

**PAVILION ESTATES HOMEOWNER'S
ASSOCIATION, INC. BYLAWS**

**SECTION 1
GENERAL**

The following are the Bylaws (the "Bylaws") of Pavilion Estates Homeowner's Association, Inc., a Minnesota nonprofit corporation (the "Association"). The Association is organized pursuant to Minnesota Statutes Chapter 317A, for the purpose of operating and managing the Common Property in real estate in Olmsted County platted as Pavilion Estates. The terms used in these Bylaws shall have the same meaning as they have in the Declaration of Covenants, Conditions and Restrictions for the Benefit of Pavilion Estates (the "Declaration") of record in the Olmsted County, Minnesota Recorder's Office.

**SECTION 2
MEMBERSHIP**

2.1 Owners Defined. All Persons defined as Members in the Declaration shall be Members. No Person shall be a Member solely by reason of holding a security interest in a Lot. A Person shall cease to be a Member at such time as that Person is no longer an Owner.

2.2 Registration of Owners. An Owner shall register with the Secretary of the Association, in writing, (i) the name, address, telephone number and email address of the Owners (ii) the nature of such Owner's interest or estate in each Lot owned; (iii) the address or email address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Lot address; and (iv) the name of the Owner entitled to cast the vote allocated to the Owner's Lot. Each Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information.

2.3 Transfers. The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Lot or as otherwise specifically authorized by the Governing Documents or by law.

**SECTION 3
VOTING**

3.1 Entitlement. Votes shall be allocated to each Lot as provided in the Declaration. However, no vote shall be exercised as to a Lot while the Lot is owned by the Association.

3.2 Authority to Cast Vote. At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with Section 4.6, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Lot owned by the Owner. If there is more than one Owner of a Lot, only one of the Owners may cast the vote. If the Owners of a Lot fail to agree as to who shall cast the vote, or fail to register pursuant to Section 2.2, the vote shall not be cast.

3.3 Voting by Proxy. An Owner may cast the vote which is allocated to the Owner's Lot

and be counted as present at any meeting of the Owners by executing a written proxy naming another person entitled to act on that Owner s behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall be effective until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is effective; (ii) the date specified in the proxy, if any; or (iii) the time at which the granting Owner is no longer an Owner.

3.4 Voting by Written Ballot. The entire vote on any issue, except the election or removal of directors, may be determined by written ballots mailed to the Owners along with a notice of the vote, subject to the following requirements.

3.4.1 The notice of the vote shall: (i) clearly state the proposed action; (ii) indicate the number of responses needed to meet the quorum requirements; (iii) state the percentage of approvals necessary to approve each matter other than election of directors; and (iv) specify the time by which a ballot must be received by the Association in order to be counted.

3.4.2 The ballot shall: (i) set forth each proposed action, and (ii) provide an opportunity to vote for or against each proposed action.

3.4.3 The Board shall set the time for the return of ballots, which shall not be less than fifteen nor more than forty-five days after the date of mailing of the ballots to the Owners. The Board shall provide notice of the results of the vote to the Owners within ten days after the expiration of the voting period.

3.4.4 Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.5 Vote Required. A majority of the votes cast at any properly constituted meeting of the Owners, or cast by written ballot in accordance with Section 3.4, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is required by the Governing Documents or the Act. Unless otherwise expressly indicated, the term majority as used herein shall mean in excess of fifty percent of the votes cast by the Owners voting in accordance with the voting procedures set forth in Section 3 and the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4 MEETINGS OF OWNERS

4.1 Place. All meetings of the Owners shall be held at the office of the Association or at such other place in the state of Minnesota reasonably accessible to the Owners as may be

designated by the Board in any notice of a meeting of the Owners.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Owners, (i) the persons who are to constitute the Board shall be elected pursuant to Section 6; (ii) a report shall be made to the Owners on the activities and financial condition of the Association; and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for decision by the Owners, shall be considered and acted upon at the meeting.

4.3 Special Meetings. Special meetings of the Owners may be called by the President as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary within thirty days following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least twenty-five percent of all the votes in the Association. The meeting shall be held within sixty days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the meeting shall be confined to the purposes stated in the notice.

4.4 Notice of Meetings. Not less than twenty-one (21) nor more than thirty (30) days in advance of any annual meeting of the Owners, and at least seven (7), but no more than thirty (30), days in advance of any special meeting of the Owners, the Secretary shall send, to all Persons who are Owners as of the date of sending the notice, notice of the time, place and agenda of the meeting. The notice shall be sent by United States mail or by hand delivery or by email communication if the member has consented to receive the notice by electronic communication, at the Owner s Lot address or to such other address as the Owner may have designated in writing to the Secretary. The notice shall also be sent to the Mortgagee with respect to a Lot, upon request, at the address provided by the Mortgagee. Any Mortgagee shall, upon request, be entitled to designate a representative to be present at any meeting.

4.5 Quorum/Adjournment. The presence of Owners in person or by proxy, who have the authority to cast in excess of forty percent (40%) of all the votes in the Association shall be necessary to constitute a quorum at all meetings of the Owners for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. The Association may not be counted in determining a quorum as to any Lot owned by the Association. Any meeting may be adjourned from time to time, but until no longer than fifteen (15) days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. A quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Owner who was present when the quorum was established.

4.6 Voting Register. The Secretary shall have available at the meeting a list of the Lot numbers, the names of the Owners, the vote attributable to each Lot and the name of the person (in the case of multiple Owners) authorized to cast the vote.

4.7 Agenda. The agenda for meetings of the Owners shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Owners along with the notice

of the meeting.

SECTION 5 ANNUAL REPORT

The Board shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 Capital Expenditures. A statement of any capital expenditures in excess of two percent of the Association's current budget or five thousand dollars (\$5,000.00), whichever is greater, approved by the Association for the current year or succeeding two (2) fiscal years.

5.2 Reserve Funds. A statement of the association's total replacement reserves, the components of the Common Property for which the reserves are set aside, and the amounts of the reserves, if any, that the Board has allocated for the replacement of each of the components;

5.3 Financial Statements. A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.

5.4 Litigation and Judgments. A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 Insurance. A detailed description of the insurance coverage provided by the Association.

5.6 Status of Assessments. A statement of the total past due Assessments on all Lots, current as of not more than sixty days prior to the date of the meeting.

SECTION 6 BOARD OF DIRECTORS

6.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors (the "Board"). The Board shall be composed of three (3) directors. Each of the directors shall have the same rights and obligations, except as otherwise provided by the Governing Documents. The directors shall be Owners, or officers or employees of an Owner that is a legal entity rather than a natural person. Except during the period when the total number of votes outstanding in Class A membership equals or exceeds the total number of votes outstanding in Class B membership, no two directors may be Owners of the same Lot, or affiliates of the same Owner if the Owner is other than a natural person.

6.2 Term of Office and Election. The election and terms of office of the members of the Board shall be as follows:

6.2.1 The first terms of office of Directors shall be one year for one (1) of the directors and two years for two (2) of the directors.. Each term of office thereafter shall be two years and shall expire upon the election of a successor director at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected.

6.2.2 Prior to each annual meeting, the Owners of Lots shall nominate, a number of nominees sufficient to fill the expiring terms of directors, or such greater number of nominees as said Owners deem appropriate. Owners entitled to cast votes must cast their votes for a sufficient number of nominees to fill the open director positions. A number of nominees equal to the number of open director positions, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast;. At the first election, unless otherwise unanimously agreed by the elected directors, the nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There is no cumulative voting for directors.

6.3 Nominations. Nominations for election to the Board at each annual meeting may be made by the Board, a nominating committee appointed by the Board. If appointed, the nominating committee shall consist of at least one Board member and shall establish fair and reasonable procedures for the submission of nominations. All nominations shall be consistent with the requirements of this Section 6, and shall be made only with the consent of the nominee.

6.4 Powers. The Board shall have all powers necessary for the administration of the affairs of the Association, and shall exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Owners) by law or by the Governing Documents. The powers of the Board shall include, without limitation, the power to:

6.4.1 adopt, amend and revoke Rules not inconsistent with the Governing Documents, regulating the use of the Common Property; (ii) implementing the Governing Documents, and exercising the powers granted by this Section; and (vii) otherwise facilitating the operation of the Property;

6.4.2 adopt and amend budgets for revenues, expenditures and reserves, levy and collect Assessments (subject to Section VIII of the Declaration), and foreclose Assessment liens incidental to its collection efforts;

6.4.3 hire and discharge managing agents and other employees, agents and independent contractors;

6.4.4 subject to the limitations set forth in the Declaration, institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Common Property or other matters affecting the Association;

6.4.5 make contracts and incur liabilities;

6.4.6 regulate the use, operation, maintenance, repair, replacement and modification of the Common Property;

6.4.7 cause improvements to be made on the Common Property;

6.4.8 acquire, hold, encumber and convey in its own name any right, title or interest to real estate or personal property;

6.4.9 grant or amend easements, leases and licenses through, over and under the Common Property, for public and private roadways, utilities and other public purposes, and for public and private cable, internet, satellite and other electronic communications systems, and to grant or amend other easements, leases and licenses through, over or under the Common Property if (i) expressly authorized by the Declaration or (ii) approved by a vote of the Owners other than a declarant or its affiliates;

6.4.10 impose and receive any payments, fees or charges for the use, rental, or operation of the Common Property and for services provided to Owners;

6.4.11 impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents;

6.4.12 borrow money, and encumber or pledge the assets of the Association as security therefor; provided, that any borrowings in any twelve month period which exceed, in aggregate, twenty percent of the Association's then current annual budget, shall require approval by a vote of the Owners other than Declarant;

6.4.13 impose reasonable charges for the review, preparation and recording of amendments to the Governing Documents, statements of unpaid Assessments, or furnishing copies of Association records;

6.4.14 provide for the indemnification of its officers, directors and committee members, and maintain directors and officers liability insurance;

6.4.15 provide for reasonable procedures governing the conduct of meetings and the election of directors;

6.4.16 appoint, regulate and dissolve committees; and

6.4.17 exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.4.18 notwithstanding anything contained in this Section or any other provision of the Governing Documents, the Association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

6.4.18.1 mail or deliver written notice of the anticipated commencement of the action to each Owner at the addresses, if any, established for notices to Owners in the Declaration and, if the Declaration does not state how notices are to be given to Owners, to the Owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the Association proposes to fund the cost of pursuing the construction defect claims; and

6.4.18.2 obtain the approval of Owners of Lots to which a majority of the total votes in the Association are allocated. Votes allocated to Lots owned by the Declarant, an affiliate of the Declarant, or a mortgagee who obtained ownership of the Lot through a foreclosure sale are excluded. The Association may obtain the required approval by a vote at an annual or special meeting of the Members or by a vote of the Members taken by electronic means or mailed ballots. If the Association holds a meeting, the Association shall also provide for voting by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this Section 6.4.18 unless the Owner executes the proxy after receipt of the notice required under Section 6.4.18.1 and the proxy expressly references this notice.

6.5 Meetings and Notices. An annual meeting of the Board shall be held promptly following each annual meeting of the Owners. At each annual meeting of the Board, the officers of the Association shall be elected.

6.5.1 Regular meetings of the Board shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the directors. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and posted or published for the information of Owners, to the extent required by Section 6.5.5.

6.5.2 Special meetings of the Board shall be held when called (i) by the President, or (ii) by the Secretary within ten days following the written request of a majority of the directors. Notice of any special meeting shall be given to each director not less than three days in advance thereof, subject to Section 6.5.c. Notice to a director shall be deemed to be given when deposited in the United States mail postage prepaid to the Lot address of such director, or when personally delivered, orally or in writing, by a representative of the Board.

6.5.3 Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

6.5.4 A conference among directors by a means of communication through which all directors can simultaneously hear each other during the conference is a Board

meeting, if (i) the same notice is given for the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting.

6.5.5 Except as otherwise provided in this Section or by law, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of a Board meeting. If the date, time and place of meetings are provided for in the Governing Documents, announced at a previous meeting of the Board, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. Notice has the meaning given in Section 11.1. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:

6.5.5.1 personnel matters;

6.5.5.2 pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or the Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner; or

The minutes of and the documentation discussed or submitted at such closed meeting may be kept confidential and need not be made available for review or copying pursuant to Section 8.5. Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting, but shall not impair the Owners' rights to exercise other remedies against the directors.

6.6 Quorum and Voting. A majority of the directors constitutes a quorum for the transaction of business at any meeting of the Board. A quorum, once established, continues to exist, regardless of the subsequent departure of any director. Each director has one vote. The vote of a majority of the directors present at any meeting at which a quorum is present is sufficient to adopt any action. Proxies are not permitted.

6.7 Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors; provided, that a copy of the proposed written action is given to all directors for review prior to its signing.

6.8 Vacancies. A vacancy on the Board due to resignation, or death or some other involuntary event which renders a director physically or mentally unable to serve, shall be filled by a person elected within thirty days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. The vacancy must be filled such that the representation for each class of directors, as described in Section 6.1, is preserved. Each person so elected shall serve out the term vacated.

6.9 Removal. A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose; (ii) that the director to be removed has a right to be heard at the meeting; (iii) that a new director is elected at the meeting by the Owners to fill the vacant position caused by the removal; and (iv) that the vote include a majority of the votes cast by Owners in the class from which the director was elected. A director may also be removed by the Board if such director (i) has more than two unexcused absences from Board meetings and/or Owners meetings during any twelve month period, or (ii) is more than sixty days past due with respect to the payment of Assessments levied against the director's Lot. Vacancies created by removal under this Section shall be filled such that the representation for each class of directors, as described in Section 6.1, is preserved.

6.10 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, the directors shall receive no compensation for their services in such capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. A director or an entity in which the director has an interest may, upon approval by the Board, be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested director, and (ii) that the director's interest is disclosed to the Board prior to approval.

6.11 Fidelity Bond. Fidelity bonds or insurance coverage for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all directors and officers authorized to handle the Association's funds or other monetary assets.

6.12 Standards of Conduct. In the spirit of fairness, it is the duty of each member of the Board to represent the entire Pavilion Estates community for the good of the community as a whole. Accordingly, each Board director shall discharge the duties of the position of director in good faith, in a manner that the director reasonably believes to be in the best interests of the Association as a whole, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

SECTION 7 OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the directors. The Board may from time to time elect such other officers and designate their duties as in their judgment may be necessary to manage the affairs of the Association. A person may hold more than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board. Owners of the same Lot, may not simultaneously serve as officers of the Association unless unanimously elected by the Board.

7.2 Election. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

7.3 Removal. Upon an affirmative vote of a majority of the members of the Board, any

officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.

7.4 President. The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.

7.5 Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board.

7.6 Secretary. The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary shall be responsible for keeping the books and records of the Association, and shall give all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided, that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 Treasurer. The Treasurer is responsible for all financial assets of the Association, and shall be covered by a bond or insurance, if reasonably available, in such sum and with such companies as the Board may require. The Treasurer shall (i) be responsible for keeping the Association's financial books, Assessment rolls and accounts; (ii) cause an annual financial report to be prepared, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided, that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 Compensation. Except as authorized by a vote of the Owners at a meeting thereof, officers shall receive no compensation for their services in such capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as an officer; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval.

7.9 Standards of Conduct. In the spirit of fairness, it is the duty of each officer to represent the entire Pavilion Estates community for the good of the community as a whole. Accordingly, each Association officer shall discharge the duties of the position of officer in good faith, in a manner that the officer reasonably believes to be in the best interests of the Association

as a whole, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

SECTION 8 ASSESSMENTS

8.1 Assessment Procedures. The Board shall annually prepare a budget of Common Expenses and Costs ("Common Expenses") for the Association and assess such Common Expenses and Costs against the Lots according to their respective allocations of Common Expenses obligations as set forth in the Declaration, subject to any limitations set forth in the Declaration and to the following:

8.1.1 The Board shall fix the amount of the annual Assessment against each Lot, levy the Assessment and advise the Owners in writing of the Assessment at least thirty days prior to the beginning of the Association's fiscal year when the first Assessment installment shall be due. The failure of the Board to timely levy an annual Assessment shall not relieve the Owners of their obligation to continue paying Assessment installments in the amount currently levied, as well as any increases subsequently levied.

8.1.2 The Board may amend the budget and Assessments, or levy a special Assessment or limited Assessment, at any time. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.

8.1.3 The Association shall furnish copies of each budget on which the Assessment is based to Declarant, an Owner or to any Mortgagee, upon request of such Person.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in monthly, quarterly, or annual installments, as established by the Board, in advance on the first day of each month of the year or other period for which the Assessments are made, and special Assessments or limited Assessments shall be due when designated by the Board. Except as provided in the Declaration, all Owners shall be absolutely and unconditionally obligated to pay the Assessments and no Owner have any right of withholding, offset or deduction against the Association with respect to any Assessments, late charges, interest or costs of collection, regardless of any claims alleged against the Association or its officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Board may assess, and the Owner shall be obligated to pay, a late charge as provided in the Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorneys' fees and other professional fees and costs, incurred by the Board in collecting any such unpaid Assessment.

8.3.1 If there is a default of more than thirty days in payment of any Assessment, the Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Owner, as provided in the Declaration, and the entire unpaid balance of the Assessment and late charges shall become due and payable upon the date

stated in the notice unless all past due amounts, late charges, fines, reasonable attorneys' fees and other professional fees and costs incurred by the Board, are paid prior to said date.

8.3.2 The Board shall use commercially reasonable efforts to collect all Assessments, together with any charges, attorneys' fees and other professional fees and costs or expenses relating to the collection thereof. In addition, the Board shall use commercially reasonable efforts to recover any and all collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any unpaid Assessments.

8.3.3 Notice of a default of more than sixty days in payment of any Assessment or installment thereof or any other default in the performance of obligations by the Owner shall be given in writing to the Mortgagee or Eligible Mortgagee of such Owner's Lot.

8.3.4 The rights and remedies referred to herein shall not limit the remedies available to the Association under the Declaration or by law.

8.4 Foreclosure of Liens for Unpaid Assessments. The Association has the right to foreclose a lien against a Lot for Assessments imposed by the Association, as more fully described in the Declaration.

8.5 Records. The Board shall cause to be kept at the registered office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners, names of the Owners, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by the Owners upon reasonable notice and during normal business hours. Separate accounts shall be maintained for each Lot setting forth the amount of the Assessments against the Lot, the date when due, the amount paid thereon and the balance remaining unpaid.

8.6 Enforcement of Obligations. All Owners and their guests are obligated and bound to observe the provisions of the Governing Documents. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9 AMENDMENTS

These Bylaws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

9.1 Approval. The amendment must be approved by Owners who have authority to cast a majority of the total votes in the Association, in writing or at a duly held meeting of the Owners; subject to the approval of Eligible Mortgagees or Non-Qualified Mortgagees, as and if required

by the Declaration.

9.2 Notice. A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U.S. mail, or hand delivered, to all Owners authorized to cast votes.

9.3 Effective Date. The amendment shall be effective on the date of approval by the required parties and need not be recorded.

SECTION 10 INDEMNIFICATION

The Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Association, pursuant to the provisions of Minnesota Statutes Section 317A.521.

SECTION 11 MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Act, the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, or the Owners shall be in writing and shall be effective upon hand delivery, or upon mailing if properly addressed with postage prepaid and deposited in the United States mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict among the provisions of the Act, the Declaration, these Bylaws or the Rules, the Act shall control unless it permits one or more of the Governing Documents to control. As among the Declaration, these Bylaws and the Rules, the Declaration shall control, and as between these Bylaws and the Rules, these Bylaws shall control.


11.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws 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.

11.6 No Corporate Seal. The Association shall have no corporate seal.

11.7 Fiscal Year. The fiscal year of the Association shall be as determined by the Board.

The undersigned certifies that these Bylaws were adopted by the first Board of Directors of Pavilion Estates Homeowner's Association, Inc., a Minnesota nonprofit corporation, effective as of the date hereof.

Dated: September, 9th, 2022



Michael C. Mord, Secretary
Pavilion Estates Homeowner's Association, Inc.

