

Arrowwood International Vacation Club, Inc.

3650 Cadbury Circle

Venice, FL 34293

941/408-0678

FAX 941/408-9290

CELL 941/586-7312

e-mail WmRMartin@aol.com

A non profit vacation/timeshare club dedicated to the highest moral and ethical standards

William R. Martin, Chairman

January 28, 2000

Secretary of State

Box 6327

Tallahassee, FL 32301

Sir:

Enclosed are the Articles of Incorporation for ARROWWOOD INTERNATIONAL VACATION CLUB, INC, to be formed under Chapter 617 of the Florida Statutes. Our check is enclosed for \$78.75. Please return one copy to us to notify us that it has been formed.

Very truly yours,

William R. Martin, Chairman

100003116661--3
-01/31/00--01122--016
*****78.75 *****78.75

FILED
JAN 31 AM 10:15
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

2-4-00

ARTICLES OF INCORPORATION

OF

ARROWWOOD INTERNATIONAL VACATION CLUB, INC.

ARTICLE I - NAME

The name of the corporation shall be:

ARROWWOOD INTERNATIONAL VACATION CLUB, INC.

ARTICLE II - PURPOSES OF THE CORPORATION

The purposes for which this corporation is formed, are exclusively for the purpose of allowing members to pool their timeshare interests and to have access to all timeshares, on a non-profit basis, and the business and the objects to be carried on and promoted by it, are as follows:

- (A) To permit any person without regard to race, creed, color or national origin to join the Arrowwood International Vacation Club and transfer his/her ownership either by deed, stock certificate, or by whatever means are recognized in the State or Country where said timeshare is located and to receive a certificate entitling him/her to points which will allow the holder of the certificate to use said points at any of the timeshares of the Club or at an extra expense to make use of any of the recognized exchange companies.
- (B) The founding members of the Club, as determined by the By-laws shall have up to three years to terminate their membership and to receive the title or other record of ownership back without charge except for any costs in filing papers and upon the surrender of the Certificate given by the Club.
- (C) To permit Club Members to have a greater variety of resorts to choose from wherever they wish.
- (D) To acquire by gift or purchase, hold, sell, convey, assign, mortgage, or lease any property, real or personal, necessary or incident to the provision of vacation housing, timeshare, cruise shares and housing and related facilities and services for vacationing persons and families. This includes the right to acquire and develop new timeshare developments on a strictly non-profit basis.
- (E) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; and to secure loans by mortgage, pledge, deed or trust, or other lien.
- (F) To engage in any kind of activity, and to enter into, perform and carry out contracts of any kind, necessary or in connection with, or incidental to the accomplishment of any one or more of the non-profit purposes of the corporation.
- (G) To conduct educational or scientific research on a non-profit basis and to cooperate with foundations, educational institutions, and research centers in promoting same, with the aim of increasing the public knowledge and enhancing life in our society.
- (H) To foster and encourage family life by encouraging regular vacations at the most reasonable costs to its members and to enhance the moral values of family life.
- (I) To establish a standard set of relative values for all existing timeshares by using a point system so that trades are more equal than they are under the existing exchange companies such as RCI and II. To this end, the Club shall begin by using the corporate point system of the Sunterra Club, a Florida

FILED
00 JAN 31 AM 10:15
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Corporation, and shall modify the points from other existing chains to make them as nearly equal as possible. The initial Board shall set the initial points for clubs such as Fairfield so as to make them as nearly equal in value as the others. Other clubs will also be assigned points. The point value may be challenged in accordance with the by-laws. However, once points are issued, no one shall have his/her points lowered except when a temporary certificate is issued because the Club has not been able to determine the fair number of points to be assigned to it. The Club has the power to refuse to accept into the Club any facility which it feels fails to meet its standards or is not a member of one of the large existing chains such as Marriott, Sunterra, Hilton, Fairfield, American Resorts, Peppertree and similar developers where the point system will work and can be exchanged with reasonable ease to prime weeks.

- (J) To provide education services to its members regarding the industry and to attempt to stabilize values of existing timeshares. It is the intent of the Club to achieve a value of not less than \$1.00 for each point. To this end, the Club may buy certain properties as distress sales.
- (K) To provide for various types of memberships to fit the needs of as many timeshare owners as possible as well as professionals in the field.
- (L) The corporation is not formed for pecuniary or financial gain, and no part of the assets, income, or profit of the Corporation is attributable to, or inures to the benefit of its Directors except reasonable compensation for services actually rendered by an officer. All officers shall be employees of the corporation and shall receive a minimum of One Dollar. No corporate officer shall receive any more until the first elected Board meets to determine reasonable salaries and may in its discretion set salaries retroactively based on performance. Board members shall be entitled to reasonable actual out of pocket expenses. If possible no board member or employee shall write any checks or make any payments to himself of any entity in which s/he has a financial interest. If persons are active members of the Board, the Board may decide to reimburse their medical expenses subject to certain limits as determined by the Board. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation except pertaining to timeshare and related matters and then only to the extent permitted by law, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- (M): If at all possible the corporation shall attempt to qualify for 501-c-3 status but in any event the best tax status possible as a not for profit corporation. Notwithstanding other provisions herein, the charter may be changed at the request or demand of the IRS in order to qualify for 501-c-3 status.
- (N) To provide charitable services and to assist members who may be in need and to donate any excess weeks to established 501-c-3 corporations for the benefit of persons otherwise unable to afford such in the discretion of the Board of Directors.

ARTICLE III - MEMBERSHIP

- (A): The Board of Directors shall establish in the By-Laws the types of memberships and the fees associated therewith. As a minimum there shall be founding members which shall consist of those who join the club and deposit their weeks within a time frame as set by the Board. The Board may according to the By-laws award extra points for these members.
- (B): Regular members shall deposit their weeks by virtue of transferring ownership to the Club (due to contractual relationships the Club may hold certain titles in the name of a trust provided such trustees are bonded) in order to afford its members the right to use other clubs without paying additional fees. For example, the Club has made arrangements for all Sunterra properties to become members of the point system without additional charge and these properties will be held in trust by the Living Trust FBO William and Alice Martin dated 12-23-92 under a contractual arrangement.
- (C): Corporate members who agree to accept the highest standards in the industry as determined by the board may become a member by the payment of a membership founding fee and annual dues as established by the Board.
- (D): All members shall have the number of votes, as they have been transferred points. For example, if a

particular property is worth 7,000 points under the existing Sunterra guidelines, that member shall have 7,000 votes for that property. Members may buy additional points as determined by the Board of Directors. The applying member shall furnish a photocopy of all materials which s/he has on the property including a deed, title policy and a certification that there are no known liens on the property. In exchange, the member shall execute a quit claim deed which will be prepared by the Club and filed by the Club and shall issue appropriate Certificates of memberships with points established. One certificate may be issued for multiple properties but they shall be so listed.

Article IV

BOARD OF DIRECTORS

- (A): Persons who are interested in the purposes of this corporation and who are qualified by training and experience to carry out its purposes, may be appointed or elected as Directors of the Corporation by the existing or sitting Board of Directors. The criteria for the selection and retention of directors of ARROWWOOD INTERNATIONAL VACATION CLUB, INC. are as follows:
- (B): Directors are chosen on the basis of willingness to give of time, talent and/or financial support to the Arrowwood International Vacation Club, Inc. and its mission as determined by the Board of Directors.
- (C): To carry out Arrowwood International Vacation Club, Inc. mission responsibly, individuals with a wide variety of interests and abilities are needed, including, but not limited to the following: finance, law, management, real estate, public relations, fund raising, insurance, construction/plant management, ownership of at least one timeshare unit church relations, medical, field of aging, community and government relations, hospitality business and teaching. Genuine commitment to this particular mission is of vital importance.
- (D): Directors need a good balance of members who are willing to participate as team members seeking consensus as opposed to fostering a climate of dissension; and who are willing to serve on various committees and where necessary to assume leadership roles.
- (E): Directors are expected to attend Board and committee meetings; members who fail to attend three consecutive board meetings without an excused absence will be dropped from the Board.
- (F): New directors and vacancies on the board are filled from nominations. As soon as the Club has 500 members or 1,500,000 points, the Club shall seek nominations from among its members. Any person shall be entitled to submit his/her name for election by a means established by the Board of Directors and Florida law. Board members may serve for a term of six years and there shall be a minimum of twelve board members as soon as practical. Board members may be re-elected.
- (G): The duties of the Board of Directors shall be a) to transact necessary business of the Corporation; b) to create standing committees; c) to approve the plans or work of the standing committees; d) to appoint an independent certified public accountant **or an internal audit if appropriate** to audit the financial records of the Corporation on an annual basis. Once the corporation has 100 members or properties, it must have an external audit at least once a year.
- (H): Regular meetings of the Board of Directors shall be held as determined by the Board of Directors but not less than annually, the time to be fixed by the Board at its first meeting of the year. A majority of the Board of Directors shall constitute a quorum. Special meetings of the Board may be called by the Chair. Written notice of all regular and special meetings shall be mailed, faxed or telephoned to each Director at least to reach him at least three (3) days in advance except that in case of an emergency notice may be served in writing or by telephone, electronically, or telegraph at least twelve (12) hours in advance of the meeting. A special meeting shall be called by the Chair upon the written request of any two (2) Directors, at which meeting only the specific subjects for the called meeting shall be acted upon. Directors who can't be present in person may participate by electronic means.
- (I): This corporation is organized under section 617 of the Florida Statutes, the not for profit statutes of the State of Florida and shall be required to follow Florida law in all respects.

- (J): No director shall be removed except for cause including the committing of a serious crime (felony or misdemeanor) unless the Board shall so notify the director and place the matter on a ballot to the members. In all cases, due process as it is generally known and accepted shall be followed and it shall be subject to an appeal through the Institute for Christian Arbitration.

Article V **INITIAL ADDRESS**

- (A): The initial address of the corporation shall be 3650 Cadbury Circle, Venice, FL 34293 and may be changed by the Board of Directors to any other address within or outside of the State of Florida so long as the statutes of Florida are conformed to. The initial registered agent shall be William R. Martin who maintains an office at 3650 Cadbury Circle, Venice, FL 34293.

Article VI **OFFICERS AND THEIR ELECTION**

- (A): (Officers) The affairs of the Corporation are to be managed by a Chair, a Vice Chair, a Secretary and a Treasurer. The offices of Secretary and Treasurer may be held by the same individual. These officers shall be elected annually by the Board of Directors. The Board of Directors in its discretion may create the offices of an assistant secretary and assistant treasurer, or may combine the two offices. If said offices are created, the members of the Board of Directors may annually elect to any such office, up to two individuals, who need not be a member of the Board of Directors. Vacancies in any office may be filled by the Board of Directors for the unexpired term.
- (B): The Board of Directors may appoint to serve at their pleasure an executive officer and such other administrative officers as it shall see fit, with such titles, duties, compensation and other emoluments as the Board may fix from time to time.
- (C): The Chair of the Board of Directors shall be the chief executive officer of the Corporation and shall preside at meetings of the Board of Directors and the Executive Committee. The Chair shall see that the objectives and policies of the Corporation and orders of the Board of Directors or the Executive Committee are complied with and properly executed. The Chair shall perform such other duties as normally pertain to that office.
- (D): The Vice Chair, in the absence of the Chair or his/her declination or inability to act, or upon his/her request, may exercise and have all the powers and duties with relation to the Corporation as the Chair, and shall perform such other duties as may be assigned to him/her from time to time by the Chair or the Board of Directors. At the discretion of the Board, the Board may assign a reasonable salary consistent with non-profit organizations.
- (E): The Secretary shall keep minutes of all meetings of the Board of Directors and the Executive Committee. He/she shall see that proper notices are given of all meetings. He/she shall be the custodian of the corporate records and of the seal of the Corporation, and shall affix and attest the seal of the Corporation to all appropriate documents that have been authorized in accordance with the provisions of these By-Laws; provided, however, the Chair or Vice Chair of the Corporation acting alone may, when specifically authorized by the Board of Directors, execute, seal and deliver any notes, contracts or other documents for and in the name of the Corporation. The Secretary shall in general perform all duties usually incident to that office.
- (F): The Treasurer shall have general supervision of the financial affairs of the Corporation and shall perform the duties usually incident to this office and such other duties as may be delegated to him/her from time to time by the Board of Directors.
- (G): Election. After the first election which comes from the membership, there shall be a nominating committee to screen all applicants and to make recommendations to the members. During any election, Cumulative voting may be allowed. For example if a person has 25,000 votes, and three candidates are to be elected, s/he shall have 75,000 votes and may split the votes in any fashion they wish.
- (H): The Nominating Committee shall nominate an eligible member for each office to be filled and report its nominees to the Board of Directors ten days prior to the annual meeting. The Nominating Committee

shall also make recommendations for membership on all committees beginning with the first annual meeting after the organizational meeting.

- (I): Only those persons who have signified their consent to serve if elected shall be nominated for or elected to such office.
- (J): Successors to the above named members and other persons who are interested in the purposes of the corporation and who are qualified in carrying out its purposes may be elected as members of the corporation by vote of the Board of Directors or the corporation, in the manner, at the times and for the terms as provided in the By-Laws. Not less than **85%** of the Board of Directors shall be members of the Arrowwood International Vacation Club, Inc. so as to allow the members if they so choose to elect persons with special interests. However, it is desired that the others be professional members.

Article VIII BINDING RULES

The following are basic policies of the Corporation:

- (A): The Corporation shall be noncommercial and nonpartisan. It shall provide services to persons without regard to race, creed, or national origin and shall strive to provide a community that is genuinely inclusive and non-discriminatory.
- (B): The Corporation shall be **governed** by the Board consistent with all laws of Florida and the United States, but the Board members shall attempt to reach a consensus rather than to have votes. A vote may be held only if 3/4's of those present decide that an action needs to be taken immediately and that we are unable to wait for a consensus in the interest of legal reasons or fairness. This should follow the latest practices in effect in many corporations as originally established by the Religious Society of Friends (Quakers) and its standards shall be of the highest moral standards possible. In reaching decisions that affect members, the board should consider the moral implications and rights and not just the written law or contract.
- (C): The name of the Corporation or the name of any members in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose not appropriately related to promotion of the objects of the Corporation.
- (D): If any member shall break the rules or cause embarrassment to the corporation, the general policies to be found in law and by Judeo-Christian principles shall be followed and if necessary the procedures of the Institute for Christian Conciliation shall be employed. No member shall file a lawsuit against another member unless all other measures have failed. However, this shall not be construed as preventing a person from responding or defending oneself if a lawsuit is filed. Nor should this prevent the corporation from filing lawsuits when there is no other reasonable alternatives or a member taking any legal action in fulfillment of his fiduciary duties or to report crimes to the proper civil authorities. Disputes should be resolved within the body of the corporation and if necessary with the help of the outside "Institute for Christian Conciliation" a division of Peacemakers which is based in Billings Montana. Mediation and arbitration as cited above shall be binding on all persons/members and to the extent possible a similar clause shall be inserted into all contracts entered into by the Club.
- (E): This is a membership organization and members are those who join voluntarily. All classes of members shall have equal rights except as to their voting power which shall be determined by the number of points held by the member.

ARTICLE IX

- (A): The annual meeting of the Board of Directors shall be held on the second Saturday of October of each year unless otherwise changed by the Board of Directors. Ten days' notice in writing shall be given of a change of date of this meeting.
- (B): Special meetings may be called by the Board of Directors, three days' notice in writing or otherwise

having been given.

- (C): A majority of the Directors exclusive of any ex officio directors, shall constitute a quorum for the transaction of any business at any meeting of the Corporation.

ARTICLE X

STANDING AND SPECIAL COMMITTEES

- (A): The Board of Directors may create such standing and special committees as it may deem necessary to promote the purposes and carry on the work of the Corporation. The term of each Chair shall be as established by the By-Laws. And s/he shall serve until the election and qualification of his/her successor.
- (B): The Chair of each standing committee shall present a plan of work to the Board of Directors for approval.
- (C): The power to form additional special committees and appoint their members rests with the Corporation.
- (D): The Chair of the Board of Directors shall be a member ex officio of all committees except the Nominating Committee.
- (E): Standing Committees: The following committees shall be standing committees of the Board:

Finance Committee: A Finance Committee consisting of not more than five members whose responsibilities shall include:

- (A): Preparation of an annual budget for operations and capital expenditures to be submitted to the Board of Directors for final approval. This includes annual fees, prepayment of maintenance assessments, control of accounts and escrow accounts as appropriate, the raising of capital funds, the recommendation of an auditor and all matters which relate to finances including any special assessments which shall not be done except in an emergency.
- (B): Recommending to the Board of Directors policies and procedures for the financial management of the Corporation.
- (C): Recommending appropriate financing and financial policies to the Board of Director for approval.
- (D): Arranging for (with the approval of the Board of Directors) an annual audit as required by the By-Laws.
- (E): Such other duties as the Board of Directors may from time to time assign to it.

The Treasurer of the Board of Directors shall be an ex-officio member of the Finance Committee.

Other Committees: Whenever a need arises, the Board may create any special committee and make appointments and assign duties thereto. Such committees shall exist for a specific purpose and for a period of time not to exceed one year unless extended..

ARTICLE XI - BY-LAWS

The By-Laws of the Corporation are to be adopted, amended or rescinded by the members of this Corporation, or by the Board of Directors, subject to approval by said members, provided that such By-Laws and amendments thereto shall not conflict with the provisions of these Articles of Incorporation or of any Statutory or regulatory provisions dealing with NON PROFIT organizations including those organized under section 501-c-3 of the Internal Revenue Code where and if appropriate.. The By-Laws may be amended by consensus but UNDER NO CIRCUMSTANCES shall less than two-thirds of the entire membership present and voting either in person or proxy consent. Consent in writing shall be an approved method.

ARTICLE XII - DISSOLUTION

This corporation may be dissolved or liquidated by vote of the Board of Directors, subject to approval by said members and its assets shall be distributed according to the points held. No member may force a quick sale and if the corporation is liquidated the members must allow a reasonable time to liquidate the assets at the best possible price.

ARTICLE XIII - MISCELLANEOUS

(A) For the carrying out of its corporate purposes, the corporation shall have the right to accept contributions, including bequests and devises, of money or other property from non-members of the corporation, as well as from members.

(B) No substantial part of the activities of the corporation shall consist of promulgating propaganda, or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in, any political campaign, on behalf of any candidate for public office, or publish or distribute any statements with respect to any such campaign, nor shall the corporation engage in any transactions described in the Internal Revenue Code as "prohibited transactions" which would disqualify the corporation as an "exempt corporation" within the meaning of said Internal Revenue Code.

(C) The corporation is irrevocably dedicated to, and operated exclusively for, non-profit purposes, and no part of the income or assets of the corporation shall be distributed to, nor inure to, the benefit of any member, director, officer or employee of the corporation, contributor or private individual except in a dissolution. However, this is not to prevent an accounting program which holds funds in reserve and determines the final costs and assessments after the fact so the corporation may exist with an equal amount of income and expenses.

(D) The corporation shall secure a seal which shall contain the words ARROWWOOD INTERNATIONAL VACATION CLUB, INC. Florida not for profit, 2000.

ARTICLE XIV

INDEMNIFICATION

(A): The Corporation shall indemnify any person made a party to any action by or in the right of the Corporation to procure a judgment in its favor by reason of his/her being or having been a director or officer of the Corporation, or any other Corporation which he/she served as such at the request of the Corporation against the reasonable expenses incurred by him/her in connection with the defense or settlement of such action, or in connection with an appeal therein, except in relation to matters as to which such Director or officer is adjudged to have been guilty of gross negligence or misconduct in the performance of his/her duty to the Corporation.

(B): The Corporation shall indemnify any person made a party to an action, suit, or proceeding other than one by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his/her capacity of Director or Officer of the Corporation, or of any other corporation which he/she served as such at the request of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding, or any appeal therein, if such Director or Officer acted in good faith in the reasonable belief that such action was in the best interest of the Corporation, and in criminal actions or proceedings, without reasonable ground for belief that such action was unlawful.

(C): Expenses incurred by any person who may have a right of indemnification under paragraphs 1 and 2 of this article in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director or Officer, to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation pursuant to these Bylaws.

(D): The indemnification provided by these Bylaws shall not be deemed exclusive of any other rights to which any persons seeking indemnification may be entitled under any Bylaws, agreement, vote of Directors or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or Officer, and shall inure to the benefit of the heirs, executors and administrators of such a person.

(E): The Corporation may purchase and maintain insurance on behalf of the Corporation and/or any person who is or was a Director or Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer in another corporation, against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of hi/her status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under these provisions of these Bylaws, Section 608.13(14), of the Florida Statutes annotated (or as amended) or otherwise.

(F): The invalidity or unenforceability of any provision relating to indemnification shall not affect the validity or enforceability of the remaining provisions relating to indemnification.

(G) Notwithstanding the foregoing, the Corporation shall, to the full extent it is empowered to do so under the laws of Florida, indemnify and hold harmless the Directors, officers, employees or agents of the Corporation, or of any other corporation, partnership, joint venture, trust or other enterprise which any such person served as such at the request of the Corporation, and any such Director, Officer, employee or agent shall be entitled to rely upon such indemnification.


ARTICLE XV

AMENDMENTS

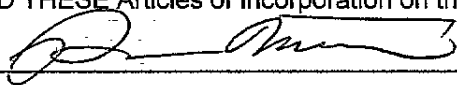
No amendments to this Charter shall be allowed during first year without unanimous signatures of all members and Board members. During the first year and until the annual meeting in 2000, there shall be no amendments allowed to this Charter or Articles of Incorporation unless it shall be approved in writing by 75% of the members as determined by the points which they hold. The only exception to this shall be for technical changes which have little meaning or to clarify the intentions or if required by the Internal Revenue Service or other government agencies.

ACCEPTANCE OF REGISTERED AGENT DESIGNATED IN ARTICLES OF INCORPORATION

William R. Martin, having a business office identical with the registered office of the corporation named above, and having been designated as the Registered Agent in the above and foregoing Articles of Incorporation, is familiar with and accepts the obligation of the position of Registered Agent under the Florida Statutes.


William R. Martin

IN WITNESS WHEREOF, THE UNDERSIGNED HAS SIGNED THESE Articles of Incorporation on this 27th day of January 2000.



Chairman William R. Martin

FILED
00 JAN 31 AM 10:15
SECRETARY OF STATE
TALLAHASSEE, FLORIDA