

SECOND AMENDMENT TO THE DECLARATION OF VALLEY POND TOWNHOME ASSOCIATION

This Second Amendment to the Declaration of Valley Pond Townhome Association, originally dated May 3, 1984, and recorded May 3, 1984 in Book 84 of Miscellaneous Records, pages 241-260 (hereinafter the "Declaration") is adopted in accordance with Article XV of the Declaration.

Recitals

The Declaration established Valley Pond Townhome Association (the "Association") as a planned community in accordance with Minnesota Statutes Chapter 515 which Chapter was subsequently modified by Minnesota Statutes Chapter 515B (the "Act");

The Declaration affects the real property described on Exhibit A attached hereto;

Article XV of the Declaration permits the Declaration to be amended by consent of seventy-five percent (75%) of the Owners of the Units;

The Declarants no longer own any unsold units and, therefore, their consent to any amendment is not required;

The members of the Association desire to amend the Declaration;

Now therefore, the parties hereto, constituting at least seventy-five percent (75%) of the Unit Owners (as that term is defined in the Declaration), hereby amend the Declaration as follows:

Article XIV, Section 1 is hereby deleted in its entirety and replaced with the following:

Section 1: All Units shall be used, improved and devoted exclusively to residential use by a Single Family. For purposes of this Section, a Single Family shall mean a family unit of persons who are all related by blood, marriage, adoption, or are considered to be foster parents and/or children or one or more disabled adults or children and their caregivers under a bona fide placement arrangement by a licensed placement agency. A Single Family shall also mean and include two (but not more than two) unrelated persons who are lawfully cohabiting a single unit. In the event that the family unit does not consist of persons who are all related by blood, marriage or adoption, then the burden of proof shall be upon the Unit Owner to prove to the satisfaction of the Board of Directors of the Association that the persons residing or intending to reside in the Unit will have the nature and permanency of a relationship to each other that will justify such persons to be deemed by the Board of the Association to constitute a Single Family within the meaning of this Section. No gainful occupation,


profession, trade or other nonresidential use shall be conducted on or in any Unit, but a Unit owner may maintain his own personal professional library, personal business or professional records or accounts in his Unit, or handle his personal business calls or correspondence from his Unit. No Unit or part thereof may be leased or rented to any person or persons except under the following circumstances:

1. Under a valid house sitting arrangement not to exceed six (6) months in duration where the Unit Owner intends to reoccupy the Unit as such Unit Owner's permanent or seasonal residence immediately after such term; or
 2. Under a valid lease arrangement not to exceed one (1) year in duration where the Unit Owner will be absent as a result of a valid sabbatical or leave from employment in connection with such Unit Owner's occupation or profession. In addition, it must be the intent of the Unit Owner to reoccupy the Unit as such owner's permanent residence at the end of the term of such sabbatical or leave. The Unit Owner shall have the burden of proving to the satisfaction of the Board of Directors of the Association that such Unit Owner has met the conditions of this exception and shall have obtained written approval from the Board of Directors before any lease or rental of the Unit shall be permitted; or
 3. Special circumstances exist which would cause an undue hardship to the Unit Owner or such Unit Owner's family if the Unit could not be rented. For purposes of this paragraph "special circumstances" shall mean by way of illustration, death of the Unit Owner; or a medical condition that requires the Unit Owner to vacate the Unit; or a call up to active duty of a person serving in the National Guard; or any similar special circumstances. The burden of proof shall be on the Unit Owner or the Unit Owner's legal representative to prove to the satisfaction of the Board of Directors of the Association that special circumstances exist, within the meaning of this subparagraph to allow the Unit Owner to lease the Unit. No lease of the Unit shall be permitted without prior written approval of the Board of Directors of the Association and in no event, shall a lease be for a term of more than one (1) year including any extensions or renewals thereof.
1. The President or Secretary of the Association are further authorized and directed to execute and record, with the appropriate real estate records, an affidavit in accordance with Minnesota Statute Section 515B.1-116(d) confirming that this Amendment and Approval have been duly adopted by at least seventy-five (75%) of the Unit Owners.
 2. Except as specifically amended by this Second Amendment, the Declaration shall remain in full force and effect as originally recorded.

3. This Amendment to Declaration shall be effective as of the date of adoption by the Unit Owners of Valley Pond Townhome Association, provided however, that in the event that a Unit Owner is renting such owner's Unit at the time of adoption of this Amendment such Unit Owner shall have one year from the date of adoption of this Amendment to comply with the restrictions set forth in this Amendment.

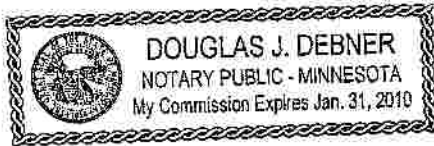
I certify that this Declaration was duly adopted by at least seventy-five percent (75%) of the Unit Owners of Valley Pond Townhome Association.

Dated: June 14, 2006


 Sherry E. Freking, Secretary

STATE OF MINNESOTA)
) ss.
 COUNTY OF RICE)

The foregoing instrument was acknowledged before me this 14th day of June, 2006 by Sherry E. Freking, the Secretary of Valley Pond Townhome Association, Inc., on behalf of the Association.



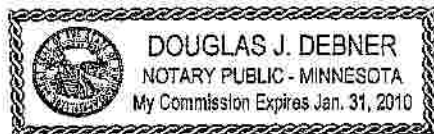

 Notary Public

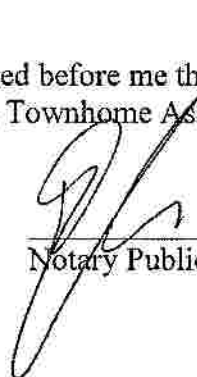
Dated: June 14, 2006


 Susan Bauer, President

STATE OF MINNESOTA)
) ss.
 COUNTY OF RICE)

The foregoing instrument was acknowledged before me this 14th day of June, 2006 by Susan Bauer, the President of Valley Pond Townhome Association, Inc., on behalf of the Association.




 Notary Public

This instrument was drafted by:
 Michael W. Hero, #146365
 HERO LAW OFFICE, P.A.
 516 Washington Street
 Northfield, MN 55057