

BY-LAWS OF NATURIST LEGACY INC.



These by-laws relate generally to the transactions of the business and affairs of Naturist Legacy Inc., hereinafter called "the corporation."

PURPOSE

1. The purpose of the corporation shall be as set forth in Article 5 of its Articles of Incorporation, namely,

To sustain and advance naturism through the acquisition and management of lands to be held in trust and permanently designated for naturist use, including without limitation:

(a) to acquire, own, manage and operate for the purpose of naturism and not for profit, lands secured and designated for that purpose;

(b) to establish, maintain and foster the establishment of amenities on the lands for the enjoyment of naturism;

(c) to disseminate knowledge and information about the practice of naturism, and about the availability of the corporation's lands and facilities for said use; and

(d) to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the corporation.

FOUNDING PRINCIPLES OF NATURISM

2. Naturism (also called social nudism) is the practice of going without clothing in social settings (generally in mixed-gender groups of all ages) in the belief that doing so is beneficial. The corporation believes in and supports the principle of providing a safe and secure environment where naturism suitable for all ages can be practiced in a natural and non-sexual setting. The corporation will strive to provide a family-friendly naturist environment that is wholly appropriate for all persons regardless of age, race, gender, relationship status, religion, physical ability or appearance.

SALE OR TRANSFER OF LANDS

3. As a general rule, lands held by the corporation that are designated for naturist use shall never be sold, mortgaged, exchanged or in any other way jeopardized by the corporation. Where, under extraordinary circumstances, the board of directors conclude that it is in the best interest of the corporation to sell or transfer such lands, the proposed action shall require a special meeting of the membership in which a quorum of at least 75% of all voting members must be present, and in which a 75% majority of votes shall be required to authorize such a sale or transfer.

HEAD OFFICE

4. The head office of the corporation shall be in the City of Winnipeg, in the Province of Manitoba, or at such other place in the Province of Manitoba as the board of directors may from time to time by resolution determine.

FISCAL YEAR

5. The fiscal year of the corporation shall end on the 31st day of December in each year.

MEMBERSHIP

6. There shall be two classes of membership in the corporation, Regular and Supporting:

(a) The Regular class of membership shall include any individual 18 years of age and over who supports the purposes of the corporation, who has paid their membership fees, and who has satisfied all other membership criteria as may be established by the corporation from time to time. Each Regular member shall have one vote.

(b) The Supporting class of membership shall include any individual 18 years of age and over who supports the purposes of the corporation, who has paid their membership fees forward by at least \$1000.00 in advance or gifted at least \$1000.00 to the corporation, and who has satisfied all other membership criteria as may be established by the corporation from time to time. Each Supporting member shall have one vote plus additional votes as described in Schedule A.

(c) Supporting members shall be the only members eligible to stand for election to the board of directors.

7. The board of directors will set the annual fee structure for membership in the corporation.

8. Membership in the corporation ends when:

(a) the member has not paid their membership renewal fee by the start of the annual meeting;

(b) the member dies;

(c) a majority of the voting members present at a meeting of the corporation vote to revoke the person's membership with cause. Examples of cause may include (but are not limited to) failure to abide by posted rules and regulations, behaviour contrary to the corporation's founding principles of naturism contained herein, conviction of a serious criminal offense, etc. Notice of the motion to revoke a person's membership must be sent to the member at least ten days before the meeting and the member must be given the opportunity to address the meeting; or

(d) the corporation is dissolved.

ORGANIZATIONAL AFFILIATIONS

9. The corporation shall affiliate itself with the American Association for Nude Recreation (AANR) and hold a valid charter from that organization. The corporation may also choose to affiliate itself with other bona fide national or international naturist organizations such as the Federation of Canadian Naturists (FCN), The Naturist Society (TNS) or The International Naturist Federation (INF).

10. All members of the corporation shall be required to hold membership in good standing with the American Association for Nude Recreation (AANR) and the American Association for Nude Recreation - Western Canadian Region (AANR-WCR).

BOARD OF DIRECTORS

11. The affairs of the corporation shall be managed by a board of directors which may exercise all such powers and do all such acts and things as may be exercised or done by the corporation and are not, by the by-laws of the corporation or by law, expressly directed or required to be done by the corporation at annual or general meetings of members.

12. As set forth in its Articles of Incorporation, there shall be a minimum of three and not more than seven directors of the corporation.

ELECTION OF DIRECTORS

13. A candidate to stand for office of a director of the corporation shall first meet the minimum requirements as set out in Articles 6, 7 and 8 of these by-laws.

14. The meeting for the election of directors of the corporation shall be designated the annual general meeting (AGM).

15. To be eligible to serve as a director, a person:

- (a) shall be a voting member in good standing of the corporation;
- (b) shall be at least 18 years of age;
- (c) shall not be an undischarged bankrupt.

16. The candidates for election as directors at large shall be determined as follows:

- (a) A nominating officer of the corporation shall be established by the board of directors on an annual basis at the earliest opportunity. The nominating officer shall not be a member seeking election or being proposed as a director. The nominating officer shall report directly and solely to the board of directors of the corporation.
- (b) The nominating officer shall cause to be published in the corporation's newsletters and on its Web site, a call for nominations to the board of directors of the corporation. The nominating officer shall ensure that the publication of the call for nominations provides a reasonable amount of time for members to submit nominations to the nominating officer prior to the deadline for receipt of nominations. Such deadline shall be established from time to time by the board of directors and published wherever applicable.
- (c) Nominations to the board of directors shall be in writing. The nominee shall certify that he or she meets the qualifications set out in the by-laws under membership, and shall consent to the nomination in writing. The nominee shall also provide such information as the nominating officer may require in order to prepare a profile of the nominee for distribution to the members. All nominations must be received by the corporation's nominating officer, in the original or by fax, by any deadlines established under this by-law by the nominating officer.
- (d) The nominating officer shall publish a nominating officer's report in the media formats set out in Article 16(b) immediately prior to the AGM setting out the details and information of those seeking office.
- (e) Those persons seeking election to the position of director will be required to demonstrate and fulfill certain skill sets and working criteria that will be predetermined by the standing board of directors, as they are needed to fulfill the working mandate of the corporation. The corporation, through its nominating officer, will disclose and make available such criteria in reasonable time that the nominating officer may find suitable candidates.

17. The process for election of directors at the AGM shall be as follows:

- (a) The election shall be supervised by an election officer appointed by the board of directors.
- (b) Copies of the nominating officers report and the report containing the names and profiles of all possible candidates shall be distributed or generally made available for viewing and inspection during registration of the members attending the AGM.
- (c) Prior to the election, each candidate standing for election as a director shall have the opportunity to address the AGM.
- (d) If there are more candidates for director than there are positions, the election shall be by secret ballot. The election officer referred to in these by-laws shall be responsible for the balloting process and shall act as scrutineer.
- (e) The election shall follow conventional rules of order.
- (f) The results of the election shall be posted immediately upon the conclusion of the election.

18. All directors shall hold office from the adjournment of the AGM at which they were elected until the end of the following AGM. If for any reason an AGM is not held at the proper time, the directors shall continue in office until their successors are elected.

MEETINGS OF DIRECTORS

19. A majority of directors shall form a quorum for the transaction of business. Except as otherwise required by law, the board of directors may hold its meetings in such place or places as it may from time to time determine. Notice of such meetings shall be sent to each director at least two days before the meeting is to take place. Director meetings may also be held without notice immediately following the AGM for any purpose of business that may not require formal notification of a meeting. The need for notice of any meeting or any irregularity in any meeting may be waived by any director.

20. If all the directors of the corporation present at or participating in the meeting consent, a meeting of the board of directors, or any decisions needed, may be held by such telephone, electronic, or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in the meeting by those means shall be deemed to be present at the meeting.

21. Notwithstanding any other by-law, the board of directors may declare vacant the directorship of any director who has refused or neglected to attend two consecutive meetings of the Board. No such declaration shall be made unless such director has been given at least ten days notice in writing that his or her seat may be declared vacant at the next meeting of the board of directors.

22. If a director ceases to be a member of the corporation, or becomes bankrupt, he or she thereupon ceases to be a director, and the provisions of Article 21 shall apply.

23. As long as there is a quorum of directors in office, any vacancy occurring in the board of directors may be filled for the remainder of the term by the directors then in office from among voting members of the corporation who meet the qualifications set out in the established by-laws and orders. Otherwise, such vacancies shall be filled at the next AGM. Whenever there is not a quorum of directors in office, the director or directors remaining in office shall forthwith call a special meeting of voting members to fill the vacancies, and, in default or if there are no directors then in office, the meeting may be called by any corporation member.

24. The board of directors shall receive no remuneration for acting as such. However, they may from time to time by resolution provide for payment from the revenues of the corporation of their reasonable expenses incurred in carrying out their duties as directors. This does not include any restriction on repayment of funds loaned to the corporation to establish Supporting membership. All directors are fully eligible to receive repayment of loaned funds as per the rights of all other members.

25. Questions arising at any meeting of the board of directors shall be decided by a majority of votes cast. A quorum for board meetings shall be a majority of the board members.

26. The board of directors may hire and employ such staff as may be required to manage and conduct the daily on-site affairs of the lands, such as the greeting and billing of guests, the repairs and maintenance of properties and structures, etc.

27. A member of the board of directors who is not living up to the performance of his or her duties as prescribed and determined by the majority of the directors may be removed from office with cause by a simple majority vote of those directors present and voting at a meeting of the directors for which notice of intention to remove the member has been given to all directors at least ten days in advance of the meeting date. Examples of cause may include (but are not limited to) failure to discharge responsibilities in a timely and businesslike manner, failure to discharge responsibilities in a competent manner, exhibiting disruptive behaviour at meetings, breaching board confidentiality, conviction of a serious criminal offence, etc.

OFFICERS

28. The board of directors shall annually, or more often as may be required, appoint a president to act as such to conduct meetings of the directors and to sit as the representative of the directors and conduct affairs at a meeting of the membership and the AGM. The board of directors shall also appoint one person as treasurer for purposes of that role and responsibility, as well as a secretary.

29. The president shall have the direction of the affairs of the corporation and, subject to these by-laws, shall preside at all meetings of members and at meetings of the board of directors unless he or she delegates the task to another board member.

30. The treasurer shall be responsible to the president and the whole board of directors for the custody of the funds of the corporation and for the presentation at each AGM of a statement showing the receipts and disbursements of the corporation for the preceding year and its assets and liabilities, and for such other duties in connection with the finances of the corporation as the board of directors may determine from time to time.

31. The secretary shall be responsible for the formal keeping of all official documents and all formal meeting minutes of the corporation. The secretary shall also hold safe all papers and files as per the position.

32. The board of directors shall perform any tasks as required from the board and corporation as may be required from time to time. Directors are expected to attend all board meetings and stay current on all issues related to the activities of the corporation.

PROTECTION OF OFFICERS AND DIRECTORS

33. No director or officer of the corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipts or other act for conformity, or for any loss or expense happening to the corporation through the insufficiency or deficiency of title to any property acquired by order of the board of directors for or on behalf of the corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any of the moneys, securities or effects of the corporation shall be deposited, or for any loss, damage or misfortune whatever, which shall happen in the execution of the duties of the officer or in relation thereto unless the same shall happen through his or her own dishonesty, wrongful and willful act, or through his or her own wrongful and willful neglect or default.

34. Every director and officer of the corporation, and his or her heirs, executors and administrators, and estate and effects, respectively, shall, from time to time and at all times, be indemnified and saved harmless out of the funds of the corporation, from and against:

(a) all costs, charges and expenses whatsoever that such director or officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her, in or about the execution of the duties of his or her office; and

(b) all other costs, charges and expenses that he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her willful neglect or default, provided that he or she acted honestly and in good faith with a view to the best interests of the corporation and had no reason to believe his or her conduct, if unlawful, was unlawful.

35. The corporation shall purchase and maintain Directors and Officers Insurance coverage for its directors and officers.

CONFLICT OF INTEREST

36. Any member of the board who has a financial, personal or official interest in, or conflict (or appearance of a conflict) with any matter pending before the board, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, will offer to the board to voluntarily excuse himself and will

vacate his seat and refrain from discussion and voting on said item. In the interests of board function, the board may decide it is in the best interest of the corporation to allow such board member to hold his seat during such transactions and vote. As this board will deal with issues arising with respect to repayments of member loans, and since these repayments will also be to board members, they shall take all due care in seeing that any payments are fair and equal with other lenders who will also be in receipt of repayments for loans. The minutes of meetings at which such votes are taken shall record such disclosures, abstentions and rationale for approval.

COMMITTEES AND WORKING GROUPS

37. The board of directors may from time to time establish committees and working groups to carry out such mandates as the board may determine from time to time.

EXECUTION OF DOCUMENTS

38. Deeds, transfers, assignments, contracts, instruments and obligations shall be signed jointly by any two directors of the corporation, one of whom must be an officer. Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

39. Notwithstanding any provisions to the contrary contained in the by-laws of the corporation, the board of directors may, at any time by resolution, direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligation of the corporation, or any particular class of instruments, contracts, or obligations of the corporation, may or shall be executed.

MEETINGS

40. A quorum for the transaction of business at any meeting of members shall consist of 25% of voting members.

41. The board of directors may at any time call a membership meeting of the corporation for the transaction of any business, the general nature of which is specified in the notice calling the meeting. Notice of membership meetings other than the AGM shall be sent to each member at least two weeks in advance of the meeting. Meetings of members may be held at any time or place without notice if all the voting members of the corporation are present thereat or represented by proxy duly appointed and at such meeting any business may be transacted which the corporation, at annual or general meetings may transact.

42. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the corporation, shall invalidate such meeting or make void any proceedings taken thereat, and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the corporation.

43. Each voting member of the corporation may vote by proxy. Such proxy vote need not be made by a member, but before voting the voter must produce and deposit with the secretary, not later than 48 hours prior to the start of the meeting, notice of appointment in writing from his or her constituent or constituents. No member shall be entitled, either in person or by proxy, to vote at meetings of the corporation unless all dues, if any are then payable, have been paid. Anyone voting on behalf of a corporation member by proxy at any meeting of members shall be restricted to such allowed votes.

Sample proxy:

I, [name of member], appoint [name of member] to act as my proxy at the Naturist Legacy Inc. meeting to be held on [date of meeting]. I instruct my proxy to vote as follows: [or My proxy may vote as [he/she] chooses on my behalf.]

Signed:

Date:

44. At all meetings of members, every general and typical order of business motion shall be decided by a majority of the votes of the voting members present in person or represented by proxy unless otherwise required by these by-laws or by law. In the case of general votes for orders of business, a simple showing of hands will constitute a fair vote. In this instance, a declaration by the chair that a motion has been carried or not carried and an entry to that effect in the minutes of the corporation shall be sufficient evidence of the fact without proof of the number or proportion.

45. In all other matters where orders of corporation issues arise, such as contested issues, business issues and financial issues, every question shall be decided by secret ballot. The question shall be decided by a majority of the votes of voting members present in person or by proxy. Such ballot shall be taken in such manner as the chair shall direct except as stipulated in Schedule A, and the result of such ballot shall be deemed the decision of the corporation in general meeting upon the matter in question. Upon the casting of votes, a scrutineer shall verify every ballot and inform the chair of that vote's outcome. The chair and the secretary shall see that the actual vote by number is recorded as such in the minutes. If the membership is satisfied that the vote outcome is correct, the chair may at that time order the destruction of those ballots. If the outcome is in dispute, a second count of the ballots, with a witness, will be ordered. The ballots shall not be ordered to be destroyed until the vote is accepted by the membership as being without dispute.

CHANGES IN BY-LAWS

46. By-laws of the corporation not embodied in the Articles of Incorporation may be repealed or amended if considered necessary or advisable, and new by-laws may be enacted as required from time to time.

47. Changes in by-laws shall be passed by the board of directors and shall be circulated to the membership in due course. Unless in the meantime confirmed at a general meeting of the members duly called for that purpose, such changes in by-laws are effective only until the next AGM and unless confirmed thereat, and, in default of confirmation thereat, cease to have effect at and from that time, and in that case no new by-law of the same or like substance has any effect until confirmed at a general meeting of the members.

48. Any changes in by-laws passed by the board of directors shall be presented at the AGM and must be confirmed by a 75% majority of those present at the meeting voting in accordance with these by-laws.

49. Changes in cross-reference and numbering engendered by changes in the by-laws shall be accepted without a vote as amendments, allowing them to be made automatically.

DISSOLUTION OF THE CORPORATION

50. Dissolution of the corporation shall be as set forth in Article 6 of its Articles of Incorporation, namely,

It is specifically provided that in the event of dissolution or winding-up of the corporation, all its remaining assets after payment of its liabilities shall be distributed to one or more corporations or organizations with like and similar objects, as determined by the members upon dissolution.

51. Upon dissolution, voting members shall be guided by the following asset distribution criteria:

(a) If any lands are part of the corporation's residual assets, then the lands and other assets shall be transferred to the American Association for Nude Recreation - Western Canadian Region (AANR-WCR) with the stipulation that they shall continue to hold and operate the lands, and that they shall attempt to find suitable naturist tenants or owners in order to maintain the continued use of the lands for naturist purposes;

(b) If any lands are part of the corporation's residual assets and AANR-WCR is unable or unwilling to accept ownership of them under the terms outlined above, then another naturist organization shall be sought under those same terms;

(c) If any lands are part of the corporation's residual assets and no naturist organization can be found that is able and willing to accept ownership of them under the terms outlined above, then the lands and other assets shall be

sold and all funds shall be distributed to one or more established naturist organizations that meet with the corporation's principles;

(d) If no lands are part of the corporation's residual assets, then remaining assets shall be sold and all funds shall be distributed to one or more established naturist organizations that meet with the corporation's principles.

INTERPRETATION

52. In these by-laws and in all other by-laws of the corporation hereafter passed, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice-versa.

SCHEDULE A

VOTING RIGHTS FOR SUPPORTING MEMBERS

1. Each Supporting member (including those on the board of directors) shall be entitled to one vote plus one additional vote for every full \$1000.00 of membership fees they have paid in advance, or for every full \$1000.00 they have gifted to the corporation. The largest allowable number of votes held by any one member cannot exceed 45% of the total votes held by the full membership. Every ballot in a secret ballot will have the Supporting member's name and allowed votes notated on that ballot along with that member's yea or nay vote. Upon the casting of votes in this manner, a scrutineer shall verify every ballot against a master list of awarded votes per ballot, and inform the chair of that vote's outcome. The chair and the secretary shall see that the actual vote by number is recorded as such in the minutes.

ENACTED this _____ day of _____, 20____ and approved by majority vote of members attending the AGM on the _____ day of _____, 20____.

President

Treasurer

Secretary