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**FIRST AMENDMENT TO THE DECLARATION OF CONDOMINIUM  
OF THE RESERVE AT HERSHEY MEADOWS,  
A CONDOMINIUM  
BEING LOTS K AND M OF PHASE 6 OF  
THE MEADOWS OF HANOVER, A PLANNED COMMUNITY  
AND ANNEXATION OF LOT O OF PHASE 6**

**THIS FIRST AMENDMENT TO THE DECLARATION** of Condominium for The Reserve at Hershey Meadows, a Condominium, being Lots K and M of Phase 6 of the Meadows of Hanover, a Planned Community (hereinafter the "Declaration"), located in South Hanover Township, Dauphin county, Pennsylvania, and commonly known and referred to as "The Reserve at Hershey Meadows," is made and adopted this 10<sup>th</sup> day of August, 2004 by the Terraces at Hanover Limited Partnership (hereinafter the "Declarant") and by the Reserve at Hershey Meadows Condominium Association through its Executive Board.

**WITNESSETH:**

**WHEREAS**, Lots K and M are being developed as a single family condominium community, and it will be constructed on that certain real property depicted in the Declaration Plat for The Reserve at Hershey Meadows, a condominium, prepared for the Declarant, by Herbert, Rowland & Grubic, Inc., and dated April 15, 2004, which appears as Exhibit "A" to that certain Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium dated April 30, 2004, and recorded in the office of the Recorder of Deeds of Dauphin County, Pennsylvania on April 30, 2004, and recorded in Book 5505 page 307, et seq. (the "Declaration"); and

**WHEREAS**, The Declaration must be amended to specifically incorporate provisions required to comply with the Federal National Mortgage Association; and

**WHEREAS**, the Declarant desires by this Amendment to submit Lot O, which is a part of the Convertible Real Estate to the terms of the Declaration, as amended, and to the Pennsylvania Uniform Condominium Act; and

**WHEREAS**, The Executive Board possesses the power under Section 3319(f) of the Act and Article XXIX Section 2 of the Declaration, to adopt amendments to the Declaration to specifically incorporate provisions required to comply with the requirements of the Federal National Mortgage Association; and

**WHEREAS**, the Declarant possesses the power under Article XXXI of the Declaration and under the Act to subject Lot O, as part of the Convertible Real Estate, to this Declaration and to the Act;

**NOW THEREFORE**, The Declaration is hereby amended through the adoption of this First Amendment to the Declaration as follows:

1. Declaration Article II, Section 2.o is stricken and removed for all purposes, and the following new Article II, Section 2.o is inserted in its place:
  - o. "Declarant Control Period" will mean and refer to the period of not more than seven (7) years running from the date of the recording of this Declaration, or until 180 days

after 75% of the units are sold or conveyed to owners other than the Declarant, whichever shall be the first to occur, during which Declarant Control Period the Declarant shall possess the power to exercise Special Declarant Rights; and

2. Declaration Article X, Section 1, is supplemented by the insertion of the following Subsection a.:
  - a. Title to each Unit shall be held by the owner in fee simple. A Percentage Interest in the Common Elements and a Common Expense Liability shall be allocated to the Unit in the manner stated above.
3. Declaration Article X, Section 2, is supplemented by the insertion of the following Subsection a.:
  - a. The Class B Member shall hold three (3) votes per unit owned by the Class B Member throughout the Declarant Control Period in accordance with the provisions of the Bylaws.
4. Declaration Article XXI is stricken and removed for all purposes, and the following new Article XXI is inserted in its place:

**ARTICLE XXI**  
**MORTGAGES**

1. **ELIGIBLE MORTGAGEES.** Eligible Mortgagees shall be those holders of first mortgage on a Unit who have submitted a written request for the Association to notify them of any proposed action requiring the consent of a specified percentage of eligible mortgage holders. Eligible Mortgagees must provide the Association with the Eligible Mortgagees' name and address, and the address of the Unit against which the Eligible Mortgagee holds a mortgage lien. Eligible Mortgagees shall have the right to join in the decision making process about certain amendments to the Declaration as set forth in this Article XXI.
2. **MORTGAGES GENERALLY.** There are no restrictions on a Unit Owner's right to mortgage a Unit. All mortgages shall provide, and the holder of the lien shall be deemed to have agreed by acceptance of a mortgage or other obligation encumbering a Unit, that the mortgage and the rights and obligations of the parties thereto shall be subject to the terms and conditions of the Act, this Declaration, and specifically, but without limitation, that the mortgagee shall have no right:

to participate in the adjustment of losses with insurers or in the decision as to whether or how to repair or restore damage to or destruction of the Property;

to receive or apply the proceeds of insurance to the reduction of the mortgage debt or otherwise, except as provided in the Act, unless and to the extent of a distribution of such proceeds to Unit Owners pursuant to Section 3312(g) of the Act or of insurance proceeds in excess of the cost of repair or restoration being received by the owner of the Unit encumbered by such mortgage; or

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- c. to accelerate the mortgage debt or have any other remedies by virtue of waste or alleged waste or other conditions occurring anywhere on the Property other than within the affected Unit.

Such mortgage shall also permit the prepayment of the obligation secured by such mortgage, at any time and without penalty or premium, upon the termination of the condominium form of ownership of the Property. The then-current form of mortgage published by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Department of Housing and Urban Development (HUD), the Veterans Administration, or their successors, with the then-current condominium rider published by such entities, shall at all times be deemed to be approved by the Board of Directors.

3. PRIORITY OF FIRST MORTGAGES, TAXES AND GOVERNMENTAL ASSESSMENTS. The lien of a bona fide first mortgage upon a Unit, and a lien for real estate taxes and other governmental Assessments or charges against a Unit, shall have a priority over the Association's lien of Assessments, delinquent Assessments, fees, fines, charges, and costs of collection, including attorneys' fees, in the manner permitted by Section 3315 of the UCA. The Association's lien for Assessments, delinquent Assessments, fees, fines, charges, expenses and costs of collection thereof, including attorneys' fees, shall be a priority lien over all other liens upon a Unit.
4. MORTGAGE REQUIREMENTS. Any mortgage which is a lien upon a Unit, and the obligations secured thereby, shall be deemed to state that the mortgage and the rights and obligations of the parties thereto are and shall remain subject to the terms and conditions of the UCA and the Governing Documents.
5. PERCENTAGES OF ELIGIBLE MORTGAGEES. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the percentage of Eligible Mortgagees approving or consenting versus the total number of Eligible Mortgagees, without regard to the total number of Units.
6. NOTICE OF ACTIONS. Upon receipt of a written request from a mortgage holder, insurer or guarantor, stating the mortgage holder's insurer's or guarantor's name and address, and the address of the unit against which the mortgage holder, insurer or guarantor hold a mortgage, the Association shall give prompt written notice to each Eligible Mortgagee of:
  - a. Any condemnation or casualty loss which affects a material portion of the Condominium or any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Mortgagee, as applicable;
  - b. Any delinquency in the payment of Common Expense Assessments owed by a Unit Owner whose Unit is subject to a first Mortgage held, insured, or guaranteed, by such Eligible Mortgagee as applicable, which remains uncured for a period of sixty (60) days;

- c. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association;
- d. Any proposed action which requires consent of a specified percentage of Eligible Mortgagees as per the Declaration; and
- e. Any judgment rendered against the Association.

6. CONSENT AND NOTICE REQUIRED.

- a. Notwithstanding any other provision of this Declaration, the Bylaws or the Act, no amendment of any material provision of the Declaration or Bylaws by the Association or Unit Owners described in this Subsection may be effective without notice to all Eligible Mortgagees, and the vote of at least sixty-seven (67%) percent of the Unit Owners (or any greater percent required in this Declaration or the Act), and until approved by at least fifty-one (51%) percent of the Eligible Mortgagees (or any greater percent required by this Declaration). The failure of any Eligible Mortgagee who is given written notice of any proposed material amendment via certified or registered mail, "return receipt requested," and who is asked to approve the proposed material amendment, to submit a response within thirty (30) days after the Eligible Mortgagee receives written notice of the proposed material amendment, shall constitute an implied approval by the Eligible Mortgagee of the proposed material amendment. The foregoing approval requirements do not apply to amendments effected by the exercise of any Special Declarant Right by the Declarant. Amendments to any of the following will be considered material:
  - i. Voting rights;
  - ii. Increases in assessments that raise the previously assessed amount by more than twenty-five (25%) percent, assessment liens of priority of assessment liens;
  - iii. Reductions in reserves for maintenance, repair and replacement of Common Elements;
  - iv. Responsibility for maintenance and repairs;
  - v. Reallocation of interests in the general or limited Common Elements, or rights to their use;
  - vi. Redefinition of any Unit boundaries;
  - vii. Convertibility of Units into Common Elements or Common Elements into Units;
  - viii. Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;

- ix. Hazard or fidelity insurance requirements;
  - x. Imposition of restrictions on the leasing of Units;
  - xi. Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
  - xii. A decision by the Association, if it has more than fifty (50) Units, to establish self-management when professional management had been required previously by the Documents or by any Eligible Mortgagee;
  - xiii. Restoration or repair of the project (after hazard or partial condemnation) in a manner other than that specified in the Documents;
  - xiv. Termination of the Condominium after occurrence of substantial destruction or condemnation; and
  - xv. Any provision that expressly benefits mortgage holders, insurers or guarantors.
- b. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than as reserved to the Declarant, without the notice to all Eligible Mortgagees, as required above, and approval of at least 51% (or the indicated percentage, if higher) of the Eligible Mortgagees:
- i. Convey or encumber the Common Elements or any portion thereof, requiring 67%. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium will not be deemed a transfer within the meaning of this clause);
  - ii. The termination of the Condominium for reasons other than substantial destruction or condemnation, as to which sixty-seven (67%) percent of the Votes of Eligible Mortgagees is required;
  - iii. The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;
  - iv. The granting of any easements, leases, license or concessions through or over the Common Elements (excluding, however, any utility easements serving or to serve the condominium and excluding leases, licenses or concessions for no more than one year).

- c. The Association may not change the period of collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Eligible Mortgagees.
8. INSPECTION OF BOOKS. The Association must maintain current copies of the Declaration, Bylaws, Rules, books and records and financial statements in the manner stated in the Bylaws and the UCA. The Association shall permit any Eligible Mortgagee or other first mortgagee of Units, to inspect the books and record of the Association during normal business hours, with advance notice.
9. FINANCIAL STATEMENTS. The Association shall provide any Eligible Mortgagee who submits a written request, a copy of an annual financial statement within one hundred twenty (120) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if:
- a. The Condominium contains fifty or more Units, in which case the cost of the audit shall be a Common Expense; or
- b. Any Eligible Mortgagee requests it, in which case the Eligible Mortgagee shall bear the cost of the audit.
10. ENFORCEMENT. The provisions of this Article benefit Eligible Mortgagees and their successors, and may be enforced by any of them by any available means, at law or in equity.
11. ATTENDANCE AT MEETINGS. Any representative of an Eligible Mortgagee may attend and address any meeting which a Unit Owner may attend.
12. ASSESSMENT DELINQUENCIES. The failure, if any, of any Unit Owner to pay any assessment due to the Association shall not constitute a default under any mortgage. No Eligible Mortgagee shall bear any obligation to collect or enforce the payment of assessments owed by a Unit Owner to the Association; the foregoing shall not be deemed to change, vary or waive the provisions of Section 3315(b) of the Act.
5. Declaration Article XXIX is supplemented by the insertion of the following new Subsections 3. and 4.:
3. TERMINATION OF THE CONDOMINIUM. The Condominium may be terminated by a vote of eighty (80%) percent of the Owners in accordance with the provisions of Section 3220 of the Act, and a vote of at least fifty-one (51%) percent of the Eligible Mortgagees.
4. AMENDMENT DURING THE DECLARANT CONTROL PERIOD. During the Declarant Control Period any amendments to this Declaration annexing or converting property, other than and excepting those made with respect to the Convertible Real Estate, other than and excepting, the Convertible Real Estate, to the Condominium, dedicating common Elements or amending this Declaration must receive prior approval from FNMA.

6. The Declarant hereby submits the real estate known as Lot O on the Declaration Plat for The Reserve at Hershey Meadows, a Condominium, prepared by Herbert, Rowland and Grubic, Inc. dated April 13, 2004, a true and correct copy of which is attached hereto as Exhibit "A" as more fully described in Exhibit "A-1" attached hereto (hereinafter "Lot O") to the covenants, restrictions and easements set forth in this Declaration, and to the Pennsylvania Uniform Condominium Act, 68 Pa. C.S.A., Subsection 3101 *et seq.*, and any amendments now or hereafter adopted thereto (herein the "Act"). By the recording of this First Amendment to the Declaration the Declarant also ratifies the submission of Lot O to the Master Declaration of Covenants, Easements and Restrictions of the Meadows of Hanover, A Flexible Planned Community recorded in the Office of the Recorder of Deeds of Dauphin County, Pennsylvania on October 13, 2003, at Book 5205, Page 125 *et seq.*, and to the Meadows of Hanover Master Association, Inc. Master Bylaws as now or hereafter amended or supplemented. All those who become an owner of a Unit now or hereafter erected on Lot O, by their acceptance of the deed to the Unit, shall be deemed to have irrevocably ratified and reaffirmed the submission of Lot O to the covenants, restrictions and easements set forth in the Declaration, the Bylaws, the Rules and Regulations, the Act and the Master Governing Documents, without regard for whether the deed contains any reference to this Declaration, the Bylaws, the Rules and Regulations, the Act or the Master Governing Documents. Exhibit 'E' of the original Declaration is amended to reflect the submission of the additional units (# 139 - 148) and is attached hereto.


7. Except as stated in this First Amendment to the Declaration, the Declaration, as amended is hereby ratified and reaffirmed. This First Amendment to the Declaration shall be recorded in the Office of the Recorder of Deeds of Dauphin County promptly upon full execution hereof, and upon the recording hereof, the Declaration, as amended by this First Amendment shall be effective for all purposes of the Association.

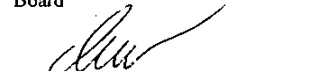
IN WITNESS WHEREOF, the Declarant has executed and caused this First Amendment to the Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium to be recorded in the Office of the Recorder of Deeds of Dauphin County, Pennsylvania.


TERRACES AT HANOVER  
LIMITED PARTNERSHIP

  
\_\_\_\_\_  
Marc DeSouza, General Partner

TERRACES AT HANOVER  
CONDOMINIUM ASSOCIATION

  
\_\_\_\_\_  
Marc DeSouza, Member Executive  
Board

  
\_\_\_\_\_  
Bernard B. Brown, Member Executive  
Board



Norma Jacobs, Member Executive  
Board



**ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF *Montgomery* :

On this *10<sup>th</sup>* day of August, 2004, before me, the undersigned officer, personally appeared Marc DeSouza, the General Partner of the Terraces at Hanover Limited Partnership, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within First Amendment to the Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I have hereunto set my hand and official seal.

I hereby CERTIFY that this document is recorded in the Recorder's Office of Dauphin County, Pennsylvania.



*J. M. Zupay*  
James M. Zupay, Esq.  
Recorder of Deeds

*Joan Gunther*  
NOTARY PUBLIC

Notarial Seal  
Joan Gunther, Notary Public  
Lower Merion Twp., Montgomery County  
My Commission Expires Dec. 18, 2004  
Member, Pennsylvania Association of Notaries

**ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF *Montgomery* :

On this 10<sup>th</sup> day of August, 2004, before me, the undersigned officer, personally appeared Marc DeSouza, a Member of the Executive Board of the Terraces at Hanover Condominium Association, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within First Amendment to the Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I have hereunto set my hand and official seal.

*Jean Gunther*  
NOTARY PUBLIC

Notarial Seal  
Jean Gunther, Notary Public  
Lower Merion Twp., Montgomery County  
My Commission Expires Dec. 18, 2004  
Member, Pennsylvania Association of Notaries

**ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF *Montgomery* :

On this 10<sup>th</sup> day of August, 2004, before me, the undersigned officer, personally appeared Bernard B. Brown, a Member of the Executive Board of the Terraces at Hanover Condominium Association, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within First Amendment to the Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I have hereunto set my hand and official seal.

*Jean Gunther*  
NOTARY PUBLIC

Notarial Seal  
Jean Gunther, Notary Public  
Lower Merion Twp., Montgomery County  
My Commission Expires Dec. 18, 2004  
Member, Pennsylvania Association of Notaries

**ACKNOWLEDGEMENT**

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF *Montgomery* :

On this 10<sup>th</sup> day of August, 2004, before me, the undersigned officer, personally appeared Norma Jacobs, a Member of the Executive Board of the Terraces at Hanover Condominium Association, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within First Amendment to the Declaration of Condominium of The Reserve at Hershey Meadows, a Condominium and acknowledged that she executed the same for the purposes therein contained.

In witness whereof, I have hereunto set my hand and official seal.

*Jean Gunther*  
NOTARY PUBLIC

Notarial Seal  
Jean Gunther, Notary Public  
Lower Merion Twp., Montgomery County  
My Commission Expires Dec. 18, 2004  
Member, Pennsylvania Association of Notaries

**SUGGESTED LEGAL DESCRIPTION  
FOR  
THE RESERVE AT HERSHEY MEADOWS  
LOT O  
LANDS ALONG SPARROW ROAD**

All that certain tract of land situate in South Hanover Township, Dauphin County, Pennsylvania, located on the east side of Sparrow Road, said tract being Lot O as shown on the "Declaration Plat For The Reserve At Hershey Meadows, A Condominium" prepared by Herbert, Rowland and Grubic, Inc. dated June 21, 2004, more fully bounded and described as follows:

BEGINNING at the southeastern corner of Lot O and lands now or formerly of Meadows of Hanover Development, Inc. said corner being North 16 degrees 06 minutes 28 seconds West 199.43 feet from the northern dedicated right-of-way line of Hanshue Road; THENCE along the southern line of Lot O as shown on the aforementioned plan South 73 degrees 53 minutes 32 seconds West 164.33 feet to Sparrow Road; thence along Sparrow Road North 16 degrees 06 minutes 28 seconds West 255.58 to the southern line of Lot M; thence along the southern line of Lot M North 73 degrees 53 minutes 32 seconds East 164.33 feet to southeastern corner of Lot M and lands now or formerly of Meadows of Hanover Development, Inc.; thence South 16 degrees 06 minutes 28 seconds East 255.58 feet, being the place of BEGINNING.

Containing 0.9642 acres.

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**EXHIBIT "E"**

**The Reserve at Hershey Meadows Condominium Association  
Percentage of Interest Ownership**

UNIT	% OF OWNERSHIP
105	3.5714
106	3.5714
107	3.5714
108	3.5714
109	3.5714
110	3.5712
111	3.5714
112	3.5714
121	3.5714
122	3.5714
123	3.5714
124	3.5714
125	3.5714
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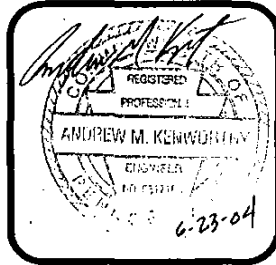
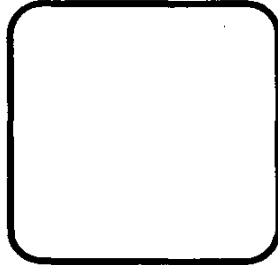
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PENNSYLVANIA

FOR MAP

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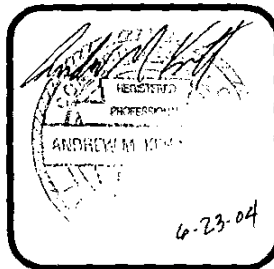
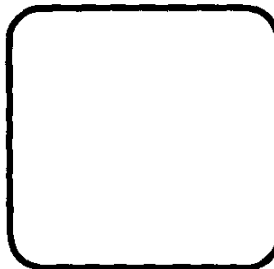
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MAP

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 Herbert, Rowland & Grubic, Inc.  
 Engineering & Related Services  
 Harrisburg ■ Lancaster ■ State College ■