

TERRA NOVA RESORT CONDOMINIUM CORPORATION

BY- LAW NO. 1

INDEX

BY- LAW NO. 1	Page
Article I - Definitions	1
Article II - The Corporation	2
Article III - Meeting of Members of the Corporation	2
Article IV - Board of Directors	6
Article V - Officers	9
Article VI - Bank Arrangements and Contracts	10
Article VII - The Corporation	11
Article VIII - Duties of the Declarant	13
Article IX - Management of the Property	13
Article X - Assessment and Collection of Contributions towards the Common Expenses	13
Article XI - Records	16
Article XII - Provisions Respecting the Use and Occupation of Units	17
Article XIII - Provisions Governing the Use of the Common Elements	19
Article XIV - Miscellaneous	20

TERRA NOVA RESORT CONDOMINIUM CORPORATION

BY-LAW NO. 1

A By-Law made by Terra Nova Condominium Corporation on the 28th day of July, 2011.

BE IT ENACTED as By-Law No. 1 of Terra Nova Resort Condominium Corporation (the "Corporation") as follows:

ARTICLE 1

Definitions

The terms used herein have the meaning set out below, unless the context otherwise requires:

ACT means the Condominium Act, RSN, 1990, c. C-29 and amendments thereto, and regulations made pursuant thereto;

BOARD means the Board of the Corporation;

CORPORATION means Terra Nova Resort Condominium Corporation, a corporation created under the Act, by the acceptance for registration of the Declaration and the Plan;

DECLARANT means the Declarant in the Declaration, Sports Villas Resort, Inc.;

DECLARATION means the Declaration respecting the property submitted for acceptance for registration by the Registrar of Condominiums, St. John's, NL;

LAND means the freehold land described in Schedule "A" to the Declaration;

MANAGER means Terra Nova Golf Estates Management Inc., or its successors or assigns;

MEMBERS mean the owners of the Units from time to time or, if a voting notice shall have been given to the Corporation pursuant to Article 1.06 of the Declaration, the mortgagee of such Unit;

PLAN means the Plan respecting the Land filed with the Declaration;

PERSON includes an individual, a partnership, a corporation, a trust, a joint venture, an unincorporated organization, a union, a government or any department or agency thereof, and the heirs, executors, administrators, or other legal representatives of an individual;

PROPERTY means the Land together with all buildings and erections thereon and appurtenances thereto;

RENTAL POOL means the rental pool operation of the Terra Nova Resort Condominium placed in the rental pool by their owners, which rental pool is established and governed pursuant to a lease and rental pool agreement between the owner of a Unit and the Manager.

RENTAL POOL AGREEMENT means that agreement creating and establishing the terms and conditions of the Rental Pool;

UNIT means the same as "Unit" as defined in Article 1.01 of the Declaration; and

WITHDRAWAL means the Property is no longer governed by the Act, and includes termination as a result of damage;

Any other words and phrases which are defined in the Act shall have the meaning given to them by the Act.

ARTICLE II

The Corporation

1. **NAME.** The name of the Corporation shall be "**Terra Nova Resort Condominium Corporation**".
2. **SEAL OF CORPORATION.** The Corporation shall have a seal in the form impressed in the margin hereof. It shall at no time be used except by authority of the Board previously given.
3. **OFFICE.** The office of the Corporation shall be, at such place as the Board by resolution may from time to time determine,
4. **FISCAL YEAR.** The fiscal year of the Corporation shall end on the 31st day of December in each year or on such other date as the Board, by resolution may determine.

ARTICLE III

Meeting of Members of the Corporation

1. **FIRST GENERAL MEETING.** A general meeting of the Members shall be held within one year after the acceptance for registration of the Declaration and Plan and the invoking of the Act.
2. **ANNUAL MEETINGS.** The first annual meeting shall be held not later than fifteen months after the first meeting of the Members of the Corporation and thereafter an annual meeting of the Members shall be held once in each calendar year and not more than fifteen months shall elapse between the date of one annual meeting and that of the next. The business of an annual meeting shall be to receive reports of Directors and

officers and the financial statements required by the Declaration and By-Laws, to elect Directors, and to appoint auditors and to fix their remuneration.

3. **GENERAL MEETINGS.** All meetings of all Members other than annual meetings and the first meeting shall be called general meetings.
4. **PLACE OF MEETING.** All meetings of the Members of the Corporation shall be held at such place as the Directors from time to time decide.
5. **CALLING OF GENERAL MEETINGS.** The Board may, whenever it thinks fit, and shall, upon receiving a petition in writing signed by owners or mortgagees, or any combination thereof entitled to vote with respect to twenty-five per cent (25%) of the Units and delivered to the Secretary of the Corporation, convene a general meeting within thirty (30) days of receiving such petition.
6. **NOTICE OF MEETINGS.** No public notice or advertisement of meetings of Members, either annual or general, shall be required, but a printed, written, typewritten or otherwise mechanically reproduced notice in which it is stated the day, hour and place of the meeting, together with an agenda of the business to be transacted thereat, shall be either emailed, delivered or mailed by ordinary mail with postage prepaid to *each* Member and to all mortgagees who have given the Corporation a Voting Notice pursuant to Article 1.07 of the Declaration and to the accountant of the Corporation at least ten (10) days (exclusive of the day of the delivery or mailing, but inclusive of the day for which notice is given) before the date of every meeting, addressed to such address as is given by the Member or mortgagee to the Corporation for the purpose of notice, or if no address be given then to the last address of such Member or mortgagee known to the Secretary or, if no address be known, notice shall be deemed to have been given to Members or mortgagees if delivered or sent addressed to them at their respective Units; provided always that a meeting of Members, either annual or general, may be held for any purpose at any time and at any place as the Directors from time to time determine without notice, if all the Members or mortgagees entitled to notice of such meeting are present thereat in person or represented thereat by proxy duly appointed, or if the absent Members or mortgagees shall have signified their consent in writing to such meeting being held. Notices may be signed by the President, a Vice-President or the Secretary or such other persons as the Board may from time to time appoint for that purpose. Proof of notice calling the meeting shall be made by affidavit of the person giving such notice, Notice of any meeting or any irregularity in any notice thereof may be waived by any Member or mortgagee. No accidental error or omission in giving notice of any meeting of Members of the Corporation (whether annual or general) shall invalidate such meeting or make void any proceedings taken or had thereat and any Member or mortgagee may at any time waive notice of such meeting and ratify, approve and confirm any and all proceedings taken or had thereat.
7. **REPORTS.** A copy of the annual financial statements shall be furnished to every owner and, upon request, to the mortgagee or chargee of a Unit entered on the register. A copy of the minutes of meetings of Members and of the Board shall within thirty (30) days of

the date of such meeting be furnished to each such mortgagee or chargee who has requested the same.

8. **QUORUM.** Except as otherwise provided in this By-Law, no business shall be transacted at any annual or general meetings unless a quorum of Members entitled to vote thereat is present within thirty (30) minutes after the time at which the meeting was called. A quorum for the transaction of business at any meeting of Members of the Corporation shall be constituted when Members entitled to vote and owning not less than fifty per cent (50%) of the common elements are present in person or represented by proxy at such meeting and not fewer than three (3) persons entitled to vote are present in person. Subject to Paragraph 9 hereof, no business shall be transacted at any meeting where there is no quorum.
9. **ADJOURNMENT FOR LACK OF QUORUM.** If within thirty (30) minutes after the time appointed for the holding of any annual or general meeting of Members a quorum is not present, the meeting shall stand adjourned to the corresponding day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for the meeting the Members or persons entitled to vote who are present in person or represented by proxy at such meeting shall be deemed to constitute a quorum and may proceed to hold the meeting and transact business thereat. Three (3) days' notice of any adjourned meeting is required to be given.
10. **RIGHT TO VOTE.** At each meeting of the Members every Member shall be entitled to vote who is entered on the register as an owner of a Unit or has given notice to the Corporation in a form satisfactory to the Chairman of the meeting that he is the owner of a Unit and whose accounts with the Corporation are in good standing and who has paid to the Corporation all fees, annual assessments, special assessments or any other amounts billed to the owner or levied against his Unit by the Corporation, whether as a contribution to common expenses, the reserve fund, the contingency fund or for any other purpose. If a Unit has been mortgaged or charged, the person who has mortgaged or charged such Unit (or his proxy) may nevertheless represent such Unit at such meeting and vote in respect thereof unless the mortgagee or chargee shall notify the Corporation and the Unit owner of its intention to exercise the right to vote in accordance with the requirements of the Declaration. Any dispute over the right to vote shall be resolved by the Chairman of the meeting upon such evidence as he may deem sufficient.
11. **VOTING.** Votes may be given either personally or by proxy. At annual or general meetings every question shall be decided by a show of hands (except that voting for election of directors shall be by ballot only) unless a poll thereon be required by the Chairman or be demanded by a Member entitled to vote who is present in person or by his proxy if so represented. Upon a show of hands every Member entitled to vote who is present in person or by his proxy if so represented, may still demand a poll thereof. Whenever a vote by show of hands shall have been taken upon a question unless a poll thereon be so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried, or carried by a particular majority or

not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be prima facie evidence of that fact, without proof of number or proportion of the votes recorded in favour of or against any resolution or other proceedings in respect of the said question, and the result of the vote so taken shall be the decision of the Corporation in an annual or general meeting as the case may be, upon the question.

12. **POLL.** If at any meeting of Members a poll is demanded and not withdrawn, it shall be taken in such manner as the Chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn at any time prior to the taking of the poll.
13. **EQUALITY OF VOTES.** In case of an equality in the votes, whether on a show of hands or on a poll, the chairman of the meeting is entitled to a casting vote in addition to his original vote.
14. **NUMBER OF VOTES.** On a show of hands, or on a poll, each Member present in person or by his proxy shall have one vote, for each Unit he owns.
15. **APPOINTMENT OF PROXY.** An instrument appointing a proxy shall be in writing under the hand of the appointer, or his attorney authorized in writing, or if the appointer is a corporation, either under its corporate seal or under the hand of an officer, director or attorney so authorized, and may be either general or for a particular meeting, but a proxy need not be a Member, but may be any person. A proxy must be filed with the Secretary of the Corporation before the time of any meeting at which it is to be used and may be revoked by notice filed with the Secretary before the time of any meeting or by the appointer's attendance at the meeting.
16. **VOTE BY CO-OWNERS.** If a Unit or a mortgage on a Unit is owned by two or more persons any one of them present or represented by proxy may, in the absence of the other or others, vote, but if more than one of them is present or represented by proxy, those present or represented by proxy shall vote in the same way, failing which the vote for such Unit shall not be counted.
17. **REPRESENTATIVES.** An executor, administrator, guardian or trustee (and where a corporation or mortgagee acts in such capacity any person duly appointed a proxy for such corporation or mortgagee) upon filing with the Secretary of the meeting sufficient proof of his appointment, shall represent the owner or mortgagee at all meetings of the Members of the Corporation and may vote in the same manner and to the same extent as such Member. If there be more than one executor, administrator, committee, guardian, trustee or person acting, the provisions of Paragraph 16 of this Article shall apply.
18. **VOTE OF MORTGAGEE.** Where a mortgage of a Unit contains a provision that assigns to the mortgagee, or otherwise authorizes the mortgagee to exercise the rights of the owner as a Member to vote or to consent at any annual or general meeting of Members, and where the mortgagee desires to exercise such rights, the following provisions in addition to Clause 1.07 of the Declaration shall apply:

- (a) the Voting Notice shall be delivered, or sent by prepaid registered post, by or on behalf of the mortgagee to the address for service of the Corporation including the address for notice of the mortgagor;
- (b) the notice shall state according to its terms the extent to which the mortgagee desires to exercise the right of such owner to vote or consent as aforesaid;
- (c) the Corporation shall be bound from the time of receipt of such notice to treat the mortgagee as a Member for the purpose of exercise of the rights of such owner to receive or waive notices, to appoint a proxy, to call a general meeting pursuant to Paragraph 5 of this Article III and to vote or consent in accordance with the notice so given by or on behalf of the mortgagee, subject always to the rights of such owner to continue to receive notice of and to attend meetings of Members; and
- (d) in the event that Units whose common interest represent twenty five per cent (25%) of the Units are subject to first mortgages held by the same first mortgagee, then the Corporation shall deliver to such first mortgagee, if it so requests in writing, a copy of the minutes of all meetings of the Members of the Corporation.

19. **ENTITLEMENT TO VOTE.** Unless the requirements in connection with the specific matter upon which the vote is being taken stipulate that the resolution must be unanimous no Member is entitled to vote at any meeting unless all the contributions to the Corporation, payable in respect of his Unit, have been paid to the date of such meeting; provided, however, that the terms of this paragraph shall not derogate from the rights of the mortgagee as set out in Paragraph 18 of this Article III.

ARTICLE IV

Board of Directors

1. **NUMBER.** The affairs of the Corporation shall be managed by the Board and until changed by by-law the number of the Board shall be not less than 3 and not more than 7.
2. **QUORUM.** A quorum for the transaction of business at a meeting of the Board of Directors is a majority of the Members of the Board. Notwithstanding vacancies the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.
3. **QUALIFICATION OF MEMBERS OF THE BOARD.** Subject to Section 4 of Article IV, any person whether or not he be a Member of the Corporation or the owner of a Unit or any representative of a mortgagee of one or more Units or any representative of any manager of the Property as provided for in Article IX hereof, is qualified to be elected as a director of the Corporation provided that each director shall be nineteen (19) or more years of age. If a Unit has more than one owner, only one may be a Member of the Board at any one time.

4. **ELECTION AND TERM.** Within fourteen (14) days after acceptance for registration of the Declaration and Plan the first general meeting of the Corporation shall be held and the Declarant shall appoint at least one (1) person who shall constitute the Board, and hold office until the first general meeting of the Corporation. Directors shall be elected in rotation and upon the expiration of their respective term of office shall retire but shall be eligible for re-election. At the first general meeting of the Members of the Corporation one (1) or two (2) or three (3) directors shall be elected to hold office for a term of three (3) years from the date of their election or until their successors are elected, one (1) or two (2) or three (3) directors shall be elected to hold office for a term of two (2) years from the date of his or her election, or until their successors are elected, and one (1) director shall be elected to hold office for a term of one (1) year from the date of his or her election, or until their successors are elected. At each annual meeting thereafter the number of directors equal to the number of directors retiring in such year shall be elected for a term of three (3) years. Notwithstanding any of the foregoing, so long as the Declarant retains ownership of at least seventy-five per cent (75%) of the Units, the Board may consist of only one person who is the duly appointed representative of the Declarant, and, as such may exercise all of the powers of the Board.
5. **REMOVAL OF DIRECTORS.** The Members of the Corporation may by resolution passed by a majority vote at a meeting of the Members called for such purpose remove any director before the expiration of his term of office, and may elect a person in place of any director who has been removed to hold office for the remainder of this term.
6. **FILLING OF VACANCIES.** Any vacancy occurring in the Board shall be filled for the remainder of the term of office by a quorum at any meeting of the Board.
7. **CALLING OF MEETINGS.** Meetings of the Board shall be held from time to time at the call of the President or any Director, and at such time and on such day as the President determines or, in the absence of the President, a Vice-President who is a Director or in the absence of any such Vice-President by a Director. Notice of any meeting so called shall be given personally, by ordinary mail or telegraph or email to each director not less than forty-eight (48) hours, (exclusive of Saturdays and holidays) before the time when the meeting is to be held, provided that no notice shall be required to be given of any meeting of directors held for the sole purpose of organization and the election and appointment of officers immediately following any annual general meeting, and no notice of any meeting shall be necessary if all the directors are present or if a quorum is present and those absent have waived notice or otherwise signified in writing their consent to the holding of such meeting.
8. **REGULAR MEETINGS.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a resolution passed by a majority of the directors.

9. **ADJOURNED MEETING.** At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.
10. **MEETINGS BY TELEPHONE.** If all of the directors consent, any director may participate in a meeting of the Board by means of telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates.
11. **VOTE.** At meetings of the Board all matters shall be decided by majority vote, provided that the Chairman of the meeting shall not have a casting, as well as an original vote, in case of an equality of votes.
12. **INTEREST OF DIRECTORS IN CONTRACT.** No director shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or any Person in which any director is in any way interested be voided, nor shall any director so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director holding such office or of the fiduciary relationship thereby established provided that the provisions of Paragraph 13 of this Article IV are complied with.
13. **DECLARATION OF INTEREST.** It shall be the duty of every director who is in any way, whether directly or indirectly, interested in a contract, or arrangement or proposed contract or arrangement with the Corporation, to declare such interest and to refrain from voting in respect thereto, provided however, that such prohibition against voting shall not apply during such time as there is only one (1) director (as appointed by the Declarant) or the Declarant is represented on the Board by three (3) or more directors.
14. **PROTECTION OF DIRECTORS AND OFFICERS.** No director or officer of the Corporation shall be liable for the acts, neglect or default of any other director or officer or for joining in any 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 monies of the Corporation shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited or for any loss occasioned by an error in judgment or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same shall happen through his own dishonest or fraudulent act or acts.
15. **INDEMNITY OF DIRECTORS AND OFFICERS.** Every director or officer of the Corporation and his heirs, executors, administrators, 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 which such director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and
- (b) all other costs, charges and expenses which he properly sustains or incurs in or about or in relation to the affairs thereof;

except for his dishonest or fraudulent act or acts.

16. **FIDELITY BONDS.** The Board may require that all directors, officers and employees of the Corporation handling or responsible for the Corporation's monies or securities shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

ARTICLE V

Officers

1. **ELECTED OFFICERS.** At the first meeting of the Board after each election of directors the Board shall elect from among its Members a President and may elect from among its Members one or more Vice-Presidents. A vacancy occurring from time to time in such office may be filled by the Board from among its Members.
2. **APPOINTED OFFICERS.** From time to time the Board shall appoint a Secretary and may appoint a General Manager, a Treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The officers so appointed may but need not be a Member of the Board. With the exception of the President one person may hold more than one office and if the same person holds both the office of Secretary and office of Treasurer he may be known as the "Secretary Treasurer".
3. **TERM OF OFFICE.** In the absence of written agreement to the contrary the Board may remove at its pleasure any officer of the Corporation.
4. **PRESIDENT.** The President, when present, shall preside at all meetings of the Members and of the Board and shall be charged with a general supervision of the business and affairs of the Corporation, subject only to the direction of the Board and he shall have such other powers and duties as the Board may from time to time determine.
5. **VICE-PRESIDENT OR VICE-PRESIDENTS.** During the absence or the inability to act of the President his power and duties shall fall upon the Vice-President, or if more than one, upon such one as may be designated by the Board, save that no

Vice-President shall preside at a meeting of the Board or at a meeting of Members who is not qualified to attend as a director or Member as the case may be. If a Vice-President exercises any such duty or power the absence of a President shall be presumed with reference thereto. The Vice-President, or if more than one, the Vice-Presidents, shall also have such powers and duties as may from time to time be assigned to him or them respectively by the Board.

6. **SECRETARY.** The Secretary shall give or cause to be given all notices required to be given to the Members, directors, auditors, mortgagees and all others entitled thereto. He shall attend all meetings of the directors and of the Members and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings. He shall be in custody of all books, papers, records, documents and other instruments belonging to the Corporation except those to be kept by the Treasurer, and he shall perform such other duties as may from time to time be prescribed by the Board.
7. **TREASURER.** The Treasurer shall keep or cause to be kept full and accurate books of account and accounting records in which shall be recorded all receipts and disbursements of the Corporation. He shall have the care and custody of all the funds and securities of the Corporation in such bank or banks or trust company or trust companies or with such depository or depositories as the Board shall direct. He shall disburse the funds of the Corporation when necessary and proper, taking proper vouchers of such disbursements, and shall render to the President and directors at the meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer, and of the financial position of the Corporation, and he shall perform such other duties as may from time to time be prescribed by the Board.
8. **OTHER OFFICERS.** The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them. Any of the powers and duties of any officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the Board otherwise directs.
9. **COMPENSATION.** Compensation of all officers and employees of the Corporation shall be fixed by the directors. This provision shall not preclude the Board from employing a director as an employee of the Corporation nor preclude any director entering into a contract with the Corporation for the management of the Corporation.

ARTICLE VI

Bank Arrangements and Contracts

1. **BANKING ARRANGEMENTS.** The banking business of the Corporation or any part thereof shall be transacted with such bank or trust company as the Board may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers or other persons or the Manager appointed under Article IX as the Board may designate, direct or authorize from time to time, by resolution and, to the extent therein provided, including without restricting the generality of the foregoing, the operation of the

Corporation's accounts, the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing, or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders relating to any property of the Corporation; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Corporation's behalf to facilitate such banking business.

2. **EXECUTION OF INSTRUMENTS.** Deeds, transfers, assignments, contracts and obligations on behalf of the Corporation may be signed by the President alone, or any two (2) officers, or one officer and one director or by one (1) director. Any contract or obligation within the scope of any management agreement entered into by the Corporation may be executed on behalf of the Corporation in accordance with the provisions of such management agreement. Notwithstanding any provisions to the contrary contained in the By-Laws of the Corporation, 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 of the Corporation may or shall be signed.

ARTICLE VII

The Corporation

1. **DUTIES OF THE CORPORATION.** The duties of the Corporation shall be those as set forth in the Act and for such purposes, to prepare budgets and collect common expenses with a view to maintaining financial stability and to provide such services to the owners of Units as are specified in the Act, the Declaration and the By-Laws. Without limiting the generality of the foregoing, the duties of the Corporation include the following:
- (a) to collect and receive all contributions towards the common expenses from the owners of Units, or from any mortgagee if the same are collected by a mortgagee, and deposit the same in a separate account with a chartered bank, loan or trust company;
 - (b) to keep the records required to be kept by Clause 12.03 of the Declaration;
 - (c) to keep accurate accounts of the financial transactions involved in the performance of its duties and the exercise of its rights, and send to each Member annual statements of income and expenditures with respect thereto;
 - (d) to cause financial records of the Corporation to be maintained and financial statements to be prepared and presented in accordance with Clause 12.04 and Clause 12.05 of the Declaration;
 - (e) for the purpose of complying with the provisions of the Act and the Declaration with respect to insurance, to do all such acts and things and to take out and maintain such insurance as the Board may from time to time deem advisable;

- (f) to control, manage and administer the common elements for the benefit of all the owners of Units and for the benefit of the entire condominium project, and to maintain such staff as may be required to carry out at all times promptly and efficiently its duties in such management of the Property;
- (g) to repair, maintain and renew the common elements in accordance with the provisions of the Act and the Declaration;
- (h) to keep the common elements clean, suitably decorated and landscaped;
- (i) to purchase electricity, water and other public utilities for use in the common elements; and
- (j) to effect compliance by the owners of Units with the Act, the Declaration and the By-Laws.

2. **POWERS OF THE CORPORATION.** The powers of the Corporation include, but are not limited to the following:

- (a) purchasing, hiring, leasing or otherwise acquiring, property for use by the Unit owners in connection with their enjoyment of the common elements, and for use in the management and maintenance of the common elements and the Property, except the Units;
- (b) borrowing money required by it for the performance of its duties or the exercise of its powers, but each borrowing shall require the recommendation of the Board and approval by By-Law, passed at a meeting called for that purpose;
- (c) to secure the repayment of moneys borrowed by it and the payment of interest thereon by negotiable instrument;
- (d) to make an agreement with any Unit owner or occupier of a Unit for the provision of amenities or services, or payment of same;
- (e) granting to any Unit owner the right to exclusive use and enjoyment of any part of the common elements or special privileges in respect thereof;
- (f) revoking any grant provided under paragraph (e) above on reasonable notice;
- (g) entering into contracts for the repair, maintenance and renewal on a continuing or periodic basis of any part or parts of the common elements or of installations contained in Units and subject to easements for services to the common elements or other Units;

- (h) to do all things reasonably necessary for the performance of its duties under the Act, the Declaration and the By-Laws;
- (i) employing a manager at a compensation to be determined by the Board, to perform such duties and services as the Board shall authorize, including but not limited to the duties of the Corporation set forth in paragraph 1 of this Article VII;
- (j) obtaining and maintaining fidelity bonds for the manager where deemed necessary by the Board and in such manner as the Board may deem reasonable; and
- (k) investing reserves and other money from time to time held by the Corporation.

ARTICLE VIII

Duties of the Declarant

The Declarant shall perform all the duties of the Corporation set forth in this By-Law up to the date of appointment of directors by the Declarant provided for in Paragraph 4 of Article IV of this By-Law or until the first general meeting, whichever first occurs, and thereafter the Corporation shall assume all of its duties as herein set forth.

ARTICLE IX

Management of the Property

Notwithstanding Paragraph 1 of Article VII hereof, the Corporation may from time to time enter into an agreement for the management of the Property with a person or persons, corporation or firm selected by the Corporation in its discretion for such period and upon such terms and conditions as the Corporation deems expedient. In such agreement or agreements, the Corporation may delegate to such person or persons, corporation or firm, all of its powers and duties, including the collection of common expenses, but not including the assessment of common expenses, and those powers and duties that are specifically required by the Act to be exercised by the Corporation, or by the Board.

ARTICLE X

Assessment and Collection of Contributions Towards the Common Expenses

1. **ANNUAL BUDGET.** The Board shall pass a budget within ten (10) days of the registration of the Corporation for that period of time which encompasses at least the portion of the fiscal year commencing on the date of the registration of the Corporation. The Board shall thereafter, within one hundred twenty (120) days after the end of each fiscal year, prepare and adopt a budget for the Corporation for that fiscal year, setting forth in categories estimates of the amount of the common expenses of the Corporation for such year and allocating and assessing such common expenses for such fiscal year among the owners according to the proportion in which they are required to contribute to

the common expenses as set forth in the Declaration. In preparing the budget the board shall estimate the amount of income to be received by the Corporation from the use, operation or rental of any of the common elements. In addition to all expenses, charges or costs, which the Board may incur or expend, there shall be included in the annual budget provision for the following:

- (a) **A CONTINGENCY FUND**, which fund shall be used and applied from time to time towards meeting the deficits and such other common purposes as the Corporation may deem necessary; and
- (b) **A RESERVE FUND**, which shall include moneys received to be accumulated in the Reserve Fund as provided for in Paragraph 3 of this Article X and to be used or expended for major maintenance items, which occur less frequently than annually and for major items of repair or replacement made necessary by damage, deterioration or obsolescence.

2. **CONTINGENCY FUND.** Upon the purchase of each Unit from the Declarant, or at any time thereafter, at the request of the Corporation, each owner shall deposit with the Corporation, or as the Corporation may otherwise direct, an amount equal to three times the monthly assessment relating to such owner's Unit for the year in which such deposit is requested. Such amount shall be held, together with the amount similarly deposited by other Unit owners, as a Contingency Fund for common expenses and shall be used and applied from time to time towards meeting the deficits and such other common expenses as the Corporation may deem necessary, but not amounts to be expended from the Reserve Fund.
3. **RESERVE FUND.** The moneys in the Reserve Fund shall be accumulated for the purposes outlined and in accordance with Clause 12:06 of the Declaration. The Board may engage such accounting or other financial assistance as it deems necessary to determine, from time to time, the amount of annual depreciation of the major capital assets of the Corporation, for the purpose of calculating the amount of any levy against the Members for the purpose of establishing, maintaining or augmenting the Reserve Fund. Any such levy or levies shall be paid by each Member as part of the common expenses but shall at all times be accounted for separate from the general funds of the Corporation and invested as the Board thinks fit. Interest on the Reserve Fund may be transferred by the Board to the account maintained by the Corporation to satisfy common expenses, but otherwise the interest shall be accumulated in the Reserve Fund.
4. **CONTINGENCY AND RESERVE FUNDS PART OF COMMON ELEMENTS.** The Contingency Fund and the Reserve Fund shall be deemed part of the common elements and in the event of sale of a Unit by the owner, such owner shall not be entitled to any refund of the whole or any part of the contributions or deposits made from time to time by him to the Contingency Fund or Reserve Fund, but all his interest in the unexpended portion of each of the said Funds, if any, shall be transferred and enure to the purchaser of the Unit with whom the owner will make any necessary adjustments.

5. **COPIES OF BUDGET AND NOTICES OF ASSESSMENT.** A copy of the budget for the ensuing fiscal year, together with a notice showing the amount assessed to each owner of a Unit for such year for common expenses, shall be emailed or delivered or mailed by first class mail, postage prepaid, to each owner of a Unit, and to each mortgagee who so requests, within ten (10) days of the budget being finalized. Each owner of a Unit shall, on or before the first day of the sixth month in each fiscal year, comply with the request of the Corporation to deliver to the Corporation, at its exclusive option, either twelve (12) post-dated cheques covering the payments due by the owner of a Unit during the ensuing twelve (12) months, which cheques shall be deposited as they become payable, or an authorization form allowing the Corporation to draw monthly cheques or prepare debits by paper or electronic entry from the bank account of the owner for the payments due by the owner during the ensuing twelve (12) months. Until the annual budget for any fiscal year has been sent to each owner of a Unit, each owner shall continue to pay each month an amount equal to the monthly installment payable by such owner under the annual budget for the preceding fiscal year. On the budget for a fiscal year being finalized an adjustment payment or credit (as applicable) shall be made to address the retroactive effect of the budget to January 1st of the then current fiscal year and the amount which has been paid by the owner of a Unit during the first five (5) months of that fiscal year.
6. **SPECIAL ASSESSMENTS.** If at any time during the course of any fiscal year the Board shall determine that the annual assessment of contributions is inadequate by reason of a revision in the Board estimates of either expenses or income the Board shall prepare and cause to be delivered to each owner of a Unit and to each mortgagee who has notified his interest to the Corporation a revised annual budget for the balance of such fiscal year and thereafter monthly contributions shall be determined and paid on the basis of such revised budget.
7. **MONIES ON DEPOSIT.** All monies of the Corporation, except petty cash on hand or monies invested, shall be kept on deposit in a chartered bank, trust company, securities dealer or other financial institution carrying on business in the Province of Newfoundland and Labrador and approved by the Board.
8. **CONVEYANCE OF UNIT.** No owner of a Unit shall be liable for the payment of any part of the common expenses assessed against his Unit prior to the transfer by him of such Unit but payable by him subsequent thereof, provided that he first gives notice of such assessment to the transferee of the Unit.
9. **STATEMENT OF ACCOUNT.** Within ten (10) days following written application therefor, the Board shall furnish an owner of a Unit or mortgagee or any person authorized in writing by either of them with a statement as of the first day of the month in which such request is made setting forth the following:
 - (a) any assessments unpaid or payable as of such date, together with accrued interest thereon; and

- (b) the amount outstanding in the Reserve Fund and Contingency Fund contributed or deposited or required to be contributed or deposited by the Unit owner. The Board may charge a reasonable fee for the provision of each such statement.
10. **INSPECTION OF BOOKS.** Upon written application therefor, the Board shall make the books of account and accounting records available at all reasonable times for inspection by an owner of a Unit, or a mortgagee or any person authorized in writing by either of them.
11. **COLLECTION.** The Corporation shall take all necessary steps to enforce the payment by each owner of a Unit of all unpaid assessments, monthly contributions and all other amounts owed by him to the Corporation.
12. **ESTOPPEL CERTIFICATES.** Any certificate issued by the Corporation to a mortgagee, purchaser or other person dealing with an owner, to certify an owner's position with regard to assessments, contributions or otherwise, which has been signed by an officer of the Corporation under its corporate seal or by the Manager appointed under Article IX hereof, shall be binding upon the Corporation and all other owners and it and they shall be estopped from denying the accuracy of such certificate against any such mortgagee, purchaser or other person dealing with the owner of a Unit; but this shall not prevent the enforcement against the owner of a Unit of all obligations of the owner whether improperly stated in such estoppel certificate or not.
13. **DEFAULT IN PAYMENT OF ASSESSMENT.**
- (a) Arrears of payments required to be made under the provisions of this Article X shall bear interest at a rate equal to two per cent (2%) above the interest rate charged from time to time by the Bank of Canada to Chartered Banks and shall be compounded monthly until paid; and
- (b) In addition to any remedies or liens provided by the Act, if any owner of Unit is in default in payment of an assessment levied against him, for a period of fifteen (15) days, the Board may bring legal action for and on behalf of the Corporation to enforce collection thereof and there shall be added to any amount found due all costs of such action including costs as between a solicitor and his own client.

ARTICLE XI

Records

In addition to the records required to be kept by Article 12.03 of the Declaration, the Board shall cause to be kept the following records:

- (a) a set of plans and specifications of the building and of all alterations to the building made by the Corporation or by an owner of a Unit;

- (b) a log of all communications or complaints from owners relating to the duties of the Corporation and of the action taken;
- (c) minutes of the meetings of the Board;
- (d) minutes of meetings of Members of the Corporation;
- (e) financial records and books of account, including a chronological list of receipts and expenditures as well as a separate account for each Unit which shall contain the amount of each assessment of common expenses against each Unit, the date when due, the amount paid thereon and any amounts remaining unpaid; and
- (f) a Unit ownership register showing the names of the owners, as notified to the Corporation, the addresses for service of the owners, the proxies from time to time in force, and the names and addresses for service of all mortgagees who from time to time give notice of registration of their mortgages to the Corporation.

All records except the minutes of meetings of directors shall be available for inspection at reasonable hours by all owners of Units and mortgagees.

ARTICLE XII

Provisions Respecting the Use and Occupation of Units

In addition to the provisions of the Declaration, the use and occupation of the Units shall be in accordance with the following restrictions and stipulations:

- (a) no screens, awnings or shades shall be erected over and outside of the windows, nor shall any garments, rugs, flower pots, or other articles be hung or placed on the window sills, railings and other external parts of the Unit;
- (b) no portion of a Unit required by the Declaration to be maintained by the Corporation shall be painted, decorated or otherwise affected by anyone other than the Corporation;
- (c) nothing may be thrown out of the windows or doors of a Unit;
- (d) the use of and covering of the interior surfaces of all windows whether by sheers, drapes, shades or other items visible from the exterior of the Unit shall be only in compliance with rules established by the Board from time to time;
- (e) no stores of any combustible, inflammable or offensive goods, provisions or materials shall be kept in any Unit;

- (f) no plumbing or electrical repairs or alterations within any Unit or within any partition, bearing or party wall, shall be made without the prior written consent of the Board;
- (g) no residential Unit shall be used for professional or commercial purposes such as an office for a doctor, dentist, chiropractor or lawyer;
- (h) no electrical or telephone installations shall be erected on or fastened to any Unit, or the outside of the building except as approved by the Board;
- (i) no signs, billboards, notices or other advertising matter of any kind shall be placed on any part of a Unit, or in any window of a Unit, without the written consent of the Board first being obtained;
- (j) all electrical appliances or equipment used in any Unit shall comply with the applicable regulations of appropriate authorities from time to time in force;
- (k) no instrument, appliance, equipment or other device shall be used within any Unit which, in the opinion of the Board, causes a disturbance of interference with the comfort of other owners;
- (l) no owner of a Unit shall do anything or permit anything to be done that will increase the risk of fire or the rate of fire insurance on the Property or any part thereof;
- (m) the use of any form or type of barbecue is not permitted on any balcony or in any other part of a Unit or on the Property. Smoking is not permitted on any balcony or in any other part of the Unit or on the Property;
- (n) no owner shall do anything or permit anything to be done that is contrary to any statute or municipal by-law or any rules, regulations or ordinances passed under any statute or municipal by-law;
- (o) all garbage shall be tightly wrapped and tied in accordance with the instructions of the Board from time to time, and shall be disposed of together with all refuse by way of the disposal installations provided for such purposes;
- (p) an owner of a Unit shall be entitled to keep one (1) pet in a Unit during the use of the Unit by the Owner. During the rental of the Unit pursuant to the Rental Pool Agreement, no animals or pets shall be permitted in a Unit;
- (q) the hardware, including locks and locking systems on the entrance doors of each Unit shall be subject to approval by the Board, and no owner shall maintain or operate any lock or locking systems on such doors contrary to the requirements of the Board and shall comply with all directions of the Board with respect to same;

- (r) no owner shall use or otherwise allow the occupation of his Unit by others except in accordance with the Rental Pool Agreement; and
- (s) no vehicle of an owner shall be parked on any common element and the Corporation may tow from the Land any vehicle parked in violation of this by-law. Such towage is deemed to be authorized by each owner, who hereby waives the right to claim against the Corporation for any damage done to such vehicle in so doing.

ARTICLE XIII

Provisions Governing the Use of the Common Elements

The use of the common elements of the Corporation shall be in accordance with the following restrictions and stipulations:

- (a) The sidewalks, walkways, passages and driveways, shall not be obstructed or used for any other purpose than ingress to and egress from the Units;
- (b) No motor vehicle shall drive on any part of the common elements other than on a driveway provided for the purpose or for access to the commercial Units for delivery of goods and services;
- (c) No repairs or adjustments to motor vehicles or automobiles, snowmobiles, trailers, or boats may be carried out on the common elements;
- (d) No private passenger automobile which is not being used from day to day or which is undergoing repairs of any nature, shall be parked or located upon the common elements or any part thereof;
- (e) No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the Property, including grass, trees, shrubs, hedges, flowers or flower beds, and shall not place chairs, tables or other objects on the lawns so as to damage them or prevent their reasonable growth or to interfere with the cutting of lawns from time to time;
- (f) The lanes, gardens, walks and other external common elements shall be used in a quiet and proper manner and with due regard to the comfort and convenience of other owners;
- (g) No animal, livestock, fowl or pet of any kind shall be kept on any part of the common elements;
- (h) No stores of coal or any combustible, inflammable or offensive goods, provisions or materials shall be kept on any part of the common elements;

- (i) No building or structure or tent shall be erected, placed, located, kept or maintained on the common elements without the prior written consent of the Board;
- (j) No part of the common elements shall be used for the erection, placing or maintenance of clotheslines, incinerators, garbage disposal equipment, recreation or athletic equipment (except as associated with the swimming pool and play area), fences or other barriers, hedges, gardens or other vegetation or for the disposal of rubbish, garbage or waste, without the prior written consent of the Board;
- (k) No television antennae, satellite dish, aerial or tower and appurtenances thereto shall be erected on any part of the common elements without the prior written consent of the Board;
- (l) No signs, billboards, notices or other advertising matter of any kind shall be placed on any part of the common elements without the prior written consent of the Board;
- (m) Moving in and out of Units shall be governed by such rules as the Board may make from time to time; and
- (n) No owner, occupant or guest shall do anything that will be noisy or offensive in the common elements, so as to interfere with the enjoyment, by any owner, of the common elements or his Unit provided that it is acknowledged that certain of the commercial Units are a restaurant and pub area, and a retail store and the normal operation of same shall not be in violation of this restriction.

ARTICLE XIV

Miscellaneous

1. **SEVERABILITY.** The invalidity in whole or in part of any article or articles, paragraph or paragraphs, or clause or clauses in this By-Law contained shall not affect the validity of the remaining portions of such article or articles, paragraph or paragraphs, or clause or clauses of this By-Law.
2. **INTERPRETATION.** In this By-Law and all other By-Laws of the Corporation, unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; and words importing person shall include companies, corporations, partnerships and any number or aggregate of persons. Whenever reference is made in the By-Law to any statute or section thereof such reference shall be deemed to extend and apply to any amendments to the said statute or section or re-enactment thereof as the case may be.
3. **HEADINGS.** The headings in the body of this By-Law Number 1 form no part of this By-Law, but shall be deemed to be inserted for convenience of reference only.

4. **WAIVER.** No restrictions, conditions, obligations or provisions contained in this By-Law or any amendments thereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.
5. **AMENDMENTS.** This By-Law or any part thereof may be varied, altered or repealed by a By-Law passed in accordance with the provisions of the Act and the Declaration.

The foregoing By-Law is hereby enacted and passed as By-Law No. 1 of Terra Nova Resort Condominium Corporation.

DATED this 28th day of July, 2011.

**TERRA NOVA RESORT
CONDOMINIUM CORPORATION**

Per: _____ 

Per: _____

Terra Nova Resort Condominium Corporation

Amendment No. 1

By-Law No. 1

August 31st, 2013

Terra Nova Resort Condominium Corporation

By-Law No. 1

By-Law No. 1 of Terra Nova Resort Condominium Corporation (the "Corporation") is amended as follows:

Article XII

Provisions Respecting the Use and Occupation of Units

Section (r) which states "no Owner shall use or otherwise allow the occupation of his Unit by others except in accordance with the Rental Pool Agreement; and"

is deleted and replaced with:

"(r) [deleted]; and"

This Amendment No. 1 to By-Law No. 1 is hereby enacted and passed by the Terra Nova Resort Condominium Corporation.

DATED this 3rd day of August, 2013.

Registry of Condominiums

Registered 1 day of October
2013 at 1:00 O'Clock P m
Registration No. 112
Fee Paid \$ 35.00 Receipt No. 80006 HF9

[Signature]
Registrar of Condominiums

Terra Nova Resort Condominium Corporation

Per: [Signature]

Rex Anthony (Director)
(Sports Villa Resorts, Inc.)
68861 Newfoundland and Labrador Inc.
(52 Units)

Per: [Signature]

Nelson Stokes (Director)
(NWS Holdings Inc. - 1 Unit)

[Signature]
John Nolan (Director)
(ALJO Holdings Inc. - 1 Unit)



Government of Newfoundland and Labrador
Service NL
Commercial Registrations Division
Registry of Deeds and Companies

October 15, 2013

McInnes Cooper
Barristers and Solicitors
P.O. Box 5939
St. John's NL
A1C 5X4

Dear Mr. Clarke:

**Re: Terra Nova Resort Condominium Corporation
Amendment to Declaration and By-Laws**

I acknowledge receipt of the amendments, amending the Declaration and By-Laws of the above noted Condominium Corporation.

These amendments have been registered as of October 7, 2013 and I enclose herewith my official receipt for your cheque in the amount of \$35.00.

Yours very truly,

DEAN DOYLE
Director of Commercial
Registrations

DD/wk
Encl



Government of Newfoundland and Labrador

Issued by: Service NL
Commercial Registrations Division

Official Receipt

Official Receipt #: 80006HF9 Payment Date: 2013-10-15

McInnes Cooper

Method of Payment: Cheque

<u>Item</u>	<u>Amount</u>	<u>Tax</u>	<u>Tax Amount</u>
Amendment x 1 @ \$35.00	\$35.00		
Sub Total:	\$35.00 CAD		
Tax Total:	\$0.00 CAD		
Total:	\$35.00 CAD		

Reference Number: Re: Terra Nova Resort Condominiums

Issued under authority of: Department of Finance
Accounts Receivable and Revenue Control
P.O. Box 8700
St. John's NL
A1B 4J6
709-729-6517 (Manager)

For inquiries please contact: Commercial Registrations Division
709-729-3317
cado@gov.nl.ca