

NATURIST LEGACY INC. BUSINESS FUNDAMENTALS GUIDE

By the Naturist Legacy Inc. board of directors February, 2013

SUMMARY

Your board of directors feels that it's important for members to know and understand the basic concepts behind Naturist Legacy's business model and business practices. Though we are officially a non-profit corporation, we are still at our core a business, and we must be managed like one. Under our business model, we are a naturist park first and foremost. We are in the social nudism/naturism business, which is a much broader vision than just the campground business. We exist to create and hold safe an appropriate location where people can come and practice naturism. Naturist Legacy is a truly nudist venue. By being nudist rather than clothing-optional, we are returning to a more fundamental philosophy that reflects what we're really here to do.

We have chosen to pattern Naturist Legacy's business model after that of a fully private club. This offers us several operating advantages, especially concerning security and privacy. We believe that a "community-based" rather than "customer-based" service model is most beneficial for our group. We seek to meet member expectations. We welcome feedback and encourage members to communicate with the board. Because we operate as a fully private club, we do not court media attention in order to attract new members. Our presence on the Internet has produced new members at a rate in keeping with our growth strategy. Membership growth is necessary to offset attrition, to increase operating income, and to enlarge the pool of talent from which directors will be chosen, and from which additional skills for development and maintenance will be drawn. We intend to pursue gradual growth that does not outpace our capacity to absorb and process it.

Naturist Legacy Inc. has crafted it's business model with great care. We are moving in a direction that opens the door to great opportunities. We believe that we are destined for great things in the future!

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1.0 INTRODUCTION

1.1 Staying The Course

It's been just over two years since Naturist Legacy Inc. was "born" and became a non-profit corporation. While much has changed during that time (the rapid development of our park, for instance), some things have remained the same. Most importantly, we have remained true to the original mission of Naturist Legacy Inc.

1.2 Our Mission

Naturist Legacy's mission is to provide continuity and stability and endurance for landed social nudism in Manitoba. That mission is both our present and our future. The vision behind this mission has brought us to where we are today. It has been instrumental in the formation of our business model. We are confident that both our vision and our business model will take us successfully into the future.

1.3 Basic Business Concepts

The board of directors feels that it's important for members to know and understand the basic concepts that are behind our business model and our business practices.

What are we?
Why are we what we are?
Why do we do the things that we do?

These questions certainly sound simple enough, but as you'll see, they're not always simple to answer. Complexity sometimes underlies Naturist Legacy's business model and practices. Our desire is that the membership at large share an understanding of this complexity, and so we have written this document as a guide to our most essential business fundamentals. We hope that members will find it to be of value now and for future reference. We also hope that future leaders endeavouring to continue our legacy will utilize this document as an "origins reference" explaining how and why this organization was built.

2.0 BUSINESS BASICS

2.1 We Operate As A Business

Though Naturist Legacy Inc. is officially a non-profit corporation, it's still at its core a business, and it must be managed like one. Any business venture, no matter what kind, dies if it's not properly managed. Some poorly managed businesses die fast, some die slow, but they all meet the same fate.

The main reason why small businesses fail can be specifically pinpointed: poor planning. The good news is that poor planning is completely avoidable. Once you know what kinds of planning you should do, and once you have the right people doing it, it's then just a matter of getting the job done. Careful and deliberate planning is the rule for Naturist Legacy's board. Winter months, for example, are never set aside as idle time. Instead, planning, discussions, negotiations and meetings take place. If required, permits are obtained for the next season's construction work. Materials are sourced and priced. Everything necessary to support the next season's development is in place by the time the snow melts. Our goal is that nothing is left to chance.

Another rule of business is "grow or die," and it's an undisputed fact. For Naturist Legacy, growth has several dimensions. Growth is not measured by new membership numbers alone. Other benchmarks include growing the variety and quality of our park's amenities, and growing our credibility and respect within both the nudist and textile communities. While growth is necessary, uncontrolled growth must be avoided. We constantly test our business model to ensure that we are effectively meeting our need for healthy business growth while at the same time living within our means.

In order for an organization to be successful, many different skill sets must be in place along with the right resources in cash, materials and equipment. Naturist Legacy was very fortunate because the ingredients needed to create our "recipe for success" all came together in the right place and at the right time. They came together when we needed them the most.

Any good chef will tell you that having the right people in the kitchen -- that is, people who can actually cook and who can actually make recipes work -- is and always will be the key to culinary success. Managing a business is no different. Naturist Legacy Inc. must always have the right "cooks" on our board of directors with the right skills to make our recipe for business success work. Our by-laws ensure that the majority of board members will always have extensive business experience. This is another key element to hold our future secure. The primary goal of any board of directors is to ensure the survival and health of our corporation, first and foremost. We are meeting that primary duty.

2.2 Our Structure And Priority

Naturist Legacy Inc. is a non-profit (non-share) corporation. No one "owns" Naturist Legacy Inc. It's governed by a board of directors (elected by its membership), who are in turn governed by the corporation's by-laws (approved by its membership). The by-laws are the "DNA" of this corporation, and the board of directors are its brain, eyes, ears and hands. The board is charged with filing two basic legal documents annually (a Corporate Return and an Income Tax Return) that essentially keep the corporation "alive."

The board has a duty to exercise due diligence in overseeing the activities of the corporation. Its required to act in good faith and in the best interest of the organization. Board members are tasked not to act as they would personally, but to act as Naturist Legacy Inc. would and should -- that is, for its sake, not theirs. In other words, Naturist Legacy's agenda and best interests are paramount, and not those of the board. It takes reflection and effort in order to be sure that members of the board are always separating the two.

Directors on the board may be held liable for failure to act as stated under a statute, or for the non-compliance of the organization with a statute. For example, directors may be liable for mismanagement, financial losses or nonperformance. It's also important to note that directors can be held personally liable. Ignorance is not a defense. Resignation is not necessarily a defense. Board indemnity may not be enough.

The board manages risk tolerance for the corporation. Risk tolerance describes the amount of risk that the organization is willing to assume. It has two key components: appetite for risk and capacity for risk. Risk management weighs potential opportunities against any adverse effects. There are essentially four ways to manage risk: avoidance, transferance, mitigation or acceptance.

We must constantly remind ourselves that Naturist Legacy is greater than any one person or any one personal cause. The corporation and its success always need to come first. We should all share this mindset, in fact, since it is this overarching priority that has provided us with the opportunity to practice naturism on our land.

2.3 Our Main Purpose

The first and primary duty of Naturist Legacy Inc. according to its by-laws is to acquire land and then to hold that land in trust for naturist use -- forever. This is a very lofty goal, and it comes with great responsibility. The by-laws were purposely written in such a way that once the corporation acquired land, it would be almost impossible for it to resell that land. Under law, Naturist Legacy Inc. is regarded as a legal "person," and thus has the legal right to transact business like a natural person. However, unlike the persons who founded what was Crocus Grove, or the persons who later turned it into a textile campground, a corporation cannot unexpectedly die, and it cannot inexplicably change its mind. For us, this is key to our ongoing existence.

So then, barring an utter catastrophe, the land now owned by Naturist Legacy Inc. will forever be a location where members can be socially nude anywhere on the property away from public view. The corporation cannot change its mind and kick the nudists out. The board of directors cannot change their minds and kick the nudists out. Whatever is built for nudists on this land will remain available for nudists on this land. This corporation and its by-laws have created as much true permanency as is legally possible for our nudist community.

2.4 Our Fiscal Policies

Stated once again, Naturist Legacy's primary mission is to forever eliminate the risk of ever losing our nudist location. In order to achieve this kind of security, we must own land outright. We have met this primary goal because we do not have a mortgage, and our own by-laws prevent us from ever having one. Naturist Legacy's only tangible assets are our land and its structures. Any loan undertaken by Naturist Legacy would almost certainly require collateral. It would therefore be, by any reasonable definition, a mortgage or lien against our assets, and would for that reason be forbidden. We are tasked with the goal of land ownership with no liabilities attached. So long as our corporation remains in legal "good standing" and pays the property taxes, and barring a major natural or legal disaster, this land will always be ours.

Prepaid membership fees have funded the purchase of our land and will continue to provide for its capital development. In order to meet the principle of having no debts to outside lenders, any improvements to the land will only be made based on actual cash of our own in the bank. This principle works. It has purchased our land, it has installed our utilities, it has built our washrooms and showers, it has put in our pool and decking, and it has created our recreational amenities. When you stand in the park and look around, you should rest in the assurance that all is secure and paid in full. The fiscal policies that have brought us to this point have been entirely successful, and there is no need -- no need at all -- to deviate from what has worked so well for us.

We pledged that prepaid membership fees would be credited back to members until their accounts were fully depleted. We began meeting that goal in 2012 with 100% of that year's membership fees being credited back to those who had paid them forward. In addition, we also returned a percentage of pay forwards to seasonal lot holders in order to accelerate the process further. Under this formula, most members will be fully reimbursed within five to six years based on the current forecast curve. Once the majority are reimbursed, we can then accelerate reimbursement of the much larger contributions made by those few members we call our "Founders." Without their substantial (and even sacrificial) contributions to this project, Naturist Legacy and landed social nudism in Manitoba would almost certainly not exist.

Prepaid membership fees needed to fund our capital development are obviously essential, but so too is revenue from new and existing members who are not able or willing to pay their fees forward. These

members play a necessary role in our business model because it's their revenue that funds Naturist Legacy's annual operating expenses.

It's the standard accepted rule that businesses do not normally see a profit in their first five or six years of operation because they are busy paying for startup costs and development. We are not that much different, so in these terms we are healthy within our model.

3.0 BUSINESS MODEL

3.1 Naturist Park, Not Campground

Naturist Legacy is a large naturist park with a small campground component.

Naturist Legacy's business model is not patterned after our old location, which was essentially a large campground that catered to nudists. We do not actively market camping spaces. We do not need to have a larger campground to survive, nor is there currently any customer demand for one. Some continue to believe that more RV sites will be essential to the growth of Naturist Legacy Park. "Build them and they will come," is the underlying message. This business philosophy did not serve our old location well in later years, and we see no clear evidence to support the idea that more campsites will assure our continued growth and success going forward.

Rather than a campground, we are instead a naturist park first and foremost. We are in the social nudism/naturism business, which is a much broader vision than just the campground business. Our corporation exists to create and hold safe an appropriate location where people can come and practice naturism. We wish to limit the "footprint" of our buildings, campsites and other infrastructure in order to maintain as much of our land's natural beauty as possible.

3.2 Private Club

We have chosen to pattern Naturist Legacy's business model after that of a fully private club. What do we really mean by that? Private clubs are most often run by members through a board, are vision specific (in our case, family naturism), and are usually limited to full members and their guests. In many respects, our business model is not unlike that of a private golf club. Many nudist/naturist venues call themselves private clubs, but their sale of "day memberships" and other such workarounds mean that they're not really private at all. We choose to be a private club in the truest sense of the phrase.

But why be a private club? Many issues fold together to form the answer to that question. Chief among them are issues related to security and privacy.

4.0 SECURITY

4.1 Site Management

Unlike our old location where the owners lived on site and were available to greet all persons arriving (both announced and unannounced), we do not have that capability. Currently the board is managing this task and accomplishing it within the constraints of our free time and personal availability. Our private club model affords us control over when non-members arrive at the park, and under what circumstances. This control would not be available if we were operating as a business largely open to the general public.

We understand how critically important the first experience can be to a prospective member who is

new to our park. That's why we schedule all first visits so that we can be sure that the person who greets new arrivals (always a board member) is fully knowledgeable of every aspect of our business and competent to answer every question prospects may have. We register them, tour and orientate them, and explain basic rules and etiquette. We also use this opportunity to begin assessing the prospect's suitability for membership.

4.2 Site Security

Site security at a naturist venue is essential on many different levels, and is much more manageable within the private club model. In order to keep the membership free from the prying eyes of "tourist" drive throughs and other undesirables, we keep our gate closed. Not having a large sign advertising our location also helps to reduce the chances of someone deciding they are going to invade our privacy without invitation. We hold our location private and only reveal it to new prospects or AANR/FCN affiliated members who wish to visit our park.

Being a truly private club and not attracting undue attention also respects local residents who voiced concerns at our Conditional Use hearing in front of the RM of Brokenhead municipal council. We assured them that their sensibilities would be respected by us, and we will abide by that promise.

4.3 Criminal Record Checks

The screening of new prospects for membership is also a common practice among private clubs. While our nudist community strives to be welcoming, we nevertheless remain protective of our family-friendly environment. We work hard to ensure that Naturist Legacy Park will always be a safe place in which to responsibly enjoy our freedom as nudists. That's why we require all members to undergo a Criminal Record Check that includes a Vulnerable Sector Verification. While these background checks by themselves are not sufficient to protect our community from all possible risk of infiltration by undesirables, they nevertheless constitute an important part of our overall member screening process.

5.0 PRIVACY

5.1 General Concerns

Issues surrounding personal privacy are important for both existing and prospective members alike. New inquiries often include expressions of concern about privacy and confidentiality. "Are you really private?" "Will my picture be taken by anyone?" "Will I ever be outed?" These are all legitimate concerns that must be taken into account if we wish to attract new members and retain those we already have. For some within our membership, being publicly open about their practice of nudism is the norm and simply not an issue, but such persons are in the minority and are likely to remain so. Good business practices demand that we operate in the best interests of the majority if we hope to maintain and grow our membership.

5.2 Camera Use

Cameras, along with photo-capable devices like cell phones and tablets, represent a major privacy concern for many of our members, and definitely for new prospects. Camera use is an issue that almost all nudist clubs have had to address over the years. The advent of Internet technology that enables a person to snap a picture and put it in front of the eyes of the world in mere seconds has only increased the need for reasonable controls over the use of such technology at our park.

Our private club business model affords us greater control over cameras and photo-capable devices than a more public model would. We in fact employ this argument when we market ourselves to those who currently partake of our local nudist beaches. One of the big things that really sets us apart from the beaches is our "private club" status because it offers privacy and security away from the prying public (an ongoing problem at the beaches). One need only read some of the posts on Facebook pages maintained by beachgoers which discuss "tourists" and gawkers with cameras and cell phones to see the problem. Marketing ourselves as a private club and truly operating as one helps us meet the needs and wishes of those interested in joining us.

5.3 Personal Information

The protection of personal information is an important concern for just about everyone in today's world, but especially so for nudists. Naturist Legacy Inc. employs a variety of measures to secure personal information in our possession against loss, theft and unauthorized access or disclosure. These steps include (but are not limited to) data encryption, locked storage for physical documents, and restricted access to sensitive information. Personal data and documents no longer required are securely destroyed. Notwithstanding these measures, it's understood that no organization -- no matter how diligent or technologically advanced -- can offer a fail-safe guarantee against any and all possibility of unintended release or loss of personal data.

6.0 COMMUNITY RELATIONS

6.1 No Longer Customers

The members of Naturist Legacy are a distinct community with roots as Manitoba nudists going back more than 40 years. For the vast majority of that time (until 2010), we were the customers of proprietors who shouldered the major responsibilities of ownership, maintenance and operation of the facilities we enjoyed. That owner/customer model no longer exists. We are now the masters of our own domain, so to speak. Our group needs to see ourselves as "community-based" rather than "customer-based." We all need to be reminded that we have no owners or staff to meet our needs. We are it. In addition to being each other's friends and peers, we are also each other's janitors, each other's grounds keepers, each other's pool attendants. We are, in fact, each other's support system! Our own personal actions and efforts affect not only us, but everyone within our community. How we think about each other affects how we treat each other. And how we treat each other -- or perhaps more importantly, how we serve each other --will determine what we get in return, both individually and collectively as a community.

6.2 Member Expectations

"What do you want CGSC to be for you?" That was a question broadly put to the membership in 2009 as part of extensive research for a sub-committee report examining the existing business model of Crocus Grove Sun Club. Quoting from that report:

"The sub-committee found a common thread amongst all members interviewed. The primary message was that members interviewed wanted a safe and secure place in which to practice social nudism, without politics, and without any infighting. People want a place to relax and unwind from their daily lives and not encounter the same frustrations that plague everyday life in the 'textiled' world."

These are *your* personal expectations, and the goal of our community should be to meet them. The corporation is providing a safe and secure place for you to relax, unwind and practice social nudism -- Naturist Legacy Park. That's actually the easy part of meeting your expectations. Much harder to deal

with is the destructive negativity (exemplified by politics and infighting) that figured so prominently in day-to-day life at our old location. It has already crept into Naturist Legacy Park, as well, but to a much lesser extent -- so far. We all need to keep it that way. This negativity usually results from the words and actions of a very few people who manipulate and affect the many. The help and cooperation of every single member is needed to identify and stop such behaviour from ruining the positive experience offered by our park. Talk to a board member if you'd like to learn more about what you can do to keep this problem under control.

6.3 Member Feedback

In most businesses and organizations, there is at least some attention paid to listening to customers and members. The better the listening, the better the outcome for all. Naturist Legacy's board of directors makes itself available to the corporation's membership in a variety of ways: in person, by phone, by e-mail, by confidential messaging via the member's area our Web site and, most uniquely, by open committee. This is, of course, a reference to the Advisory Council, first established shortly after Naturist Legacy incorporated. The board is unaware of any other example of this style of member involvement and feedback within any other naturist venue.

The Advisory Council has directly influenced board decisions on a great many matters including the establishment of standards and policies, the setting of goals, priorities and procedures, and much more. The board vets everything that it can (or should) vet through this council. What Naturist Legacy Park is today is a direct result of feedback and support from that committee. This open venue offers any member who wishes to do so the chance to actually bring their issues and opinions to not only the board, but also to their own peers who are present to both listen and contribute to the dialogue.

The Advisory Council is, without question, a very useful tool but as already mentioned, it's just one of the ways in which members can communicate with the board. This past season, for example, there was a board member on site at the park and available to listen every single day. Many members do reach out to share information and ask questions, and we are all the better for it. Many do not, however, and that's a loss for everyone. For those with concerns who do not come forward to share them, the outcome is all but certain. Their issues will go unheard and thus unresolved. If there is personal unhappiness underlying these concerns, then it will almost certainly continue -- needlessly. The board strongly encourages members to communicate with us in whatever way they wish. As the wise business adage goes, "If you're happy, tell others. If you're unhappy, tell us!"

7.0 STANDARDS AND POLICIES

7.1 Rules

One of the first documents drafted by the board with the assistance of the Advisory Council was Naturist Legacy Park's Standards And Policies. These Standards And Policies are indeed our *rules*, not broad, fuzzy guidelines that one can interpret as they wish or ignore with impunity. Compliance with Naturist Legacy's Standards And Policies is, in fact, a requirement of membership.

The Advisory Council offers members the opportunity to actively assist in creating, changing or repealing rules as required. If a member has an issue or concern with an existing rule, they are welcome to place it before the Advisory Council and make their case for its modification or repeal with the clear understanding that changes to rules will not be entertained if (1) they are contrary to sound business principles and practices, (2) they violate the conditions of our insurance, or (3) they conflict with requirements of the law.

Regarding proviso (3), even though we are a private club, we are nevertheless bound by the same public laws and regulations that affect the operation of all other businesses and organizations in Manitoba. We have endeavoured to establish good working relationships with all our government representatives, be they local (the RM of Brokenhead) or provincial (Manitoba Health, the Manitoba Office of Drinking Water and several others). We are and always will be subject to inspections by government officials who hold enforcement powers. These officials can greatly affect and even suspend our ability to operate the park for the benefit of its members. Posted rules with respect to our water supply, our sewage system (including gray water pits), our pool operations and our land use all fall under rules and regulations that we break only at our own peril. One member's failure to respect these rules could profoundly affect the full membership as a result, and for that reason we urge all members to not only be personally compliant, but also to be vigilant regarding the compliance -- or lack of same -- of their fellow members.

To recap, Naturist Legacy has three basic sets of rules:

- (1) Rules we make for ourselves that are completely discretionary, largely risk-free, and which can be added to, modified or eliminated according to the will of the membership.
- (2) Rules dictated by sound business principles and practices which are in place to ensure the health and survival of the corporation. Risk management (as described in Section 2.2 above) plays an important role in decisions made concerning these rules.
- (3) Rules and regulations put in place by the government or mandated by our insurance provider that simply cannot be broken without imperiling our ability to legally operate the park.

7.2 Dress Code

Perhaps this section should more properly be entitled, "Undress Code." Members of the board believe there is evidence that clothing-optionality has actually contributed to the decline of social nudism. By becoming a truly nudist venue, we are returning to a more fundamental philosophy that reflects what we're really here to do. Any successful business needs to be clear about what it's offering in terms of goods or services. Trying to be all things to all people is both confusing and counter-productive. The desire to cast a broader net and to be more inclusive was the motivation behind the clothing-optional movement. These good intentions backfired in a big way, however, because they created clubs that lost their identity and reason for being. They diminished the core reason for going to such a location in the first place.

Our Standards And Policies document makes an important point: "It's assumed that you come to Naturist Legacy Park because you want to be a part of the nudist experience." That pretty well says it all! While we are clearly not clothing-optional, we're not ultra-strict nudists, either. "Our general rule is, 'Nude when possible, clothed when practical,'" states this document. Such latitude allows for certain clothed circumstances while at the same time not watering down our core reason for being. While a clothing-optional policy might seem to make it easier on newcomers, it really only allows them to delay -- sometimes significantly -- what it is that they came to the park to try in the first place. The more nude people who are around, the easier it is for visitors to disrobe for the first time. That's the primary reason why new people are greeted by nude board members whenever possible. We make the message immediately clear concerning what we do here, and our example offers newcomers immediate permission to do the same.

So much of the world is intolerant of our nudist values that we spend most of our time feeling like we are under assault. Visiting a naturist park should provide us with a place where we are comfortably surrounded by like-minded people who share our passion. To be surrounded by clothed people while you are nude (or wanting to be nude) just makes no sense at all, and so we are not clothing-optional.

8.0 MEDIA

8.1 Media And Member Recruitment

Naturist Legacy Park does not court radio, television or print media as a way to attract new members for a couple of very good reasons. First, we truly are a "private" club. Broadly seeking media attention as a private club is very counterintuitive when you really think about it. A serious downside to being spotlighted on local TV or in local newspapers is that it signals to people that media is obviously present at our park from time to time. This is not at all conducive to assuring people -- especially newcomers -- that they will indeed enjoy the level of privacy and confidentiality they desire when they visit.

Second, because we now live in the Internet age, fewer and fewer people depend on radio, television and print media for information about what interests them. We have not seen any evidence that traditional media was effective at increasing CGSC membership in recent years. We have learned through experience that attention paid to us by local media can at times actually be counter-productive and even damaging because we have no control over the final product that's placed in front of the listener, viewer or reader by reporters.

So how do we let people know that we exist if not through conventional media? Even though we are private, we are not secret (there is a difference). As mentioned, we now live in the Internet age. Information about Naturist Legacy Park is easily and readily available on the Web. If you use Google to search Manitoba naturism or nudism, for instance, you will usually find us on the first page of results. Unlike traditional media, the message we present on our Web site is not filtered or "spun" by a reporter. It is entirely under our control and can thus be tailored to best serve our needs. Our Web presence has been very productive in netting valuable contacts from interested people, and we have been successful in converting those contacts into new members at a rate in keeping with our gradual growth strategy.

8.2 Media And Nudist "Evangelism"

Some would like Naturist Legacy to engage the media -- all forms of media -- in order to help "change the world" and help make nudism a common activity for everyone. That agenda is simply not on our radar at this time. For now -- for today -- we're in building and survival mode, and we will be in that mode for many years to come. Is the role of nudist "evangelism" to be undertaken by us in the future? Maybe. If it's the will of the membership to move in that direction with people and resources, and if that move does not conflict with Naturist Legacy's primary business objectives (which must always come first), then it could certainly happen. Currently, though, these types of outreach initiatives are (and should be) undertaken by organizations such as the American Association for Nude Recreation (AANR) and the Federation of Canadian Naturists (FCN). These entities are far better positioned and funded to do this work. We are members in good standing of both organizations, and it is through our association with them that we play a role in supporting the larger nudist/naturist movement. While the board strongly encourages personal membership in these organizations, such membership must be a matter of free choice. Businesses and organizations stand or fall on the their own merits. AANR and FCN are no different. Our own local AANR and FCN representatives are tasked with the responsibility of championing their respective organizations and clearly explaining their merits to Naturist Legacy's membership.

9.0 RECRUITMENT AND GROWTH

9.1 Membership Recruitment

The board has looked into the makeup of memberships in other naturist venues. There is much to be

learned from both successful venues and those not so successful. We have observed the membership demographics and behaviours of non-nudist organizations, as well, since they are a strong indicator of the very same society with which we are hoping to connect. This information tells us a lot, but not as much as our own future members tell us through their initial contacts with us.

While the younger generation is often touted as the growth market and even the "salvation" of social nudism itself, they generally aren't responding to outreach from organized social nudism or joining its ranks. While we will by no means turn our backs on young people, their social metrics and current position within the nudist marketplace suggest strongly that our member recruitment strategy would be misplaced if focused too heavily in their direction.

Our recruitment focus is instead placed squarely on "empty nesters." People who have contacted us for membership information over the past two years have been overwhelming from this demographic. With their children now on their own, empty nesters find themselves at a place in their life where they're ready for quality "me" time. They have the means, the desire and the ability to join naturism. They may or may not have had past nudist experience when they were younger, but they're now ready to get involved. They're mature, reliable and still have time on their side (they could potentially be active members for several decades). They are also financially stable and are thus more likely to contribute pay forwards and donations to grow our park.

Recruitment targets and strategies are never static. Good business practice tells us that we must constantly evaluate our market to look for trends. We need to continue learning from a wide variety of sources and experiences. We must also adapt as required to take advantage of real opportunities as they present themselves. If and when the membership market shifts, we must be nimble and adjust accordingly in order to maximize our potential within that window of opportunity.

9.2 Membership Growth

Our brief history has already taught us that our current membership numbers, if maintained, are sufficient to sustain us now and likely in the longer term. Membership growth is nevertheless essential because we must plan for the inevitable attrition that will occur as we all grow older. Furthermore, increased membership helps to ensure our long-term survival by increasing operating income and by ensuring a larger pool of talent from which the board may seek directors in the future, and from which additional skills for the ongoing development and maintenance of our park may be drawn.

The management of our growth is as important as the growth itself for a couple of important reasons. First, our growth needs to be gradual. It's been said that strangers are simply friends we haven't met yet. Making friends of strangers and learning to trust them is a process, of course, and it takes time. The *gradual* introduction of new members to our close-knit community helps to mitigate the discomfort that "strangers in our midst" quite innocently bring to some of us. A modest growth rate of about ten percent per year is our current target.

Second, we must grow according to our capacity to absorb and process such growth. Many businesses have closed due to growth that was too rapid. They literally became victims of their own success because their growth outpaced their talents and resources. Our own constraints are largely governed by the amount of volunteer time available to manage and maintain the daily operations of our corporation and our park. More members and more visitors inevitably create more work. So far, just a few volunteers have managed to do most of that work. Since the prospect of "forced labour" is not the kind of personal experience that Naturist Legacy members expect to have at our park, we need to live within the capabilities of our existing volunteer work force. We will not permit member growth to exceed a level that can't be properly served by those who are willing to do the work necessary to provide

comfort and safety for the rest. Continual monitoring of our volunteer workload and the quality of their service will tell us wen we've reached our optimum number of members.

9.3 Guest Policy

An offshoot of Naturist Legacy's membership recruitment strategy is our guest policy. It's another method by which we hope to attract new members. This policy offers members an easy way to introduce and share social nudism with family, friends and colleagues. It's a way to promote the growth of Naturist Legacy through personal relationships. It allows outsiders to visit our park and actively try nudism for themselves with the support of their hosts. There are striking similarities between our guest policy and that of many private clubs. They, too, have policies that allow members to entertain guests, and under many of the same conditions that we impose. For example, because we don't charge guests to be on the grounds or put them through the usual detailed visitor registration process, they become the sole responsibility of the member who hosts them.

10.0 CONCLUSION

10.1 Extinction Not An Option

"Evolution is not mandatory. Extinction is always an option" (Michael Crichton). This quote has sometimes been applied to troubled businesses as they spiral downward to their end. In almost every case, there were solutions available that would have averted their demise. Businesses that are willing to change when necessary -- sometimes quite dramatically so -- are the ones that survive. They leave behind what they know, they leave behind the comfortable ways of the past, and they take a very great leap of faith. They undertake to do what almost certainly will be hard. Clearly, for those in such a situation, what worked in the past is no longer working in the present. Unfortunately, businesses that cannot or will not change and "evolve" almost always go the way of the dinosaur. It's that simple.

Our community came perilously close to extinction just two years ago. The business that provided our previous home of forty years actually did go extinct, in fact. It no longer exists as a nudist enterprise. Its operators embraced and continued practices from the past that were already showing signs of failure even before they took control of the business. We cannot afford to make those same mistakes. For us, extinction is most assuredly NOT an option!

10.2 Evolution, Not Extinction

Naturist Legacy Inc. has crafted it's business model with great care. We are moving in a direction that opens the door to great opportunities. We are keeping ourselves current with external factors that affect us whether we like them to or not. We cannot change these external factors, but we can change ourselves to take advantage of them. That's what adaptation and innovation are all about. That's what evolution is all about!

The evolution of Naturist Legacy Inc. has been incredibly challenging and amazingly productive! The intense, volunteer-driven development of our corporation and our park has been relentless and truly transformational. It has impressed those who have been following our progress up close and from afar. We look upon what we've been able to accomplish over the past two years with great pride and satisfaction -- as well we should! We're still new and we're still somewhat rough around the edges, it's true, but we're definitely well on our way now and destined, we believe, for great things in the future!

We've done much more than simply create a corporation and build a naturist park. We have, indeed, created a naturist legacy.