upon request of the Secured Party the Pledgor shall give, execute, deliver, file and/or record any financing statement, transaction statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the judgment of the Secured Party) to create, preserve, perfect or validate the Security Interest created hereunder or to enable the Secured Party to have a valid, first priority and perfected Security Interest in the Collateral and to exercise and enforce its rights hereunder with respect to such pledge and Security Interest, including without limitation, causing any or all of the Collateral to be transferred of record into the name of the Secured Party or its nominee (and the Secured Party agrees that if any Ownership Interest Collateral is transferred into its name or the name of its nominee, it will thereafter promptly give to the Pledgor copies of any notices and communications received by it with respect to the Collateral); provided that the Pledgor shall not have to take any such action with respect to Intellectual Property (i) unless such Intellectual Property is Material Intellectual Property (as hereinafter defined) or (ii) outside of an Intellectual Property Jurisdiction. For purposes herein, for any Intellectual Property "Intellectual Property Jurisdiction" shall mean the United States and any other country in which such Intellectual Property is being used in any material respect. Without limiting the generality of the foregoing, the Pledgor shall, if any Collateral shall be evidenced by a promissory note or other instrument, deliver and pledge to the Secured Party such note or instrument duly endorsed or accompanied by duly executed instruments of transfer of assignment, all in form and substance satisfactory to the Secured Party.
- (d) The Pledgor represents to the Secured Party and the Lenders that the only current material Intellectual Property owned by the Pledgor are the Trademarks for the "Doral" and "MeriStar" names and derivative names, all as more particularly set forth in Schedule 2.03(d) attached hereto. Such Trademarks and any other Intellectual

Property that the Secured Party reasonably believes is material to the Borrower shall be referred to herein as the "Material Intellectual Property". An executed copy of this Security Agreement shall be recorded within 90 days after the execution hereof by the United States Patent and Trademark Office pursuant to 35 U.S.C. § 261 and 15 U.S.C. § 1060 and the regulations thereunder to the extent necessary to create, preserve, perfect or validate the Security Interest created hereunder in the Trademarks listed on Schedule 2.03(d) attached hereto (to the extent perfectible by filing in the United States Patent and Trademark Office). Upon the timely filing of this Agreement in the United States Patent and Trademark Office, and upon the filing of financing statements showing the Pledgor as debtor in the jurisdictions listed on Annex 2 attached hereto, this Agreement will constitute a valid and perfected Security Interest which is prior to all other Security Interests on the Trademarks that are listed on Schedule 2.03(d) attached hereto. Without limiting the provisions of the foregoing paragraph (c), an executed copy of a security document satisfactory to the Secured Party shall be recorded within one month after the determination by the Secured Party that any other now or hereinafter acquired Intellectual Property registered in the United States Patent and Trademark Office or United States Copyright Office is Material Intellectual Property, as applicable, by the United States Patent and Trademark Office or United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other Intellectual Property Jurisdiction, to create, preserve, perfect or validate the Security Interest created hereunder or to enable the Secured Party to have a valid, first priority and perfected Security Interest in the Material Intellectual Property in each applicable Intellectual Property Jurisdiction and to exercise and enforce its rights hereunder with respect to such pledge and Security Interest in the Material Intellectual Property in each applicable Intellectual Property Jurisdiction.

2.04. Rights Retained by Pledgor. Notwithstanding the pledge in Section 2.01, so long as no Event of Default shall have occurred and be continuing:

- (a) except as may otherwise be provided in the Credit Agreement, the Pledgor shall be entitled to receive and retain (i) any and all dividends and other distributions paid on or in respect of the Ownership Interests Collateral and the proceeds of any sale of the Ownership Interests Collateral, (ii) all payments to Pledgor of principal and interest on loans and advances made by Pledgor, and (iii) all payments received under Permitted Property Agreements; provided, however, that any and all dividends paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Ownership Interests Collateral shall, if received by the Pledgor, be received in trust for the benefit of the Secured Party and the Lender, be segregated from the other property or funds of the Pledgor, and be delivered to the Secured Party in the same form as so received (with any necessary endorsement or assignment); and
- (b) until such time as such voting and other consensual rights have been terminated pursuant to Section 5 hereof, the Pledgor shall be entitled to exercise any voting and

other consensual rights pertaining to the Ownership Interests Collateral for any purpose not inconsistent with the terms of this Security Agreement or the Credit Agreement; provided, however, that the Pledgor shall not exercise or shall refrain from exercising any such right if such action would or could reasonably be expected to have a materially adverse effect on the value of the Ownership Interests Collateral or any part thereof; and

- (c) at and after such time as voting and other consensual rights have been terminated pursuant to Section 5 hereof, the Pledgor shall execute and deliver (or cause to be executed and delivered) to the Secured Party all proxies and other instruments as the Secured Party may reasonably request to (i) enable the Secured Party to exercise the voting and other rights which the Pledgor is entitled to exercise pursuant to paragraph (a) of this Section 2.04, and (ii) to receive the dividends or other distributions and proceeds of sale of the Ownership Interests Collateral which the Pledgor is authorized to receive and retain pursuant to paragraph (a) of this Section 2.04.

Section 3. Pledgor's Representations and Warranties. The Pledgor represents and warrants as follows:

- (a) The Pledgor is the legal and beneficial owner of the Collateral free and clear of any Lien or option, except for (i) the security interest created by this Security Agreement and (ii) Liens permitted by the Credit Agreement, and the Pledgor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any interest in or to the Collateral.
- (b) No consent of any other Person and no authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority or regulatory body, that has not occurred, is required either (i) for the pledge by the Pledgor of the Collateral pursuant to this Security Agreement or for the execution, delivery, or performance of this Security Agreement by the Pledgor (except to the extent that financing statements or transaction statements are required under the UCC or otherwise to be filed in order to maintain a perfected security interest in the Collateral) or (ii) for the exercise by the Secured Party of the voting or other rights provided for in this Security Agreement or the remedies in respect of the Ownership Interests Collateral pursuant to this Security Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).
- (c) To the Pledgor's actual knowledge no Intellectual Property infringes the intellectual property rights of any other Person. No action or proceeding is pending, or, to the knowledge of Pledgor, threatened, on the date hereof seeking to limit, cancel or question the validity of any Intellectual Property.

Section 4. Pledgor's Covenants.

- 4.01. Transfer, Other Liens, and Additional Shares. The Pledgor agrees that it will not
- (a) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral

except for Asset Dispositions permitted by the Credit Agreement or (b) create or permit to exist any Lien upon or with respect to any of the Collateral, except for the security interest under this Security Agreement and Liens permitted by the Credit Agreement. The Pledgor agrees that it will (a) unless otherwise permitted by the Credit Agreement cause each issuer (except for Unconsolidated Entities) of the Ownership Interests Collateral not to issue any membership or partnership interests or any capital stock or other equity securities in addition to or in substitution for the Ownership Interests Collateral issued by such issuer, except to the Pledgor and (b) pledged hereunder, immediately upon its acquisition (directly or indirectly) or receipt thereof, any additional membership or partnership interests or shares of capital stock or other equity securities of an issuer of the Ownership Interests Collateral.

Section 5. Remedies upon Default. If any Event of Default shall have occurred and be continuing:

5.01. UCC Remedies. To the extent permitted by law, the Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for in this Security Agreement or otherwise available to it, all the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral).

5.02. Dividends and Other Rights.

- (a) All rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 2.04(b) may be exercised by the Secured Party if Secured Party so elects and gives written notice of such election to the Pledgor and all rights of the Pledgor to receive the dividends and other distributions on or in respect of the Ownership Interests Collateral and the proceeds of sale of the Ownership Interests Collateral and principal and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 2.04(a) shall cease.
- (b) All dividends and other distributions on or in respect of the Ownership Interests Collateral and the proceeds of sale of the Collateral and interest and principal payments which are received by the Pledgor shall be received in trust for the benefit of the Secured Party, shall be segregated from other funds of the Pledgor, and shall be promptly paid over to the Secured Party as Collateral in the same form as so received (with any necessary endorsement).

5.03. Sale of Collateral. The Secured Party may upon five days prior written notice to the Pledgor sell all or part of the Collateral at public or private sale, at any of the Secured Party's offices or elsewhere, for cash, on credit, or for future delivery, and upon such other terms as are commercially reasonable. The Secured Party shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time-to-time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

5.04. Exempt Sale. If, in the opinion of the Secured Party, there is any question that a public or semi-public sale or distribution of any Ownership Interests Collateral will violate any state or federal securities law, Secured Party in its discretion (a) may offer and sell securities privately to purchasers who will agree to take them for investment purposes and not with a view to distribution and who will agree to imposition of restrictive legends on the certificates representing the security, or (b) may sell such securities in an intrastate offering under Section 3(a)(11) of the Securities Act of 1933, as amended, and no sale so made in good faith by Secured Party shall be deemed to be not "commercially reasonable" solely because so made. Pledgor shall cooperate fully with Secured Party in all reasonable respects in selling or realizing upon all or any part of the Ownership Interests Collateral.

5.05. Application of Collateral. Any cash held by the Secured Party as Collateral and all cash proceeds received by the Secured Party from the sale of, collection of, or other realization of any part of the Collateral may, in the discretion of the Secured Party, be held by the Secured Party as Collateral or applied by the Secured Party against part of the Secured Obligations in the following order:

first, to payment of the reasonable expenses of such sale or other realization, including reasonable compensation to the Secured Party and its agents and counsel, and all reasonable expenses, liabilities and advances incurred or made by the Secured Party in connection therewith, and to the ratable payment of any other unreimbursed reasonable expenses for which the Secured Party or any Lender is to be reimbursed pursuant to the Credit Agreement, any Interest Rate Agreement with any Lender or any Affiliate thereof or any other Credit Document;

second, to the ratable payment of accrued but unpaid interest on the Advances owing under the Credit Agreement and the Notes;

third, to the ratable payment of accrued but unpaid agent's fees, commitment fees, letter of credit fees and other fees owing to the Secured Party, the Issuing Banks and the Banks in respect of the Advances and Letters of Credit under the Credit Agreement and the Notes; and

fourth, to the ratable payment of all other Secured Obligations owing to the Secured Party and the Lenders.

Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be promptly paid over to the Pledgor or to whoever may be lawfully entitled to receive such surplus.

Section 6. Secured Party as Agent for Pledgor.

6.01. Secured Party Appointed Attorney-in-Fact. The Pledgor hereby irrevocably appoints the Secured Party the Pledgor's attorney-in-fact, with full authority to, after the occurrence of and during the continuance of an Event of Default, act for the Pledgor and in the name of the Pledgor, and, in the Secured Party's discretion, subject to the Pledgor's revocable rights specified in Section 2.04, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation, to receive, indorse, and collect all instruments made payable to the Pledgor representing any dividend, or the proceeds of the sale of the Collateral, or other distribution in respect of the Collateral and to give full discharge for the same.

6.02. Secured Party May Perform. If the Pledgor fails to perform any covenant contained herein, the Secured Party may, after sending written notice thereof to Pledgor and allowing ten (10) days to perform same, itself perform, or cause performance of, such covenant. Pledgor shall pay for the reasonable expenses and out-of-pocket costs of the Secured Party incurred or paid in connection therewith in accordance with Section 7.04.

6.03. Secured Party's Duties. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall have no responsibility for or duty (a) as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Secured Party or any other Lender has or is deemed to have knowledge of such matters, or (b) as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral.

Section 7. Miscellaneous.

7.01. Amendments/Accession Agreement No amendment or waiver of any provision of this Security Agreement nor consent to any departure by the Pledgor herefrom shall be effective unless made in writing and signed by the Secured Party and the Pledgor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Notwithstanding the foregoing, in the event that any Subsidiary or Affiliate of the Borrower hereafter is required in accordance with the terms of the Credit Agreement or otherwise agrees to become a Pledgor under this Security Agreement, then such Subsidiary or Affiliate may become a party to this Security Agreement by executing an Accession Agreement ("Accession Agreement") in the form attached hereto as Annex 1 and each Pledgor and the Secured Party hereby agrees that upon such Subsidiary's or Affiliate's execution of such Accession Agreement, this Security Agreement shall be deemed to have been amended to make such Person a Pledgor hereunder for all purposes and a party hereto and no signature is required on behalf of the other Pledgors or the Secured Party or any of the Lenders to make such an amendment to this Agreement effective.

7.02. Addresses for Notices. All notices and other communications provided for hereunder shall be in the manner and to the addresses set forth in the Credit Agreement.

7.03. Continuing Security Interest; Transfer of Interest. This Security Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the payment in full and termination of the Secured Obligations, (b) be binding upon the Pledgor, its successors, and assigns, and (c) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of and be binding upon, the Secured Party and the Lenders and their respective successors, transferees, and assigns. Without limiting the generality of the foregoing clause, when the Secured Party or any Lender assigns or otherwise transfers any interest held by it under the Credit Agreement or other Credit Document to any other Person pursuant to the terms of the Credit Agreement or other Credit Document, that other Person shall thereupon become vested with all the benefits held by the Secured Party or such Lender under this Security Agreement. Upon the payment in full and termination of the Secured Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to the Pledgor to the extent such Collateral shall not have been sold or otherwise applied pursuant to the terms hereof. Upon any such termination, the Secured Party will, at the Pledgor's expense, deliver all Collateral to the Pledgor, execute and deliver to the Pledgor such documents as the Pledgor shall reasonably request and take any other actions reasonably requested to evidence or effect such termination.

7.04. Expenses. The Pledgor will upon demand pay to the Secured Party for its benefit and the benefit of the Lenders the amount of any and all expenses, including the reasonable legal fees and expenses, which the Secured Party and the Lenders may incur in connection with (i) the enforcement of this Security Agreement, (ii) the custody or preservation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party or the Lenders hereunder or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

7.05. No Waiver; Remedies. To the fullest extent permitted under applicable law, no failure on the part of the Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided under any other Credit Document or by applicable law.

7.06. **GOVERNING LAW.** THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED, AND ANY DISPUTE BETWEEN THE PLEDGOR, THE ADMINISTRATIVE AGENT, ANY LENDER, OR ANY OTHER PARTY ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF

THE GENERAL OBLIGATIONS LAW, BUT OTHERWISE WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF NEW YORK; PROVIDED THAT THE PERFECTION OF THE LIENS OF THE ADMINISTRATIVE AGENT ON THE COLLATERAL AND THE EXERCISE OF REMEDIES AGAINST THE COLLATERAL SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE APPLICABLE JURISDICTION.

Section 8. CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL.

(A) EXCLUSIVE JURISDICTION . EXCEPT AS PROVIDED IN SUBSECTION (B), EACH OF THE PARTIES HERETO AGREES THAT ALL DISPUTES AMONG THEM ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED EXCLUSIVELY BY STATE OR FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK, BUT THE PARTIES HERETO ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK, NEW YORK. EACH OF THE PARTIES HERETO WAIVES IN ALL DISPUTES BROUGHT PURSUANT TO THIS SUBSECTION (A) ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(B) OTHER JURISDICTIONS . THE PLEDGOR AGREES THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY INDEMNITEE SHALL HAVE THE RIGHT TO PROCEED AGAINST THE PLEDGOR OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO (1) OBTAIN PERSONAL JURISDICTION OVER THE PLEDGOR OR (2) ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON. THE PLEDGOR AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY SUCH PERSON TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SUCH PERSON. THE PLEDGOR WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS SUBSECTION (B).

(C) SERVICE OF PROCESS . THE PLEDGOR WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY WRITS, PROCESS OR SUMMONSES IN ANY SUIT, ACTION OR PROCEEDING BY THE MAILING THEREOF BY ANY THE ADMINISTRATIVE AGENT OR THE LENDERS BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PLEDGOR ADDRESSED AS PROVIDED HEREIN. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF THE ADMINISTRATIVE AGENT OR THE LENDERS TO SERVE ANY SUCH WRITS, PROCESS OR SUMMONSES IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW THE PLEDGOR IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON

CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith IN ANY JURISDICTION SET FORTH ABOVE.

(D) WAIVER OF JURY TRIAL . EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(E) ADVICE OF COUNSEL . EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 8, WITH ITS COUNSEL.

MERISTAR H & R OPERATING COMPANY, L.P.

By: MeriStar Hotels & Resorts, Inc., its general partner

By: John Emery
Name: John Emery
Title: Treasurer

~~STATE OF~~ District §
COUNTY OF of Columbia §§

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR HOTELS & RESORTS, INC., a Delaware corporation, general partner of MERISTAR H&R OPERATING COMPANY, L.P., a Delaware limited partnership on behalf of said corporation and limited partnership.

Kara A. H. Amato
Name: Kara A. H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

MERISTAR HOTELS & RESORTS, INC.

By: [Signature]
Name: John Emery
Title: Treasurer

STATE OF District §
COUNTY OF of Columbia §

The foregoing instrument was acknowledged before me this 15th day of March 2000, by John Emery the Treasurer of MERISTAR HOTELS & RESORTS, INC., a Delaware corporation, on behalf of said corporation.

Kara A.H. Amato
Name: Kara A.H. Amato
Notary Public in and for the
State of District of
Columbia

My Commission Expires April 14, 2003

**MERISTAR MANAGEMENT COMPANY, L.L.C.,
MERISTAR AGH COMPANY, L.L.C.
CAPSTAR WINSTON COMPANY, L.L.C.
CAPSTAR BK COMPANY, L.L.C.
CAPSTAR KCII COMPANY, L.L.C.
CAPSTAR ST. LOUIS COMPANY, L.L.C.
MERISTAR LAUNDRY, LLC
MERISTAR PRESTON CENTER, L.L.C.
MERISTAR PINK SHELL, L.L.C.**


By: MeriStar H & R Operating Company, L.P.
their managing member

By: MeriStar Hotels & Resorts, Inc. its general
partner

By:

Name:

Title:


John Emery
Treasurer

AGH LEASING, L.P.

By: MeriStar AGH Company, L.L.C., its general partner

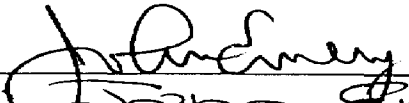
By: MeriStar H & R Operating Company, L.P.
its sole member

By: MeriStar Hotels & Resorts, Inc., its
general partner

By:

Name:

Title:


John Emery
Treasurer

TWIN TOWERS LEASING, L.P.

By: AGH LEASING, L.P., its general partner

By: MeriStar AGH Company, L.L.C., its general partner

By: MeriStar H & R Operating Company, L.P.,
its sole member

By: MeriStar Hotels & Resorts, Inc., its
general partner

By: [Signature]
Name: John Emery
Title: Treasurer

CAPSTAR WYANDOTTE COMPANY, L.L.C.

By: CapStar KCII Company, L.L.C., its sole member

By: MeriStar H & R Operating Company, L.P.,
its managing member

By: MeriStar Hotels & Resorts, Inc., its
general partner

By: [Signature]
Name: John Emery
Title: Treasurer

STATE OF District of §
Columbia §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR HOTELS & RESORTS, INC., a Delaware corporation, general partner of MERISTAR H&R OPERATING COMPANY, L.P., a Delaware limited partnership, on behalf of said corporation and limited partnership in their respective capacities.

Kara A. H. Amato
Name: Kara A.H. Amato
Notary Public in and for the
State of District of
Columbia

My Commission Expires April 14, 2003

MERISTAR MANAGEMENT (CANMORE) LTD.

By: _____
Name: John Emery
Title: Treasurer

STATE OF District of §
Columbia §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR MANAGEMENT (CANMORE) LTD., on behalf of said entity.

Karla G. H. Amato
Name: Karla G. H. Amato
Notary Public in and for the
State of District of
Columbia

My Commission Expires April 14, 2003

MERISTAR MANAGEMENT (VANCOUVER METROTOWN) LTD.

By: [Signature]
Name: John Emery
Title: Treasurer

STATE OF District of Columbia
COUNTY OF _____

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of **MERISTAR MANAGEMENT (VANCOUVER METROTOWN) LTD.**, on behalf of said entity.

[Signature]
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

**MERISTAR SOUTH SEAS PARTNERSHIP,
LIMITED PARTNERSHIP**

By: MeriStar South Seas, Inc., its general partner

By: [Signature]
Name: John Emery
Title: Treasurer

STATE OF District §
 of Columbia §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR SOUTH SEAS, INC., general partner of MERISTAR SOUTH SEAS PARTNERSHIP, LIMITED PARTNERSHIP., on behalf of said corporation and limited partnership.

[Signature]
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

[SIGNATURE PAGE OF SECURITY AGREEMENT]

MERISTAR SOUTH SEAS, INC.

By: [Signature]
Name: John Emery
Title: Treasurer

STATE OF District §
of Columbia §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this 1st day of March, 2000, by John Emery the Treasurer of MERISTAR SOUTH SEAS, INC., on behalf of said corporation.

Kara A.H. Amato
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

MERISTAR PALMAS CORP.

By: [Signature]
Name: John Emery
Title: Treasurer

DISTRICT OF COLUMBIA

STATE OF _____

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR PALMAS CORP., on behalf of said corporation.

Kara A.H. Amato
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

MERISTAR PALMAS LP, CORP.

By: John Emery
Name: John Emery
Title: Treasurer

DISTRICT OF COLUMBIA

STATE OF _____

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me this 1st day of March 2000, by John Emery the Treasurer of MERISTAR PALMAS LP, CORP., on behalf of said corporation.

Kara A.H. Amato
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

MERISTAR PALMAS, L.P., S en C., (S.E.)

By: MeriStar Palmas Corp., its general partner

By: MeriStar Hotels & Resorts, Inc., its sole shareholder

By: [Signature]
Name: John Emery
Title: Treasurer

~~STATE OF~~ District §
~~COUNTY OF~~ Columbia §

The foregoing instrument was acknowledged before me this 1st day of March, 2000, by John Emery the Treasurer of MERISTAR HOTELS & RESORTS, INC., a Delaware corporation, sole shareholder of MERISTAR PALMAS CORP., general partner of MERISTAR PALMAS, L.P., S en C., (S.E.), on behalf of said corporation and limited partnership.

[Signature]
Name: Kara A.H. Amato
Notary Public in and for the
State of District of Columbia

My Commission Expires April 14, 2003

The Trademarks in which Pledgor grants an interest are as follows:

Trademark/Service Mark	Serial Number	Filing Date	Registration Number	Registration Date	Owner/ Registrant
MERISTAR ¹	75/471,632	04/21/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR HOTELS	75/471,494	04/21/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR RESORTS	75/471,633	04/21/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR HOTELS & RESORTS	75/471,493	04/21/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR HOSPITALITY	75/471,643	04/21/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR DESIGN (Horizontal)	75/498,466	06/09/98	pending		MeriStar Hotels & Resorts, Inc.
MERISTAR DESIGN (Vertical)	75/498,521	06/09/98	pending		MeriStar Hotels & Resorts, Inc.
Design	75/498,522	6/9/98	pending		MeriStar Hotels & Resorts, Inc.
DORAL		9/24/84	1,338,517	05/28/85	MeriStar H&R Operating Co., L.P.
DORAL		3/1/89	1,609,083	08/07/90	MeriStar H&R Operating Co., L.P.
DORAL		9/11/89	1,622,850	11/30/90	MeriStar H&R Operating Co., L.P.
DORAL		11/7/89	1,666,936	12/03/91	MeriStar H&R Operating Co., L.P.
DORAL TUSCANY		7/23/96	2,067,284	06/03/97	MeriStar H&R Operating Co., L.P.
DORAL COURT		7/23/96	2,069,842	06/10/97	MeriStar H&R Operating Co., L.P.
DORAL INN		7/23/96	2,069,843	06/10/97	MeriStar H&R Operating Co., L.P.
DORAL PARK AVENUE		7/23/96	2,069,844	06/10/97	MeriStar H&R Operating Co., L.P.

¹ All of the Meristar trademarks were filed on an intent-to-use basis. Thus, Statements of Use will need to be filed following registration.

ANNEX 1
Security Agreement

ACCESSION AGREEMENT

_____[NAME OF ENTITY], a [limited partnership/corporation] (the "Company"), hereby agrees with (i) SOCIÉTÉ GÉNÉRALE, SOUTHWEST AGENCY, as Arranger and Administrative Agent (the "Administrative Agent") under the Senior Secured Credit Agreement dated as of _____, 2000 (as amended or modified from time to time, the "Credit Agreement") among MERISTAR H & R OPERATING COMPANY, L.P., a Delaware limited partnership, as the Borrower, Administrative Agent and the Lenders; (ii) the parties to the Environmental Indemnification Agreement (the "Environmental Indemnity") dated as of _____, 2000 executed in connection with the Credit Agreement, (iii) the parties to the Guaranty and Contribution Agreement (the "Guaranty") dated as of _____, 2000 executed in connection with the Credit Agreement, and (iv) the parties to the Security Agreement (the "Security Agreement") dated as of _____, 2000 executed in connection with the Credit Agreement, as follows:

The Company hereby agrees and confirms that, as of the date hereof, it (a) intends to be a party to the Environmental Indemnity, the Guaranty and the Security Agreement and undertakes to perform all the obligations expressed therein, respectively, of an Indemnitor, a Guarantor and a Debtor (as defined in the Environmental Indemnity, the Guaranty and the Security Agreement, respectively), (b) agrees to be bound by all of the provisions of the Environmental Indemnity, the Guaranty and the Security Agreement as if it had been an original party to such agreements, (c) confirms that the representations and warranties set forth in the Environmental Indemnity, the Guaranty and the Security Agreement, respectively, with respect to the Company, a party thereto, are true and correct in all material respects as of the date of this Accession Agreement and (d) has received and reviewed copies of each of the Environmental Indemnity, the Guaranty and the Security Agreement.

For purposes of notices under the Environmental Indemnity, the Guaranty and the Security Agreement the address for the Company is as follows:

Attention: _____
Telephone: _____
Telecopy: _____

This Accession Agreement shall be governed by and construed in accordance with the laws of the State of New York

IN WITNESS WHEREOF this Accession Agreement was executed and delivered as of the ___ day of _____, 20__.

[NAME OF ENTITY]

By: _____
Title: _____

ANNEX 2

UCC Filing Jurisdictions

1. District of Columbia Filing Office:

Office of Recorder of Deeds

COLEMJ078305008675
HOUSTON1073288.6