

**EXTENDED STAY LODGING ASSOCIATION CORPORATION**

**WRITTEN CONSENT IN LIEU OF FIRST MEETING  
OF THE  
BOARD OF DIRECTORS**

In lieu of a special meeting of the members of the Board of Directors (the "Board") of Extended Stay Lodging Association Corporation, a North Carolina nonprofit corporation (the "Corporation"), the undersigned, being the members of the Board, hereby accept, consent to the adoption of, and hereby adopt, the following resolutions:

1. Approval of Bylaws

RESOLVED, that the Bylaws of the Corporation, attached as **Exhibit A**, which have been presented to and reviewed by the Board, be, and they hereby are, adopted and approved as the Bylaws of the Corporation, and a copy thereof shall be inserted into the minute book of the Corporation.

2. Election of Officers

RESOLVED, that the following persons be, and they hereby are, elected to the offices set forth opposite their names below, each to hold said office at the pleasure of the Board until the next annual election of officers by the Board or until his or her earlier resignation or removal:

Chairperson of the Board	Douglas E. Artusio
Secretary	Simon Mendy
Treasurer	Carl Hren _____

3. Adoption of Fiscal and Taxable Year

RESOLVED, that the fiscal and taxable year of the Corporation shall begin January 1 and end December 31.

4. Authorization for Opening Bank Accounts

RESOLVED, that the Corporation establish such banking arrangements as from time to time become necessary, desirable or appropriate, including arrangements with respect to establishing and maintaining checking accounts, and that the signatures of the Chairperson of the Board or Secretary at the bottom of the form of certificate of resolution(s) customarily required by any such banking institution authorizing such arrangements shall constitute and be construed as a unanimous written consent to the adoption of such resolution(s) by the Board and that the Secretary of the Corporation is hereby authorized to certify to such resolution(s) so signed by all directors of the Corporation in such form as said banking institution may customarily require, and such

resolution(s) so certified shall be deemed to be copied in the minute book as if set forth therein in full.

FURTHER RESOLVED, that the signatures of all directors of the Corporation at the bottom of the form of certificate of resolution(s) customarily required by such lenders authorizing such borrowing shall constitute and be construed as a unanimous written consent to the adoption of such resolution(s) by the Board, and that the Secretary of the Corporation is hereby authorized to certify to such resolution(s) so signed by all the directors of the Corporation in such form as said lender may customarily require, and such resolution(s) so certified shall be deemed to be copied in the minute book as if set forth therein in full.

5. Conflict of Interest Policy

RESOLVED, that the Conflict of Interest Policy attached hereto as **Exhibit B**, having been presented to and considered by the undersigned is hereby adopted as the Conflict of Interest Policy of the Corporation and the Secretary of the Corporation is further ordered to insert the policy in the corporate records book of the Corporation.

6. Organizational Expenses

RESOLVED, that the officers of the Corporation be, and hereby are, authorized and directed to pay all charges and expenses incident to and necessary for the organization of the Corporation and to reimburse any person who has made any disbursement therefor.

7. Further Authorization for Organization

RESOLVED, that the appropriate officers of the Corporation be, and they hereby are, authorized, empowered, and directed to take all necessary or appropriate action, including the expenditure of funds, in order to fully and expeditiously complete the organization of the Corporation.

8. Licenses, Permits and Exemptions.

RESOLVED, that the officers of the Corporation are authorized and directed to obtain in the name of the Corporation such licenses, permits and exemptions (including, without limitation, recognition of tax exemption status under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, and to register or become licensed to solicit funds with local and/or state regulatory agencies, as applicable) as may be necessary or desirable for the conduct of the business of the Corporation by any federal, state, county or municipal governmental statute, ordinance or regulation, and to do all things necessary or convenient to qualify the Corporation to transact its business in compliance with the laws and regulations of any appropriate federal, state or municipal government.

9. Directors' Liability Insurance.

RESOLVED, that the Corporation may insure the members of its Board against personal liability for errors and omissions when acting in said capacity, such insurance to be on such terms and provisions and in an amount deemed by the Chairperson of the Board of the Corporation, in his or her sole discretion, to be reasonable and appropriate.

10. General Authority

RESOLVED, that the officers of the Corporation be and are hereby authorized, directed and empowered to take such action and execute such documents in the name of and on behalf of the Corporation as such officers, in their respective sole discretion, shall deem reasonable, necessary and appropriate to effect the purposes of these resolutions.

11. Ratification of Past Acts

RESOLVED, all actions and undertakings of the organizer, directors and officers of the Corporation carried out prior to the execution of this Written Consent are hereby fully ratified and approved as the valid and authorized acts of the Corporation with the same force and effect as if such acts had been undertaken following the execution hereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Each of the undersigned, by affixing his or her signature hereto, do hereby consent to, authorize and approve the foregoing resolutions, which may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same document, and in furtherance of the foregoing, it is understood that signatures hereto submitted by facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, [www.docusign.com](http://www.docusign.com)) or other transmission method shall be deemed to be, and shall constitute, original signatures.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of April \_\_, 2023.

**Board of Directors:**

\_\_\_\_\_  
Douglas E. Artusio, Director

\_\_\_\_\_  
Simon Mendy, Director

\_\_\_\_\_  
Mark Skinner, Director

\_\_\_\_\_  
Carl Hren, Director

\_\_\_\_\_  
Matt McElhare, Director

\_\_\_\_\_  
Scott Stephens, Director

\_\_\_\_\_  
Glenn Bisbing, Director

\_\_\_\_\_  
Phil Hugh, Director

\_\_\_\_\_  
Kimberly Rowell, Director

\_\_\_\_\_  
Rick Colling, Director

\_\_\_\_\_  
Matt Hostetlier, Director

**Exhibit A – Bylaws**

**See Attached.**

**Exhibit B – Conflict of Interest Policy**

**See Attached.**

**EXTENDED STAY LODGING ASSOCIATION CORPORATION**  
**CONFLICTS OF INTEREST AND DOCUMENTATION POLICY**

**Scope**

This Conflicts of Interest and Documentation Policy (“Policy”) applies to all directors and officers of Extended Stay Lodging Corporation Association (“Corporation”) and any other person who is in a position to exercise substantial influence over the decisions and affairs of the Corporation (collectively, “Covered Persons”).

**Purpose**

The purpose of this Policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Covered Person or might result in a possible excess benefit transaction (“Proposed Transaction”). This Policy provides procedures for identifying situations that represent potential conflicts of interest, determining whether a conflict of interest exists and if present, addressing such conflict of interest. Procedures are also provided for periodic reviews to ensure that the Corporation is being operated in a manner consistent with its tax-exempt status. This Policy supplements (but cannot replace) any applicable laws governing conflicts of interest applicable to nonprofit organizations.

**Policy**

The terms in this Policy with initial letters capitalized have the meaning set forth in the section entitled “Definitions” or the meaning as designated in places throughout this Policy.

**Duty to Disclose**

If an Interested Person has a Position or Financial Interest in any business or other entity with which the Corporation is considering entering into an arrangement or transaction, the Interested Person must disclose the existence of his or her Position or Financial Interest and all material facts related thereto to the Corporation’s Board of Directors (“Board”) or Executive Committee (if such committee exists) as soon as the Interested Person has knowledge of the potential arrangement or transaction, and whenever requested by the Board or the Executive Committee.

**Determining Whether a Conflict of Interest Exists**

After disclosure of a Position or a Financial Interest by an Interested Person, and after any discussion with the Interested Person, the Interested Person (including those Interested Persons who are members of the Board or the Executive Committee) will leave the Board or Executive Committee meeting while the determination of whether a conflict of interest exists in connection with the Proposed Transaction is discussed by the Board or the Executive Committee and voted upon. A Position or a Financial Interest will be considered a conflict of interest only if the Board or the Executive Committee makes such determination. An Interested Person is considered to have a conflict of interest with respect to his or her Compensation if the person receives Compensation from the Corporation and the person’s Compensation is being discussed or reviewed by the Board or any committee thereof.

### **Procedures for Addressing the Conflict of Interest**

- Before any discussion and vote on whether a conflict of interest exists, an Interested Person may make a presentation to the Board or the Executive Committee regarding the Interested Person's Position or Financial Interest. After such presentation, the Interested Person will leave the meeting during the discussion of, and the vote on, the Proposed Transaction.
- The Board or the Executive Committee will undertake appropriate due diligence and inform itself of all material information reasonably available to it and explore all reasonable alternatives to the Proposed Transaction that would not involve the conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or the Executive Committee will determine by a majority vote of the Disinterested Directors whether the Proposed Transaction is (i) in the Corporation's best interest, (ii) for the Corporation's own benefit, and (iii) fair and reasonable to the Corporation. In conformity with this determination, the Board or the Executive Committee will make its decision as to whether the Corporation may enter into the Proposed Transaction.

### **Quorum for Board or Executive Committee Action**

For purposes of the Board or the Executive Committee actions to be taken under these procedures, including the determination whether a conflict of interest exists, a majority of the Disinterested Directors on the Board or the Executive Committee will constitute a quorum. However, in no case will a single Disinterested Director take any such action.

### **Violations of the Conflicts of Interest Policy**

If the Board or the Executive Committee has reasonable cause to believe that a Covered Person has failed to disclose a Position or a Financial Interest, it will inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Covered Person and making such further investigation as may be warranted under the circumstances, the Board or the Executive Committee determines that the Covered Person has in fact failed to disclose a Position or a Financial Interest, the Board or the Executive Committee will take appropriate disciplinary and corrective action.

### **Documentation in Minutes**

The minutes of the Board or the Executive Committee will contain:

- With respect to the determination of whether a conflict of interest exists, the name of the Interested Person who disclosed or was otherwise found to have a Position or Financial Interest in connection with an actual or potential conflict of interest; the nature of the Position or Financial Interest; any action taken to determine whether a conflict of interest was present; and the Board or the Executive Committee's decision as to whether a conflict of interest in fact existed.



- With respect to whether or not the conflict of interest transaction is approved, the names of the persons present for the discussions and vote related to the Proposed Transaction; the content of the discussion; whether alternatives were discussed that did not involve a conflict of interest; the basis for the determination that the Proposed Transaction was (i) in the Corporation's best interest, (ii) for the Corporation's own benefit, and (iii) fair and reasonable to the Corporation; and the record of the vote taken in connection with the proceedings.

### **Annual Statements**

Each Covered Person will annually sign a statement that affirms such person:

- has received a copy of this Policy;
- has read and understands the Policy;
- has agreed to comply with the Policy; and
- understands the Corporation is exempt from federal income tax and to maintain its federal tax exemption the Corporation must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

In addition, each Covered Person will annually complete, sign and promptly return to the Board or the Executive Committee a Questionnaire and Disclosure Statement substantially in the form attached hereto. A Covered Person need not disclose Compensation paid to the Covered Person by Corporation pursuant to a resolution of the Board.

### **Periodic Reviews**

To ensure that the Corporation operates in a manner consistent with its tax-exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Board or the Executive Committee will conduct periodic reviews. The periodic reviews will, at a minimum, include the following subjects:

- whether the Corporation Compensation arrangements are reasonable, based on competent survey information, and are the result of arm's-length bargaining; and
- whether transactions and arrangements with other entities and individuals conform to the Corporation's policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's tax-exempt purposes and do not result in private inurement, impermissible private benefit, or in an excess benefit transaction.

### **Use of Outside Experts**

When conducting the periodic reviews provided for above, the Board or the Executive Committee should rely on appropriate outside experts such as attorneys, appraisers, or compensation or other consultants.

## Definitions

*Business Transaction:* business transactions include, but are not limited to, contracts of sale, lease, license, and performance of services whether initiated during the year or ongoing from a prior year. Business transactions also include joint ventures (new or ongoing) in which either the profits or capital interest of the Corporation and you (and/or a related person) each exceed 10%. Business transactions also include a transaction between the Corporation and a management company if you are a direct or indirect 35% owner, or an officer, director, trustee, or key employee.

*Compensation:* wages, commissions, fringe benefits, royalties, honoraria, fees, and any and all other direct or indirect remuneration, as well as gifts or favors that are substantial in nature.

*Debt Interest:* ownership of debt or debt securities owed or issued by an entity or individual, whether secured or unsecured, including without limitation:

- loans, notes, bonds, and debentures, and any other evidence of indebtedness or liability for borrowed money; and
- any rights, warrants or options, or other securities that are exercisable, exchangeable or convertible for or into any of the foregoing.

*Disinterested Director:* a director of the Corporation who is not an Interested Person.

*Equity Interest:* ownership of equity securities issued by an entity, including without limitation:

- in the case of a corporation, capital stock;
- in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock;
- in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited);
- any other interest or participation that confers the right to receive a share of the profits and losses of, or distributions of assets of, the issuing entity; and
- any rights, warrants or options, or other securities that are exercisable, exchangeable or convertible for or into any of the foregoing.

*Financial Interest:* a Covered Person has a Financial Interest with respect to a potential arrangement or transaction if the Covered Person, directly or indirectly, through business, investment or a member of his or her Immediate Family:

- has or anticipates acquiring a Debt Interest or Equity Interest with respect to any entity or individual that provides goods or services to, or has any other transaction or arrangement with the Corporation, or is negotiating such a transaction or arrangement, if such interest exceeds the lesser of (i) \$100,000 in fair market value, or (ii) 5% of the outstanding debt/debt securities owed/issued by the entity or individual, or equity securities issued by the entity, as applicable; or

- receives or anticipates receiving Compensation from the Corporation or from any entity or individual that provides goods or services to, or has any other transaction or arrangement with, the Corporation or is negotiating such a transaction or arrangement, and such Compensation, transaction or arrangement is being considered by the Board of Directors or a committee thereof.

*Immediate Family:* a Covered Person's spouse, ancestors (including parents, grandparents and great-grandparents), brothers and sisters (whether whole or half blood) and the children (natural or adopted), and grandchildren of the Covered Person, and the spouse's brothers, sisters, children and grandchildren.

*Interested Person:* a Covered Person who holds a Position or a Financial Interest. If a Covered Person is an Interested Person with respect to any of the Corporation's affiliates, he or she is an Interested Person with respect to the Corporation and all of such affiliates.

*Position:* a Covered Person holds a Position if the Covered Person or a member of his or her Immediate Family is or anticipates becoming a director, trustee, officer, employee, or agent of, a consultant or advisor to, or the holder of any other position with, any entity or individual that provides goods or services to, or has any other transaction or arrangement with the Corporation or is negotiating such a transaction or arrangement.

*Related Person:* a Family Member or an entity that is 35% controlled by you and your Family Members. A Related Person also includes an entity (other than a tax-exempt entity under Section 501(c)) of which you were serving, at the time of the transaction, as an officer, director, trustee, key employee, partner/member with an ownership interest of more than 5% if the entity is taxable as a partnership, or a shareholder with an ownership interest of more than 5% if the entity is a professional corporation.

*Related Organization:* a Related Organization means an organization that is a parent entity, subsidiary, commonly controlled, supporting organization, or supported organization of the Corporation.

## Conflicts of Interest Annual Statement

TO: Board of Directors of Extended Stay Lodging Association Corporation:

This annual statement is made pursuant to the Conflicts of Interest Policy of Extended Stay Lodging Association Corporation (the "Corporation"), a North Carolina nonprofit corporation. The undersigned is a director and/or officer of the Corporation.

To the best of the undersigned's knowledge, the following is a complete list of all Financial Interests (as defined in the Corporation's Conflict of Interest Policy (the "Policy")), existing or likely to arise, in which the undersigned is a Covered Person (as defined in the Policy):

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The undersigned affirms that [he/she]:

1. has received a copy of the Policy,
2. has read and understands the Policy,
3. has agreed to comply with the Policy, and
4. understands the Corporation is exempt from federal income tax and to maintain its federal tax exemption the Corporation must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Dated: \_\_\_\_\_

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[Name of Signatory]