

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Beach Hotel Associates LLC		10/20/2006	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	Wachovia Bank		
Street Address:	301 South College Street, NC0172		
City:	Charlotte		
State/Country:	NORTH CAROLINA		
Postal Code:	28288		
Entity Type:	National Association: NORTH CAROLINA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2115849	DELANO	
CORRESPONDENCE DATA			
Fax Number:	(704)444-1111		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Phone:	704 444 1000		
Email:	marie.poveromo@alston.com		
Correspondent Name:	Brian M. Davis		
Address Line 1:	101 South Tryon Street, Suite 4000		
Address Line 2:	Bank of America Plaza		
Address Line 4:	Charlotte, NORTH CAROLINA 28208-4000		
NAME OF SUBMITTER:	Brian M. Davis		
Signature:	/Brian M. Davis/		
Date:	10/26/2006		

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REEL: 003416 FRAME: 0591

Total Attachments: 5

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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT is dated as of October 20, 2006 (this "Agreement") from BEACH HOTEL ASSOCIATES LLC, a Delaware limited liability company (the "Grantor") in favor of WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent (the "Secured Party").

WHEREAS, pursuant to that certain Credit Agreement dated as of October 6, 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Morgans Group LLC (the "Borrower"), Grantor, Morgans Hotel Group Co., the financial institutions from time to time party thereto as "Lenders" and the Secured Party, the Lenders and the Secured Party have agreed to make available to the Borrower certain financial accommodations on the terms and conditions contained in the Credit Agreement;

WHEREAS, the Borrower and Grantor, though separate legal entities, are mutually dependent on each other in the conduct of their respective businesses and have determined it to be in their mutual best interests to obtain financing from the Lenders and the Secured Party through their collective efforts;

WHEREAS, Grantor acknowledges that it will receive direct and indirect benefits from the Lenders and the Secured Party making such financial accommodations available to the Borrower under the Credit Agreement; and

WHEREAS, it is a condition precedent to the extension of such financial accommodations under the Credit Agreement that the Grantor execute and deliver this Agreement, among other things, to grant to the Secured Party for the benefit of the Lenders a security interest in the Collateral as security for the Secured Obligations.

WHEREAS, all Grantor is party to a Security Agreement dated as of October 6, 2006, in favor of the Secured Party (the "Security Agreement") pursuant to which the Grantor is required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Grantor, the Grantor hereby agrees as follows:

Section 1. Defined Terms. Unless otherwise defined herein, terms defined in the Security Agreement and used herein have the respective meanings given them in the Security Agreement.

Section 2. Grants of Security Interests in Collateral. Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of Grantor, hereby mortgages, pledges and hypothecates to the Secured Party for the benefit of the Lenders, and grants to the Secured

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Party for the benefit of the Lenders a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral (the "Trademark Collateral");

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;

(b) all goodwill of the business connected with the use of, and symbolized by, each Trademark; and

(c) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

Section 3. Security Agreement. The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Secured Party pursuant to the Security Agreement and Grantor hereby acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[Signatures on Following Page]

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BEACH HOTEL ASSOCIATES LLC

By: Morgans Group LLC, its Managing Member

By: Morgans Hotel Group Co., its Managing Member

By: 

Name: MARC GORDON

Title: Authorized Signatory

Agreed and accepted as of the date first written above:

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By: _____

Name: _____

Title: _____

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IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BEACH HOTEL ASSOCIATES LLC

By: Morgans Group LLC, its Managing Member

By: Morgans Hotel Group Co., its Managing Member

By: _____

Name: _____

Title: _____

Agreed and accepted as of the date first written above:

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent

By:  _____

Name: Dean R. Whitehill

Title: Vice President

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SCHEDULE I
TO
TRADEMARK SECURITY AGREEMENT

Trademark Registrations
(Include Only U.S. Registered Intellectual Property)

REGISTERED TRADEMARKS:

<u>TRADEMARK</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>	<u>CLASS(ES)</u>
DELANO	2115849	November 25, 1997	42, 25

TRADEMARK APPLICATIONS:

None.

TRADEMARK LICENSES:

None.

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