



NATURIST LEGACY CORPORATE BY-LAWS

This by-law relates generally to the conduct of the affairs of Naturist Legacy Inc. (the "**Corporation**").

SECTION 1 - DEFINITIONS

1.1 In this by-law, the following terms have the indicated meanings:

"**Act**" means The Corporations Act of Manitoba (C.C.S.M. c. C225) and regulation, as amended from time to time;

"**AGM**" means the Annual General Meeting of the Corporation.

"**Articles**" means the original or restated articles of incorporation, as may be amended from time to time;

"**board**" means the board of directors of the Corporation and "director" means a member of the board;

"**by-law**" means this by-law and any other by-law of the Corporation as amended, from time to time;

"**meeting of members**" includes an annual or general meeting of members or a special meeting of members; "special meeting of members" includes a meeting of any class or classes of members and a special meeting of all members at an AGM of members;

"**ordinary resolution**" means a resolution passed by a majority of not less than fifty percent (50%) plus one (1) of the votes cast excluding blanks on that resolution;

"**Regulations**" means the regulations made under the Act; and

"**special resolution**" means a resolution passed by a majority of not less than seventy-five percent (75%) of the votes cast excluding blanks on that resolution.

SECTION 2 - INTERPRETATION

2.1 In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual and body corporate. Terms in this by-law that are defined in the Act have the same meaning as given in the Act, unless this by-law sets out other requirements.

SECTION 3 - PURPOSE

3.1 The purpose of the Corporation is set out in Article 5 of its Articles, namely, to sustain and advance naturism through the acquisition and management of lands to be held in trust and permanently designated for naturist use; as more fully set out in the Articles.

SECTION 4 - FOUNDING PRINCIPLES OF NATURISM

4.1 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 it 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 appropriate for all persons regardless of age, race, gender, relationship status, religion, physical ability or appearance.

SECTION 5 - SALE OR TRANSFER OF LANDS

5.1 Generally the lands held by the Corporation that are designated for naturist use must never be sold, mortgaged, exchanged or in any other way jeopardized by the Corporation. If the board determines by ordinary resolution that due to extraordinary circumstances it is in the best interest of the Corporation to sell or transfer the Corporation's lands, the sale or transfer will require a special meeting of members in which a quorum of at least 75% of all members must be present, and a special resolution is required to authorize the sale or transfer.

SECTION 6 - HEAD OFFICE

6.1 The head office of the Corporation will be in the City of Winnipeg, in the Province of Manitoba, or at another place in the Province of Manitoba as the board may determine by ordinary resolution from time to time.

SECTION 7 - FISCAL YEAR

7.1 The Corporation's fiscal year will end on December 31st.

SECTION 8 - BANKING ARRANGEMENTS

8.1 The Corporation's banking business will be conducted at a bank, trust company or other firm or corporation carrying on a banking business in Canada as the board may by resolution designate, appoint or authorize from time to time. The banking business or any part of it will be carried out by an officer or officers of the Corporation and/or other persons as the board may by resolution designate, direct or authorize from time to time.

SECTION 9 - FINANCIAL STATEMENTS AND DOCUMENTS

9.1 The Corporation will make available to the members the annual financial statements and other documents by

(a) publishing the annual financial statements and documents on the Corporation's website, and

(b) providing a copy of the annual financial statements and documents by mail or electronic mail to any member upon request.

SECTION 10 - MEMBERSHIP

10.1 The Corporation will have two classes of membership as follows:

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

(b) The Supporting class of membership will include any individual 18 years of age and over who supports the purposes of the Corporation, has satisfied all other membership criteria as may be established by the Corporation from time to time, and who

- i. prior to November 2, 2013 had paid member contributions and fees of least \$1000.00 in advance, or
- ii. has paid unrestricted member contributions of at least \$1000.00 to the Corporation.

Each Supporting member will have one vote plus additional votes as described in Schedule A.

10.2 The board will set the annual member contribution rate and fees for the Corporation.

10.3 Members will be notified by mail or electronic mail of the membership contribution rate and fees payable by them. If a member's contribution and fees, if any, are not paid by the start of the AGM the member will automatically have his or her membership and all rights under it suspended, until all monies due are paid in full, or his or her membership is terminated under sections **10.4** to **10.6**. Before any action to terminate membership may be taken, the member will be notified again by mail or electronic mail of the amount owing, the suspension of their membership and rights, and the possibility of termination of membership if not paid.

10.4 A membership in the Corporation is terminated when

- (a) the member dies or resigns,
- (b) the person's membership is revoked or ceases under this by-law, or
- (c) the Corporation is liquidated and dissolved under the Act.

10.5 Subject to this by-law, upon any termination of membership, the rights of the member automatically cease to exist, provided that termination of membership cannot extinguish any right of a person to be reimbursed any monies advanced by the member to the Corporation.

10.6 The board will have authority to recommend that the membership of any member be revoked for any one or more of the following grounds:

- (a) violating any provision of the rules and regulations posted by the board or Corporation's standards and policies;
- (b) activity, behaviour or conduct contrary to the Corporation's founding principles of naturism contained in this by-law;
- (c) conviction of a serious criminal offense;
- (d) for any other reason that the board in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

10.7 If the board determines that the membership in the Corporation of any member be terminated, the board will provide twenty (20) days notice of the revocation to the member and will provide reasons for the proposed termination.

10.8 The member may make written submissions to the board within a twenty (20) day period. If no written submissions are received, the board may notify the member that his or her membership in the Corporation is terminated.

10.9 If written submissions are received, the board will call a special meeting of members as soon as practicable. The member will be given the opportunity to address members present at the meeting. The members will consider the submissions and decide by ordinary resolution if the member's membership is revoked. The board will notify the member of the decision within twenty (20) days from the date of the special meeting. The decision will be final and binding on the member, without any further right of appeal.

SECTION 11 - ORGANIZATIONAL AFFILIATIONS

11.1 The Corporation will 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).

11.2 Members will be encouraged to hold membership in good standing with the AANR and the American Association for Nude Recreation - Western Canadian Region (AANR-WCR).

SECTION 12 - BOARD OF DIRECTORS

12.1 The Corporation's affairs will be managed by a board which may exercise all powers of the Corporation and do all lawful acts and things not required by the Articles, this by-law or by law, or directed or required to be done at annual or general meetings of members. Directors are expected to attend all board meetings and stay current on all issues related to the activities of the Corporation.

12.2 According to the Articles, there must be a minimum of three (3) and not more than seven (7) directors. Directors should have

- (a) experience in planning, organizing, senior change-management, direction setting and mentoring acquired in the private or public sector,
- (b) owned and managed, or managed a successful business or undertaking,
- (c) extensive experience in financial management, including budgets, cash flow, reporting and financial controls, or
- (d) experience in marketing.

In setting criteria for standing for election as a director, the existing board should include criteria that reflect the above.

12.3 Directors will be elected for one year terms at the AGM. Directors will hold office from the adjournment of the AGM at which they were elected until the end of the following AGM, or until their successors are appointed or elected. Subject to this by-law, a director whose term has expired will be eligible for re-election.

12.4 A director will receive no remuneration. However, a director may receive payment from the revenues of the Corporation from time to time of his or her reasonable expenses incurred in carrying out his or her duties as a director. Further, a director is also eligible to receive repayment of any member contributions and fees he or she paid in advance.

12.5 The board may by ordinary resolution declare vacant the directorship of any director who has refused or neglected to attend two consecutive meetings of the board, unless this by-law sets out other requirements. At least ten (10) days before the next meeting the director must be provided with a written notice stating that his or her

directorship may be declared vacant at that meeting. The board may by ordinary resolution excuse an absence for any good cause such as illness, out-of-town travel or an unavoidable scheduling conflict.

12.6 If a director ceases to be a member of the Corporation, or becomes bankrupt he or she ceases to be a director and section **12.5** will apply.

12.7 If there is a minimum of three (3) directors in office, the remaining directors may fill any vacancy on the board by ordinary resolution by appointing a director for the remainder of the term from among the Supporting members of the Corporation who meet the requirements set out in section **13.1**. Otherwise, the vacancy will be filled at the next AGM according to the process for electing directors set out in this by-law. If there are less than three (3) directors in office, the remaining directors must call a special meeting of Supporting members as soon as practicable to fill the vacancies according to the process for electing directors contained in this by-law. If there are no directors in office, the meeting may be called by any member.

12.8 A director may be removed from office with cause, by ordinary resolution of directors present at a meeting of the directors called to consider the resolution. Each director will receive written notice of the meeting by mail or electronic mail at least 10 days before the meeting. Examples of cause may include (but are not limited to) behavior that is harmful or damaging to the Corporation, failure to discharge responsibilities in a timely or 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.

12.9 The board may by ordinary resolution employ staff 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.

12.10 The board of directors may establish committees or working groups from time to time to carry out mandates according to the terms of reference determined by the board. The board may remove a committee member by ordinary resolution.

SECTION 13 - ELECTION OF DIRECTORS

13.1 To stand for election as director of the Corporation a candidate must

- (a) meet the minimum requirements contained in section **10.1**,
- (b) be a Supporting member in good standing of the Corporation,
- (c) be at least 18 years of age,
- (d) not be an undischarged bankrupt, and

(e) possess certain skill set and working criteria that will be predetermined by the board as they are needed to fulfill the working mandate of the Corporation.

13.2 Directors of the Corporation will be elected at the AGM.

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

(a) At the earliest opportunity the board will select a nominating officer annually. The nominating officer will not be a member seeking election or being proposed as a director. The nominating officer will report directly and solely to the board.

(b) The nominating officer will have a call for nominations to the board announced by mail or electronic mail, and published on the Corporation's website. The call will include the election date, the working criteria for standing for election as a director previously set by the existing board and the deadline established by the board for the submission of nominations. The nominating officer will ensure that the announcement and publication of the call provides sufficient time for members to submit nominations before the deadline.

(c) The nominee must provide to the nominating officer a written submission by mail or electronic mail that

i. certifies that he or she

A. meets the qualifications contained in this by-law,

B. possesses the skill set and working criteria set by the board, and

C. consents to stand for election,

and

ii. includes a profile of the nominee for distribution to the members.

(d) Immediately prior to the AGM the nominating officer will have the list of candidates and their profiles announced by mail or electronic mail, and published on the Corporation's website.

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

(a) The election shall be supervised by the election officer appointed by the board.

(b) Prior to the election, each candidate standing for election as a director will have the opportunity to address the AGM.

(c) The election of directors will be held by ballot vote. The election officer will be responsible for the balloting process and will act as scrutineer.

(d) The election will follow conventional rules of order.

(e) The election officer will post the results immediately following the election.

SECTION 14 - OFFICERS

14.1 The board will appoint the officers of the Corporation annually or more often if required, who will have the following duties and powers:

14.2 The president will have the direction of the affairs of the Corporation and, subject to this by-law, will chair all meetings of members and meetings of the board unless he or she delegates the task to another board member.

14.3 The treasurer will be responsible for the custody of the Corporation's funds and other duties in connection with the finances of the Corporation as the board may determine from time to time. The treasurer will prepare and present a financial statement and an up-to-date statement of income and disbursements of the Corporation for the current year, and a budget for the following fiscal year at each AGM.

14.4 The secretary will attend and be the secretary of all meetings of the board, members and committees of the board. The secretary will also be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.

14.5 Unless the Act sets other requirements, the board may vary, add to or limit the powers and duties of any officer from time to time.

SECTION 15 - MEETINGS OF DIRECTORS

15.1 A majority of directors will form a quorum for the transaction of business. Unless the Act sets other requirements, the board may hold its meetings in place or places as it may determine from time to time. Meetings of the board may be called by the president, the treasurer or any two (2) directors at any time. Notice of meetings will be sent to each director at least two days before the meeting is to take place by mail or electronic mail. A meeting may be held without notice immediately following the AGM. Any director may waive the requirement for notice for a meeting or any irregularity in a meeting.

15.2 If all the directors present at a meeting consent, the meeting may be held by telephone conference, or electronic or other communication facilities. These formats must ensure all persons participating in the meeting can communicate simultaneously with each other. For the purposes of the Act and this by-law a director participating in one of these meeting formats is considered present at the meeting.

15.3 The board may adopt or establish rules of procedure for conducting meetings provided the rules are not inconsistent with the Articles, this by-law or the Act.

15.4 The board will decide questions arising at a meeting by ordinary resolution.

SECTION 16 - PROTECTION OF OFFICERS AND DIRECTORS

16.1 No director or officer of the Corporation will 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 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 will 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 will be deposited, or for any loss, damage or misfortune whatever, which will happen in the execution of the duties of the officer or in relation thereto unless the same will through his or her own dishonesty, wrongful and willful act, or through his or her own wrongful and willful neglect or default.

16.2 Every director and officer of the Corporation, and his or her heirs, executors and administrators, and estates and effects, respectively, will be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses whatsoever that the 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 the 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.

16.3 The Corporation must purchase and maintain Directors and Officers Insurance coverage for its directors and officers.

SECTION 17 - CONFLICT OF INTEREST

17.1 If a director has a financial or personal interest in any matter coming before the board, actual, perceived, or potential, he or she must

- (a) fully disclose the nature of the interest,
- (b) withdraw from discussion and voting on the matter.

17.2 Any proceeding or vote involving a potential conflict of interest will be approved only when a majority of disinterested directors determine that it is in the best interest of the corporation to do so. The disclosures, abstentions and rationale for approval will be recorded in the minutes.

17.3 The board will take all due care in ensuring that the treatment among the members and directors of any contributions and fees they paid in advance is fair and equitable.

SECTION 18 - EXECUTION OF DOCUMENTS

18.1 Deeds, transfers, assignments, contracts, instruments and obligations will be signed jointly by any two directors of the Corporation, one of whom must be an officer. However, the board may 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.

18.2 Despite any provisions to the contrary contained in this by-law, the board may at any time by ordinary 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 will be executed.

SECTION 19 - MEETINGS

19.1 The board may at any time call a meeting of members for the transaction of any business. The general nature of the meeting will be specified in the notice of the meeting. Notice of meetings will be sent to each member at least two weeks in advance by mail or electronic mail, and published on the Corporation's website. Meetings of members may be held at any time or place without notice if all the members are present or represented by proxy. Any business may be transacted at that meeting. For the purpose of sending notice to any member, director, officer, member of a committee of the board or accountant of the Corporation for any meeting or otherwise, the address of that person will be his last mailing address or electronic mail address recorded on the books of the Corporation.

19.2 The only persons entitled to be present at a meeting of members will be the members, the directors and the accountant of the Corporation and other persons who are entitled or required under the Articles, this by-law or the law to be present at the meeting. Other persons may be admitted only on the invitation of the chair of the meeting or by ordinary resolution of the members.

19.3 The board of directors will call a special meeting of members on written request of not less than fifteen percent (15%) of members. If the directors do not call a meeting within twenty-one (21) days of receiving the requisition, any member who signed the requisition may call the meeting.

19.4 If the chair of the board, the secretary and the treasurer are absent, the members who are present at the meeting will choose a member who is present to act as chair.

19.5 A quorum for any meeting of members is twenty-five percent (25%) of Supporting members. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

19.6 No error or omission in giving notice of any meeting or any adjourned meeting will invalidate the meeting or make void its proceedings. A member may give up the right to notice of a meeting and may approve and confirm any or all proceedings taken at the meeting.

19.7 A member may appoint another member to vote on his or her behalf. The member must fill in, sign, and date the proxy voting form provided and send the form to the Secretary by mail or electronic mail. The Secretary must receive the proxy form not later than 48 hours before the start of the meeting. The total number of votes available to a proxy holder must not be greater than the total of the votes held by the proxy holder and the votes held by the member who gave his or her proxy.

19.8 The business at any meeting of members will be decided by ordinary resolution of the members present or by proxy, unless this by-law or the Act set other requirements. For orders of business, votes will be taken by a show of hands. The votes for and against will be recorded in the minutes.

19.9 Matters that are determined by the board to be controversial will be decided by ballot vote. The matter will be decided by ordinary resolution of the members present or by proxy. The vote will be taken in the manner determined by the chair and according to Schedule A. A scrutineer appointed by the board will verify the ballots and inform the chair of the meeting of the outcome. The votes for and against will be recorded in the minutes.

SECTION 20 - CHANGES IN BY-LAW

20.1 Subject to the Articles, this by-law may be repealed or amended if considered necessary or advisable, and a new by-law may be passed as required from time to time.

20.2 Any repeal or amendment of this by-law must be passed by an ordinary resolution of the board and then circulated to the membership.

20.3 The members must confirm any amendment or repeal of this by-law by special resolution at a general meeting called to confirm for that purpose or the next AGM, whichever occurs first. If the amendment or repeal is not confirmed, it is no longer effective from that time and no new by-law of the same or similar substance can be proposed until a future general meeting of members or the next AGM.

20.4 Changes in cross-reference and numbering will not require a vote.

SECTION 21 - DISSOLUTION OF THE CORPORATION

21.1 The Corporation will be dissolved according to Article 6 of the Articles and this by-law. After the payment of the Corporation's liabilities all its remaining assets will be distributed to one or more Corporations or organizations with which the members determine have similar objectives.

21.2 The members will be guided by the following:

(a) If any lands are part of the Corporation's residual assets, then the lands and other assets will be transferred to AANR-WCR on the condition that it will continue to hold and operate the lands, and that it will try to find suitable naturist tenants or owners to maintain the lands for naturist purposes. If AANR-WCR is unable or unwilling to accept ownership, another naturist organization will be looked for to maintain the lands for naturist purposes.

(b) 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 under the terms outlined in (a) above, the lands and other assets will be sold and the funds distributed to one or more established naturist organizations that the members determine to have similar founding principles.

(c) If no lands are part of the Corporation's residual assets, then remaining assets will be sold and all funds will be distributed to one or more established naturist organizations that the members determine to have similar founding principles.

SECTION 22 - DISPUTE RESOLUTION

22.1 Disputes or controversies among members, directors, officers, committee members, or volunteers of the Corporation are as much as possible to be resolved according to mediation and/or arbitration according to this section.

22.2 In the event that a dispute or controversy among members, directors or officers of the Corporation arising out of or related to the Articles or this by-law, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of the members, directors or officers of the Corporation contained in the Articles, this by-law or the law, and as an alternative to the person instituting a law suit or legal action, the dispute or controversy will be settled by a process of dispute resolution as follows:

1. The dispute or controversy will first be submitted to a panel of mediators where the one party appoints one mediator, the other party appoints one mediator, and the two appointed mediators jointly appoint a third mediator. The three mediators will then meet with the parties in an attempt to mediate a resolution.

2. The number of mediators may be reduced from three to one or two upon agreement of the parties.

3. If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute will be settled by arbitration before a single arbitrator, who will not be any one of the mediators referred to above, according to *The Arbitration Act* of Manitoba (C.C.S.M. c. A120) or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration will be kept confidential and there will be no disclosure of any kind. The arbitrator's decision will be final and binding and will not be subject to appeal on a question of fact, law or mixed fact and law.

4. All costs of the mediators appointed will be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed will be borne by the parties as may be determined by the arbitrators.

SCHEDULE A


VOTING RIGHTS FOR SUPPORTING MEMBERS

1.1 Each Supporting member will be entitled to one vote plus one additional vote for every \$1000.00 of member contributions or fees he or she paid in advance, or for every \$1000.00 of unrestricted member contributions he or she has paid to the Corporation. The number of votes held by any one member cannot exceed 45% of the total votes held by the membership. Every ballot in a ballot vote will contain the Supporting member's name and allowed votes. The Supporting member will detach their name from the completed ballot before it is collected to ensure privacy. A scrutineer appointed by the board will co-ordinate and conduct the voting process. The scrutineer will verify the ballots and inform the chair of the outcome. The votes for and against will be recorded in the minutes.

RESOLVED by the Directors on August 11th, 2010 and confirmed by members attending the AGM on the September 11th, 2010 and with subsequent amendments and renumbering by the Directors confirmed by members attending AGMs November 28th, 2011, October 13th, 2012, and November 8th, 2014.



Debbie L. President



Rita L. Secretary