BYLAWS OF
CORNERSTONE RIDGE ASSOCIATION, INC.

SECTION 1 - GENERAL

The following are the By-Laws of Cornerstone Ridge Association, Inc., a Minnesota nonprofit corporation (the "Association"). The Association is organized for the purpose of operating and managing a development located upon Lots 1,2,3,4,5,6,7,8,9,10, Block 1, Cornerstone Ridge, Wabasha County, Minnesota. The terms used in these By-Laws shall have the same meaning as they have in the Declaration of Covenants, Conditions, and Restrictions, recorded or to be recorded in the Office of the County Recorder, Wabasha County, Minnesota (the "Declaration").

SECTION 2 - MEMBERSHIP

2.1 Members Defined. All Owners shall be Members of the Association. No person shall be a Member solely by virtue of holding a security interest in a Unit. A person shall cease to be a Member at such time as that person is no longer an Owner.

2.2 Registration of Owners and Occupants. Each Owner shall register with the Secretary of the Association, in writing, within 30 days after taking title to a Unit, (i) the name and address of the Owners and any Occupants of the Unit, (ii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; (iii) the name and address of the secured party holding the first mortgage on the Unit, if any; and (iv) if there are multiple Owners of the Unit, the name of the Owner who shall be authorized to cast the vote with respect to the Unit. 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 Unit or as otherwise specifically authorized by the Governing Documents.

SECTION 3 - VOTING

3.1 Entitlement. Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit 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, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner. If there is more than one Owner of a Unit, only one of the Owners may cast the vote. If the Owners of a Unit 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 Unit 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 remain in effect 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) eleven months after the date of the proxy, unless otherwise provided in the proxy, or (iii) the time at which the granting Owner is no longer an Owner.

3.4 Voting by Mail Ballot. The entire vote on any issue, except the removal of Directors, may be determined by mailed ballots, subject to the following requirements.

a. 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.

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

c. The Board of Directors shall set a reasonable time for the return of ballots. The Board shall provide notice of the results of the vote to the Owners within 10 days after the expiration of the voting period.

d. Approval by written ballot under this Section is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals 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 mail in accordance with these By-Laws, shall decide all matters properly brought before the Owners, except where a different vote is specifically required by the Governing Documents or by law. The term "majority" as used herein shall mean in excess of *50%* of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4 - MEETINGS OF OWNERS

4.1 Location and Notice. Reasonable notice of all meetings of Owners shall be given to all Owners. All meetings of the Owners shall be held at a place reasonably accessible to the Owners as may be designated by the Board of Directors 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 Board shall be elected pursuant to these By-Laws, (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 discussion or decision by the Owners, shall be considered and acted upon.

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 upon receipt of the written request of a majority of the members of the Board or at least 25% of the Owners entitled to cast votes in the Association. The meeting shall be held within 30 days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority.

4.4 Quorum: Adjournment. The presence of Owners in person or by proxy, who have the authority to cast at least 30% of 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. Any meeting may be adjourned from time to time, but until no longer than 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. The 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 previously in attendance.

SECTION 5 - ANNUAL REPORT

The Board of Directors may prepare an annual report on behalf of the Association to be delivered to each Owner together with the notice of the annual meeting. The report may contain:

a. A statement of any capital expenditures in excess of 2% of the current budget or $5,000, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.

b. A statement of the balance in any reserve or replacement fund and any portion of the fund designated for any specified project by the Board of Directors.

c. 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.

d. A statement of the total past due assessments on all Units, current as of not more than 60 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 to be elected and serve as set forth in the Articles of Incorporation.

6.2 Powers. The Board shall have all powers necessary for the administration of the affairs of the Association, and may 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:

a. adopt, amend and revoke Rules and Regulations governing the Property, not inconsistent with the Governing Documents;

b. adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for Common Expenses from Owners;

c. hire and discharge managing agents and other employees, agents, and independent contractors;

d. institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or one or more Owners on matters affecting the Common Elements or other matters affecting the Property or the Association, or, (ii) with the consent of the Owners of the affected Units on matters affecting only those Units;

e. make contracts and incur liabilities;

f. regulate the use, maintenance, repair, replacement and modification of the Common Elements and the Units;

g. cause improvements to be made as a part of the Common Elements;

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

i. grant public utility easements through, over or under the Common Elements, and, subject to approval by resolution of the Owners other than a declarant or its affiliates at a meeting duly called, grant other public or private casements, leases and licenses through, over or under the Common Elements;

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

k. 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;

l. provide for the indemnification of its officers and Directors, and maintain directors' and officers' liability insurance;

m. provide for reasonable procedures governing the conduct of meetings and the election of Directors;

n. appoint, regulate and dissolve committees;

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

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

a. 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 members of the Board. A schedule of the regular meetings shall be provided to the Directors.

b. Special meetings of the Board shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten (10) days following the written request of any two (2) Directors. Notice of any special meeting shall be given to each Director not less than Ten (10) days in advance thereof. Notice to a Director shall be deemed to be given when deposited in the United States mail postage prepaid to the Unit address of such Director, or when personally delivered, orally or in writing, by a representative of the Board.

c. 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.

6.4 Quorum and Voting. A majority of the Directors of the Board shall constitute a quorum for the transaction of business at any meeting thereof. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any Directors. Each Director shall have one vote. The vote of a majority of the Directors present at any meeting at which a quorum is present shall be sufficient to adopt any action. Proxies shall not be permitted.

6.5 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. Notice shall be given under 6.3 prior to any written action taken here under. However, the event all directors are present, no notice shall be required.

6.6 Vacancies. A vacancy in the Board shall be filled by a person elected within 15 days following the occurrence of the vacancy by a majority vote of the remaining Directors, regardless of their number, except as otherwise provided in Section 6.7 of this Section. Each person so elected shall serve out the term vacated.

6.7 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 and (iii) that a new Director is elected at the meeting by the Owners to fill the vacant position caused by the removal. 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 60 days past due with respect to assessments on the Director's Unit. Such vacancies shall be filled by the vote of the Directors as previously provided in this Section.

6.8 Compensation. The Directors shall receive no compensation for their services in such capacity. A Director, or other Owner or Occupant, may, upon approval by the Board, be retained by the Association and reasonably compensated for goods and services furnished to the Association in an individual capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

SECTION 7 - OFFICERS

7.1 Principal Officers. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board may from time to time elect such other officers and designate their duties as the Board deems necessary or desirable to manage the affairs of the Association. A person may hold more than one office simultaneously. Only the President must be a member of 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 Secretary. The Secretary shall be 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 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.

7.6 Treasurer. The Treasurer shall have responsibility for all financial assets of the Association, and shall be covered by a bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall be responsible for keeping the Association's financial books, assessment rolls and accounts. The Treasurer shall cause the books of the Association to be kept in accordance with customary and accepted accounting practices and shall submit them to the Board for its examination upon request The Treasurer shall 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, shall cause the funds of the Association to be disbursed as ordered by the Board and shall 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.

7.7 Compensation. Officers of the Association shall receive no compensation for their services in such capacity. An officer, or other Owner or Occupant, may, upon approval by the Board, be retained by the Association and reasonably compensated for goods and services furnished to the Association in an individual capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

SECTION 8 - OPERATION OF THE PROPERTY

8.1 Assessment Procedures. The Board of Directors shall, at least 30 days prior to the first day of the Association's fiscal year, prepare a budget of Common Expenses for the Association and assess and levy such Common Expenses against the Units according to their respective Common Expense liability as set forth in the Declaration. The annual budget shall include a general operating reserve, and an adequate reserve fund for maintenance, repair and replacement of those Common Elements and parts of the Units that must be maintained, repaired or replaced by the Association on a periodic basis.

a. The Board shall fix the amount of the annual assessment against each Unit and advise the Owners in writing of the assessment at least 30 days prior to the date when the first installment thereof is due. Increases in assessments shall be subject to the limitations set forth in the Declaration. 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.

b. If an annual assessment proves to be insufficient, the annual budget and assessments may be amended, or a special assessment may be levied, by the Board at any time subject to the limitations set forth in the Declaration. The levy shall be deemed to occur upon the date specified in the resolution which fixes the assessment

8.2 Payment of Assessments. Annual assessments shall be due and payable in monthly installments in advance on the first day of each month of the year or other period for which the assessments are made, and special assessments shall be due when designated by the Board. All Owners shall be absolutely and unconditionally obligated to pay the assessments levied pursuant to the Governing Documents. No Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any assessments, or related late charges or costs of collection. 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 such 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, incurred by the Board in collecting any such unpaid assessment, as more fully set forth in the Declaration.

8.4 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. All Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by Owners upon reasonable notice and during normal business hours. Separate records shall be maintained for each Unit setting forth the amount of the assessments against the Unit, the date when due, the amount paid thereon and the balance remaining unpaid.

8.5 Enforcement of Obligations. All Owners and Occupants 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 By-Laws 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 75% of the total votes in the Association, in writing or at a duly held meeting of the Owners; and

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; and

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

SECTION 10 - IDEMNIFICATION

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 317A.521.

SECTION 11 - MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Declaration or these By-Laws, all notices required to be given by or to the Association, the Board of Directors, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon hand delivery, or 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 By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

11.3 Waiver. No restriction, condition, obligation or provision contained in these By-Laws 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.

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

The undersigned hereby executes these By-Laws and certifies that they were adopted by Cornerstone Ridge Association, Inc., a nonprofit corporation incorporated under the laws of the State of Minnesota, effective as of the date hereof.

Dated: 6/30/26

Secretary

Cornerstone Ridge Association, Inc.,

THIS INSTRUMENT WAS DRAFTED BY
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