

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

(HIDDEN VALLEY FOUNDATION, INC.)

THIS DECLARATION, made this 14th day of March, 1985, by KETTLER BROTHERS, INC., trading and doing business as HIDDEN VALLEY FARM INN, hereinafter called the "Developer",

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon an exclusive residential community to be named The Highlands Townhouses at Hidden Valley (hereinafter called the "Highlands") within the greater community of Hidden Valley with private streets, open spaces, walkways and other facilities for the benefit of the said community through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all residents of the Highlands; and,

WHEREAS, Developer desires to insure the attractiveness of the individual lots and community facilities within the Highlands and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the said property and to provide for the maintenance of said private streets, open spaces, walkways and other community facilities; and to this end, desires to subject the real property described in Article II, together with such additions as may hereafter be made thereto (as provided in Article II), to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and,

WHEREAS, Developer has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the Highlands and to insure the residents' enjoyment of the specific rights, privileges and easements in the community properties and facilities, to create an organization to which should be delegated and assigned the powers of owning, maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, Developer has caused to be incorporated under the laws of Pennsylvania as a non-profit corporation, HIDDEN VALLEY FOUNDATION, INC., for the purpose of exercising the functions aforesaid within the Highlands.

NOW, THEREFORE, the Developer declares that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall indicate otherwise) shall have the following meanings:

(a) The "Highlands" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration and any Supplemental Declaration under the provisions of Article II hereof.

(b) "Foundation" shall mean and refer to Hidden Valley Foundation, Inc., or its successors or assigns.

(c) "Hidden Valley" shall mean and refer to that community and resort situated in Jefferson Township, Somerset County, Pennsylvania, and made up of such existing properties and additions thereto as herein defined in Article II.

(d) "Community Properties" shall mean and refer to all those areas of land shown on any recorded subdivision plat of the Highlands or any areas shown on the Master Plan of Developer conveyed to the Foundation, including improvements heretofore or hereafter made on said Community Properties.

(e) "Residential Property" shall mean and refer to any lot or parcel of land, whether improved or unimproved, dwelling, condominium, townhouse or residence of any kind, acquired from the owner of Hidden Valley, presently being Kettler Brothers, Inc., after the date of the Articles of Incorporation, including properties improved, but retained by the owner of Hidden Valley, and occupied, as well as all property acquired from a predecessor in title to Kettler Brothers, Inc., whose owners may become Full Members by consent by the execution of a document in writing in form recordable on the land records, binding on the land for which the consent is executed or whose owner may become a Member by virtue of membership in any other corporation or corporations which shall have merged with the Foundation.

(f) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Residential Property situated within the Highlands but, notwithstanding any applicable mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any procedure in lieu of foreclosure.

(g) "Developer" shall mean and refer to Kettler Brothers, Inc., trading and doing business as Hidden Valley Farm Inn, and its successors and assigns.

(h) "Full Member" shall mean and refer to members of Hidden Valley Foundation, Inc., as defined in the Articles of Incorporation and shall have those rights referred to herein.

(i) "Limited Member" shall mean those persons or entities formerly members of any other corporation or corporations which shall have merged with Foundation who shall not consent to become Full Members of Foundation by the execution of a document in writing in form recordable on the land records, binding on the land for which the consent is executed.

(j) "Member" or "Membership" shall mean those persons who are either Full Members or Limited Members in the Foundation .

(k) "Private Dwelling Unit" shall mean and refer to all residential living units within the Highlands.

(l) "Undeveloped Property" shall mean and refer to any Residential Property which shall not be improved by a structure, dwelling, condominium, townhouse or residence of any kind.

(m) "General Plan of Development" shall mean and refer to either the preliminary plan or the recorded plat for a particular area of Jefferson Township, Somerset County, Pennsylvania, generally known as The Highlands Townhouses at Hidden Valley as specifically designated by Developer.

## ARTICLE II

### Property Subject To This Declaration:

#### Additions Thereto

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Jefferson Township, Somerset County, Pennsylvania, and is more specifically shown on maps entitled "The Highlands Townhouses at Hidden Valley" recorded in Somerset County Plat Book Volume 5, Page 138, Plat Book Volume 6, Page 2, Plat Book Volume 6, Page 8, and Plat Book Volume 6, Page 18. Subject property is more particularly shown on the aforesaid Plan and incorporated by reference and all of which real property shall hereinafter be referred to as "Existing Property".

Section 2. Additions to Existing Property. Additions may be made in any of the following ways:

(a) The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration, and make a part of Hidden Valley Foundation, Inc., additional properties in future stages of the development.

The additions authorized under this and subsection (b) shall be made by filing of record Supplementary Declarations of Covenants and Restrictions with respect to the additional properties which shall extend the scheme of the covenants and restrictions of this Declaration to such properties and thereby subject such additions to assessment for their just share of Foundation expenses. Said Supplementary Declarations may contain such comple-

mentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration.

(b) Upon approval in writing of the Foundation pursuant to a vote of its Members as provided in its By-laws, the Owner of any property who has not acquired such property from Developer, or Developer's predecessor in title, who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Foundation may file of record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof; provided, however, that no such vote will be necessary before an owner of property acquired from Developer or Developer's predecessor in title may add such property to the scheme of this Declaration and to the jurisdiction of the Foundation by execution and filing of a consent in writing in form recordable on the land records, binding on the land for which the consent is executed.

(c) Upon filing of the Articles of Merger between any other corporation or corporations and the Foundation, the Owners of such properties that provided membership in such other corporation or corporations will acquire Limited membership, unless and until the Owner of such property acquires Full membership as provided herein.

### ARTICLE III

#### Membership and Voting Rights

Section 1. Membership. The Foundation shall have the following classifications of membership:

(a) Full membership: Every person or entity who is a record Owner of a fee or undivided fee interest in a Residential Property, being a lot or parcel of land, whether improved or unimproved, dwelling, condominium, townhouse or residence of any kind, acquired from the owner of Hidden Valley, presently being Kettler Brothers, Inc., after the date hereof, including properties improved, but retained by the owner of Hidden Valley and occupied, shall automatically be a Full Member of the Foundation, as well as all record Owners of a fee or undivided fee interest in a Residential Property acquired from a predecessor in title to Kettler Brothers, Inc., who may become Full Members by consent by the execution of a document in writing in form recordable on the land records, binding on the land for which the consent is executed, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Full Member. Further provided that no voting or other privileges and no assessments or charges as herein provided for shall be effective for any Private Dwelling Unit until settlement under initial sale thereof has occurred or until such unit has first been occupied, whichever shall first occur; thereafter, all voting and other privileges and all assessments and charges shall be fully effective whether such Dwelling Unit be occupied or not.

(b) Limited membership: Every person or entity formerly a member of any other corporation or corporations which shall have merged with the Foundation who shall not consent to become Full Members of the Foundation by the execution of a document in writing in recordable form on the land records, binding on the land for which the consent is executed, shall be a Limited Member, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Limited Member.

Section 2. Voting Rights. The Foundation shall have the following classes of voting membership:

Class A. Class A Members shall be all of those Owners of Residential Property defined in Article III, Section 1(a) hereof, with the exception of Developer (Developer may, however, become a Class A Member if: [1] Developer shall retain improved properties which are occupied; or [2] upon termination of its Class B membership as hereinafter provided). Class A Members shall be entitled to one (1) vote for each Residential Property in which they hold the interest required for membership under Article III, Section 1 hereof. When more than one person holds such interest or interests in any Residential Property, all such persons shall be Members, and the vote provided for herein shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Residential Property.

Class B. The Developer, Kettler Brothers, Inc., shall be the sole Class B Member. The Class B Member shall be entitled to six thousand (6,000) votes in this Foundation. Class B membership shall cease and terminate upon either of the following events, whichever shall first occur:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) January 1, 2020.

From and after the happening of either of these events, whichever first occurs, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Residential Property in which it holds the interest required for membership under Article III, Section 1(a) hereof.

Class C. Class C Members shall be all of the Limited Members of the Foundation. Class C Members shall be entitled to one (1) vote for each Residential Property in which they hold an interest required for membership under Article III, Section 1(b) hereof. When more than one (1) person holds such interest or interests in any Residential Property, all such persons shall be Limited Members, and the vote provided for herein shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Residential Property. Such Class C Members shall be entitled to vote only upon those limited matters which are appropriate for the vote of Limited Members concerning water service, sanitary sewer service and such other services to which they shall be entitled pursuant to the provisions

of the instrument by which they acquired title and for which they shall make payment to the Foundation, including, but not limited to, election of Directors as provided in Article VIII of the By-Laws of the Foundation.

ARTICLE IV

Property Rights in the Community Properties

Section 1. (a) Full Members' Easements of Enjoyment. Subject to the provisions of Section 3 below, every Full Member of the Foundation shall have a right and easement of enjoyment in and to all Community Properties and such easement shall be appurtenant to and shall pass with the title to every Residential Property situated within the Highlands.

(b) Every Limited Member shall only be entitled to the use and enjoyment of those Community Properties as were specifically provided in their deed, whether or not such Community Properties were owned by the Developer or its predecessor at the time the Limited Members acquired title to their property.

Section 2. Title to Community Properties. The Developer may retain the legal title to the Community Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Developer, the Foundation is able to maintain the same but, notwithstanding any other provision herein, it shall convey the Community Properties shown on any recorded subdivision plan to the Foundation free and clear of encumbrances not later than January 1, 2020.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Foundation in accordance with its By-laws to borrow money for the purpose of improving the Community Properties and in aid thereof to mortgage or otherwise burden or encumber said properties. In the event of a default upon any such mortgage or other burden or encumbrance, the lender shall have a right, after taking possession of such properties (where such right to possession exists) to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage or other debt is satisfied, whereupon the possession of such properties shall be returned to the Foundation and all rights of the Members hereunder shall be fully restored; and,

(b) The right of the Foundation to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and,

(c) The right of the Foundation, as provided in its By-laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for such period as it considers appropriate for any infraction of its published rules and regulations; and,

(d) The right of the Foundation, if it so determines, to permit the use of the Community Properties by Limited Members or nonmembers and to charge reasonable admission and other fees for the use of the Community Properties to such Limited Members or nonmembers; and,

(e) The right of the Foundation to dedicate or transfer all or any part of the Community Properties to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless the following requirements have first been met: An instrument signed by Members of the Foundation entitled to cast two-thirds (2/3) of the total votes of all classes of Members has been recorded, agreeing to such dedication, transfer, purpose or condition, and written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken.

(f) The right of the Foundation to grant such easements and rights-of-way to such utility companies or public agencies or authorities as it shall deem necessary.

(g) The right of the Developer to impose reasonable covenants and restrictions in respect to such Community Properties, in addition to those set forth herein, at the time of conveyance of such properties to the Foundation and such covenants and restrictions are hereby incorporated by reference and made a part of this Declaration, provided that such covenants and restrictions shall not be inconsistent with the provisions of this Declaration.

Section 4. Extension of Rights and Benefits. Every Member of the Foundation shall have the right to extend the rights and easements of enjoyment vested in him under this Article to each of his tenants and to each member of his family who resides with him within the Highlands and to such other persons as may be permitted by the Foundation; and to transfer no less or no more than those rights only upon sale or transfer of their Residential Property.

## ARTICLE V

### Covenants for Maintenance Assessments and Service Charges

Section 1. Creation of the Lien and Personal Obligation for Assessments and Service Charges. Each Owner of any Residential Property within the Highlands by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, or when Owner shall consent by the execution of a document in writing in form recordable on the land records binding on the land for which the consent is executed, shall be deemed to covenant and agree to pay to the Foundation: (1) annual assessments or charges; (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided; (3) service fees for water, sewer or such other services which Foundation may hereafter provide. The annual and special assessments and service fees, together with such interest thereon and costs of collection thereof as hereinafter provided, shall

be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied under this Article shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Highlands and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement and additions thereto and for the cost of labor, equipment, materials, management and supervision thereof and for such other needs as may arise, except that no such assessment shall be used to acquire property or facilities which Developer has agreed to construct at Developer's sole cost and expense and convey to the Foundation at no cost and without encumbrance for debt.

Section 3. Basis and Maximum of Annual Assessments. Except as provided for with respect to Limited Members in Section 6 of this Article, the maximum annual assessment payable to the Foundation shall be \$950.00 per Private Dwelling Unit and \$475.00 per Undeveloped Property; provided, however, that such maximum annual assessments may be increased by action of the Board of Directors of said Foundation for any year, so that the maximum assessments for that year shall bear the same ratio to the Consumer Price Index for all urban consumers U. S. city average, all items (1967 = 100) issued by the Department of Labor for the month of August immediately preceding the calendar year in which such assessments shall become effective as \$950.00 or \$475.00 as the case may be bears to 317.4, rounded to a whole dollar amount for administrative purposes.

The Board of Directors of the Foundation may, after consideration of current maintenance costs and future needs of the Foundation, fix the actual assessments for any year at a lesser amount for various types of Residential Property.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Foundation may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon its properties, or for capital improvements to any capital improvements which Foundation may own, including, but not limited to, the necessary fixtures and personal property related thereto, subject, however, to the following: In the case of any special assessment levied by the Foundation, such assessment shall require the assent of two-thirds (2/3) of the total votes of Class A and Class B Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all such Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. The basis and maximum of the annual assessments provided for in Section 3 above may be changed by the assent of two-thirds (2/3) of the total votes of all Class A and Class B Members voting in person or by proxy at a meeting duly called for that purpose and written notice of such meeting shall be sent to all such Members at least thirty (30) days in advance and shall set forth the purpose of the meeting. Notwithstanding any other provision herein, no assessments levied by the Foundation and no change in the basis or maximum for such assessments shall be valid unless there shall be preserved a ratio of two (2) to one (1) as established by Section 3 hereof between assessments applicable to Private Dwelling Units and Undeveloped Properties, subject only to amendment as provided in Article X, Section 1.

Section 6. Service Charges - Limited Members. Each Limited Member shall pay to Foundation service fees for water, sewer and such other services as such Limited Member may be entitled pursuant to the instrument by which such Limited Member acquired title to his property and as Foundation may provide and for which Limited Member may be obligated to pay. Such service fees, together with such interest thereon and costs of collection therefor as provided for in this Article V, shall be a charge on the land and shall be a continuing lien upon the property for which such service fee is paid. Except as specifically provided for in such service fees, Limited Members shall not otherwise be obligated for any other charges or assessments, and Limited Members' voting rights shall be limited to such matters as concern the provision of and payment for such services, including, but not limited to, election of Directors.

Section 7. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members or of proxies entitled to cast fifty-one (51) percent of the total votes of all classes of Members entitled to vote thereon shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. Subject to the provisions of Article III, Section 1, the annual assessments provided for herein shall commence on the first day of the month designated by the Board of Directors of the Foundation to be the date of commencement. The first annual assessments shall be due and payable as directed by the Board of Directors and shall be adjusted according to the number of months remaining in the calendar year. Such assessments shall thereafter be on a full calendar year basis. The Board of Directors shall fix the amount of the annual assessments against each Residential Property at least thirty (30) days in advance of each such annual assessment period and the due dates for such assessments shall be established by the Board of Directors. Separate due dates may be established by the Board for partial annual assessment as long as made thirty (30) days in

advance thereof. Written notice of the annual assessments shall be sent to every Owner subject thereto. The Foundation shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Foundation setting forth whether said assessment has been paid. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessment: The Personal Obligation of the Owner: The Lien; Remedies of the Foundation. If an assessment is not paid on the date when due (being the dates specified in Section 8 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. In addition to the lien rights, the personal obligation of the then Owner to pay such assessment shall remain his personal obligation and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the due date established therefor by the Board of Directors in accordance with Section 8 of this Article, at the maximum legally permissible rate of interest per annum then effective, and the Foundation may bring legal action against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint or bill in equity in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the cost of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The term mortgage or mortgages shall include deed of trust or deeds of trust.

## ARTICLE VI

### Architectural Control Committee

Section 1. Review of Committee. From and after the completion of construction and first sale and settlement of a Private Dwelling Unit within the Highlands by the Developer, and before initial construction of a Private

Dwelling Unit by an Owner, no building, fence, wall or other structure shall be commenced, erected or maintained within the Highlands, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, utility systems and topography by the Board of Directors of the Foundation or by an Architectural Control Committee composed of three (3) or more persons appointed by the Board. Before preparing and submitting such plans and specifications, applicants shall be responsible for review of drawings and easement and right-of-way documents available in the offices of the Foundation or the Pennsylvania Electric Company to determine the location of underground utilities and the terms and provisions of the easement and right-of-way documents. In the event said Board, or its designated Committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Design approval by this Committee or by the Board shall in no way be construed as approval on the correctness of the location, structural design, suitability of water flow or drainage, location of utilities available to serve any structure or other qualities of the item being reviewed. The Foundation shall have the right to charge a reasonable fee for reviewing each application in an amount not to exceed \$25.00. Provided that nothing herein contained shall apply to any buildings, fences, walls or other structures commenced, erected, maintained or to be erected upon land within the Highlands as long as title to such land is held by the Developer. Any such exterior addition to or change or alteration made without application having first been made and approval obtained as provided above, shall be deemed to be in violation of this covenant and may be required to be restored to the original condition at Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without approvals and permits therefor having first been obtained by the Owner from applicable public authorities or agencies.

## ARTICLE VII

### Exterior Maintenance

Section 1. Exterior Maintenance. Except for single-family detached houses, in addition to maintenance upon the Community Property as herein elsewhere provided, the Foundation is authorized to (but is not obligated to) provide exterior maintenance upon the property of the Members (after written notice by Foundation to Owner of not less than sixty [60] days), including but not limited to: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, walks and other exterior improvements. Foundation may, in its judgment, determine that an Owner has neglected maintenance in which event Foundation may proceed under the provision of this Article. With respect to the property of all Members, including single-family detached houses, Foundation is authorized to (but is not obligated to) provide maintenance upon the property of the Members (after written notice by Foundation to Owner of not less than ten [10] days) with respect to pruning of trees and shrubs and cutting

of grass in the event that Foundation shall determine, in its sole and exclusive judgment, that Owner has neglected maintenance of such trees, shrubs or grass, in which event, Foundation may proceed under the provisions of this Article.

Section 2. Assessment of Cost. The cost of such exterior maintenance (if any shall be performed by Foundation) shall be assessed and shall be added to and become a part of the annual maintenance assessment or charge to which each Private Dwelling Unit is subject and, as a part of such assessment or charge, shall become a lien and obligation of the Owner and shall become due and payable in all respects as provided herein for such assessments and charges.

Section 3. Maintenance by Agreement. In addition to the services referred to above, the Foundation may, upon agreement with the Owner, provide other exterior maintenance services upon the property of the Owner, and the cost thereof shall be assessed against the Private Dwelling Unit upon which such maintenance is done.

Section 4. Access at Reasonable Hours. For the purposes solely of performing maintenance as authorized by this Article, the Foundation, through its duly authorized agents or employees, shall have the right, after reasonable notice to Owner, to enter upon any Private Dwelling Unit at reasonable hours on any day except Sunday.

#### ARTICLE VIII

##### Miscellaneous Provisions and Rules of Conduct

Section 1. Following the initial installation and completion of the construction, reconstruction, maintenance and repair of certain appurtenances of the Highlands, including, but not limited to, retaining walls, lead walks, stairs, guard house, lights, utilities and landscaping by the Developer, subject to inspection and examination for compliance with the Development Standards and Specifications which are attached as EXHIBIT A, responsibility for maintenance, repair, reconstruction and operation thereof shall rest with the Foundation, together with the obligation and responsibility for compliance with the conditions of application and permit required by the Commonwealth of Pennsylvania or Jefferson Township in connection therewith.

Section 2. Developer will install lighting for the Community Properties within the Highlands. The maintenance and repair of such installed lighting, and energy charges therefor, subject to inspection and examination for compliance with the Development Standards and Specifications which are attached as EXHIBIT A, shall be the obligation of the Foundation. The Foundation and Pennsylvania Electric Company or their agents or assigns are hereby given the right to enter upon the easements or rights-of-way over and across any Private Dwelling Unit at reasonable hours for the purpose of the maintenance and repair of said lighting fixtures.

Section 3. The following provisions shall be applicable to all party walls, where such party walls may exist, within the Highlands:

(a) General Rules of Law to Apply. Each wall which is built as part of the original construction of the Private Dwelling Units within the Highlands and placed on or within six (6) inches of the dividing line of the land between two (2) Private Dwelling Units or a Private Dwelling Unit and Community Property shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law of the Commonwealth of Pennsylvania regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. Any Owner shall have the right to go on the land or property of any adjoining Owner at reasonable hours for the purpose of reasonable repair and maintenance of a party wall.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall that has been used for that purpose to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under these party wall provisions shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Rules and Regulations. The Foundation may make such rules and regulations concerning party walls as it considers necessary and proper.

(g) Extensions and Projections. Each bay window, cornice, sill, belt course (or similar ornamental feature), air intake, entranceway, steps, stoops, chimney or other appurtenance to a Private Dwelling Unit which is a part of the original construction of the Unit by Developer within the Highlands may project into, over or upon the Community Property, and a valid easement over and upon the Community Property running to the benefit of the Owner of such Unit shall and does hereby exist for such extension or projection, so long as it stands.

(h) Easements and Encroachments. Each wall which is built as part of the original construction of the Private Dwelling Unit by Developer within the Highlands which constitutes an exterior wall of the Unit, and is situated on or within six (6) inches of the property line common to the Unit and to Community Property, shall constitute a party wall, and a valid easement over

and upon the Community Property running to the benefit of the Owner of such Unit shall and does hereby exist for such encroachment, so long as it stands.

In the event that any one or more of the Private Dwelling Units within the Highlands are partially or totally destroyed and is then rebuilt in substantially the same location, and as a result of such rebuilding any portion of the said Private Dwelling Unit encroaches upon the Community Property, a valid easement for such encroachment and for the maintenance thereof, so long as it stands, shall and does exist.

Section 4. Because of architectural characteristics of certain Private Dwelling Units within the Highlands, Developer hereby declares that all Private Dwelling Units located therein shall be subject to easements as hereinafter set forth. Each owner of a Private Dwelling Unit within the Highlands who shares a party wall or common wall with another owner of such a Unit automatically grants an easement to the Developer, the Foundation, the adjoining owner and their agents, employees or designees for access to the roof area of such Private Dwelling Unit for the purpose of inspection, maintenance and repair of such roof surfaces and which easement shall permit the Developer, the Foundation, the adjacent owner and their agents, employees and designees access at reasonable hours for said purposes. This provision of easement is for the purpose of mutual protection of the Private Dwelling Units of adjacent owners from damage or possible damage to the Units resulting from roof leakage from or into adjacent Units. Nothing herein shall be construed to imply that the Foundation has or shall assume any responsibility for the inspection, maintenance or repair of such roof surfaces or any other portion of the Private Dwelling Units within the Highlands.

Section 5. The Developer, for itself, its successors and assigns, hereby declares that in certain instances within the Highlands, the rake board on the gable end of one Private Dwelling Unit may overlap the air space above an adjacent Unit or adjacent Community Property and in such cases each Unit shall have the benefit of and be burdened with a perpetual easement to the extent that such overhang exists and where applicable, the adjacent Community Property shall be burdened with a perpetual easement to the extent that such overhang exists.

Section 6. In order to provide the Private Dwelling Units within the Highlands with underground utility lines, it may be required that several Private Dwelling Units be served with a common service entrance line. Owners agree to cooperate fully with the utility companies concerned therewith for all maintenance, repair and other measures as may be necessary to provide adequate and proper services to the Owners served thereby.

Section 7. Due to the unsightliness created and possible annoyance to other residents of the Highlands, no extensive work such as dismantling and repairing of motor vehicles, or machinery of any type, shall be permitted outdoors on the Community Property or on any Residential Property within the Highlands.

Section 8. No animals, livestock or poultry of any kind shall be kept or maintained within the Highlands, except that not more than two (2)

household pets such as dogs and cats may be kept or maintained on the property of a Private Dwelling Unit, provided they are not kept or maintained for a commercial purpose.

Section 9. No outside antennas of any kind shall be erected on any Residential Property within the Highlands, unless and until permission for the same has first been granted by the Architectural Control Committee.

Section 10. The Developer, for itself, its successors and assigns, further declares that in certain instances, due to architectural characteristics, lead walks, some of which include steps, stoops and entrance landings, may have been constructed partially or totally upon Community Property. In such instances of original construction, a valid easement for ingress and egress to units served thereby over and upon the Community Property running to the use and benefit of the Owner or Owners of such units shall and does exist for such encroachment, so long as it stands, and the Owner or Owners of such units served by said lead walks, steps, stoops and entrance landings covenant and agree that they shall maintain and repair said lead walks, steps, stoops and entrance landings, including removal of snow therefrom at their own cost and expense, and a valid easement for such maintenance and repair thereof shall and does exist over and upon the said Community Property. In the event that any one or more of such Private Dwelling Units so served is partially or totally destroyed and is then rebuilt in substantially the same location, and as a result of such rebuilding any portion of the said Private Dwelling Unit or the lead walk, steps, stoops or entrance landings thereof encroaches upon the Community Property, a valid easement for such encroachment and for the maintenance thereof, so long as it stands, shall and does exist.

Section 11. No drying or airing of any clothing or bedding shall be permitted outdoors on the Community Property or on any Residential Property within the Highlands.

Section 12. No noxious or offensive activity shall be conducted within the Highlands nor shall anything be permitted to be done therein which may be or may become an annoyance or nuisance to the residents of the Highlands.

Section 13. All published rules and regulations of the Foundation shall be enforceable by the Board of Directors of the Foundation, their agents and employees, and by the Pennsylvania State Police Department or any local or municipal police department.

Section 14. Residential Property shall and must be transferred or conveyed as a single unit or conveyance, and Residential Property may not be subdivided or portions thereof conveyed away, excepted or reserved in any conveyance.

Section 15. No vehicles in excess of 5,000 pounds gross vehicle weight or trailers or unlicensed motor vehicles of any type (including, but not limited to, motorcycles of any kind) (but not including golf carts of any kind) and no boats of any type shall be permitted to remain overnight on any part of a

Residential Property or the Community Properties, except for vehicles used by Developer, its successors or assigns or agents thereof, in conjunction with the building operation, construction or maintenance. Snowmobiles shall be permitted only on designated snowmobile trails and shall be stored only in appropriate enclosed buildings. Snowmobiles may be transported on roads, streets or drives owned by Hidden Valley or Foundation solely for the purpose of transportation to or from designated snowmobile trails. In any specific instance should the Developer or Foundation determine that such transportation on such roads is not to or from designated snowmobile trails within Hidden Valley, either Developer or Foundation shall be entitled to immediately require the removal of that snowmobile from such roads, streets or drives.

Section 16. No unlicensed vehicles normally requiring licenses or abandoned vehicles of any kind shall be permitted to remain overnight on any part of a Residential Property or the Community Properties.

Section 17. The Developer, for itself, its successors and assigns, further declares that in certain instances, due to architectural characteristics, and for the visual enhancement of the community, that it may construct breezeways or similar overhangs over the common sidewalk areas which shall be owned and maintained by the Foundation, with such materials and colors as it may deem appropriate, and that, in some cases, such breezeways or similar overhangs may be attached for support to the wall and/or fence of a Private Dwelling Unit, and that, in such cases, the Private Dwelling Unit shall be burdened with an easement for such attachment, and that the Foundation shall have the right, at reasonable hours, to enter upon the property of the Owner of the Private Dwelling Unit, by itself or through its agents, employees or designees, for the purpose of repair, inspection, maintenance and replacement of such breezeways or similar overhangs.

Section 18. No Owner of a Residential Property within the Highlands shall store or maintain, nor cause to be stored or maintained, any materials, machinery, equipment, furniture, trash receptacles or other similar items upon the Community Property; nor on any Residential Property in such a manner as to be visible from the Community Property or another Private Dwelling Unit that is objectionable or detrimental to the aesthetic values of the community.

Section 19. Developer will install or cause to be installed certain underground utilities within the Highlands, including, but not limited to, sewer and water mains, storm drainage systems and underground conduits for the transport of roof drain run-off. Such facilities and systems may be located either upon the Community Property or upon a Residential Property, and Developer hereby declares that a valid easement over and upon the said Community Property and the Residential Properties within the Highlands does and shall exist, whether or not covered by written easements or rights-of-way. The Residential Properties shall be burdened with an easement running with the land for such purposes, and the Developer shall have the right, at reasonable hours, to enter upon the property of the Owner of such Residential Properties for such purposes, or, in emergency situations, without notice, whether the Owner be present or not.

Section 20. No part of the Highlands shall be used for any purpose other than single-family residential purposes, and no commercial or business use shall be made of any such property. Nothing in this section, or elsewhere herein, shall be construed to prohibit the Developer from the use of any lot or improvements which Developer owns for promotional or display purposes as "models" or from leasing any unit or units which Developer owns except that Developer shall be bound by other applicable provisions of this Article; and provided further, that nothing in this Declaration shall prevent the rental of property within the Highlands by the Owner thereof for residential purposes, provided the same shall be subject to all the provisions of the Declaration and By-Laws and Rules of the Foundation.

Section 21. Except for such signs as may be posted by Declarant for promotional or marketing purposes and for "For Sale" signs in accordance with the rules and regulations established by the Board of Directors, no signs of any character shall be erected, posted or displaced upon, in, from or about any lot or common areas without the prior written consent of the Board of Directors and under such conditions as they may establish.

Section 22. With respect to any Private Dwelling Unit which shall include a fireplace, except for single-family detached houses, there shall be no outside storage of firewood in front of the unit, unless the Unit shall have been designed or constructed with a facility for such storage at some other location. All firewood shall be stored only in a neat and orderly fashion in the rear of the unit, except where a central location may have been provided by Developer.

Section 23. All trash and garbage shall be disposed of at central trash collection locations as may be provided by the Foundation, if any, and Foundation has notified Owner of such a location, and, if such location shall be provided, no other trash or garbage disposal may be used.

Section 24. Mail delivery shall be solely to a common location as may be provided by the Foundation, and no individual mailboxes or other receptacles shall be installed, constructed or used on the Community Properties or on the property of a Private Dwelling Unit if a common location has been provided by the Foundation and Owner notified. All provisions hereof shall remain subject to applicable postal regulations.

Section 25. The Private Dwelling Unit shall be reasonably and adequately maintained so as to provide a neat and clean appearance. Such obligation of maintenance shall include the obligation to cut and maintain all lawns and grass in a reasonable condition.

#### ARTICLE IX

##### Skiing and Golf Operations Owned by Developer

Section 1. Continued Operation of Facilities by Developer.  
Developer acknowledges that Developer intends to maintain and to continue to operate the existing or future skiing facilities owned by Developer and will operate the proposed golf course, upon completion, located on land adjacent to

the Community Properties of the Foundation and within the greater community of Hidden Valley. Developer intends to operate such skiing facilities and proposed golf course, upon completion, assuming that the economic, financial and other business conditions are acceptable to Developer for such recreational facilities. Developer agrees to notify Foundation in the event that Developer intends to cease or permanently suspend such skiing and golf operations. Foundation shall have the right for thirty (30) days to notify Developer that Foundation wishes to continue to operate any such skiing or golf operation and upon mutual agreement between Developer and Foundation, the Foundation may continue to operate such facilities under a lease or operating agreement mutually agreed to between Developer and Foundation. Nothing herein shall prohibit Developer from taking any action during the thirty (30) day period as Developer may deem necessary in connection with such skiing and golf operations.

Section 2. Notice of Termination or Sale of Operations of Skiing or Golf Facilities. In the event that Developer determines to permanently suspend or cease operation of or to sell any skiing facilities or proposed golf course, upon completion, to an independent third party, Developer hereby agrees to notify Foundation when Developer has made a firm and irrevocable decision that such facilities will be terminated, suspended or sold or whenever a firm and binding agreement of sale has been executed or delivered. Such notice shall not obligate Developer to sell to Foundation, but is intended to advise Foundation so that Foundation can take whatever action Foundation deems appropriate.

## ARTICLE X

### General Provisions

Section 1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Foundation, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded. Said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless otherwise terminated or changed by the same requirements as hereinafter provided for amendments to the covenants and restrictions. Except for the assessment ratio between Private Dwelling Units and Undeveloped Property as set forth in Article V, Section 5 (which shall be subject to amendment only upon the vote of two-thirds (2/3) of the Owners of Private Dwelling Units and of two-thirds (2/3) of the Owners of Undeveloped Properties), the covenants and restrictions may be amended at any time by an instrument signed by not less than two-thirds (2/3) of the Owners of all Residential Properties within the Highlands. For purposes of meeting the aforementioned two-thirds (2/3) requirement, an Owner shall be counted once for each Residential Property which he owns. Provided, however, that any such amendment of these covenants and restrictions must be in full compliance with all applicable laws and regulations and shall not become effective until the instrument evidencing such change has been duly recorded and unless written notice of the proposed amendment is sent to every Owner of a Private Dwelling Unit at least ninety (90) days in advance of any action taken; and provided

further, that prior to January 2, 1994, no amendment of these covenants and restrictions shall be effective until approved in writing by Developer.

Section 2. Amendment by Developer. In addition to the other rights of the Developer as set forth herein, the Developer may unilaterally amend this Declaration for the following purposes:

(a) to lessen the number of votes which the Class B Member shall have in proportion to the number of votes of all other Members of the Foundation;

(b) to provide that the Class B Member shall not vote for certain seats on the Board of Directors and that these seats shall be filled exclusively by the vote of the Class A Members;

(c) for any other purpose which requires a greater contribution by the Developer to the Foundation or which lessens the role of the Developer in the operation of the Foundation and increases the role of the other Members;

(d) from time to time, to supplement these Covenants, Conditions and Restrictions with supplemental covenants and restrictions which shall apply to certain specified areas and which as to such areas may be more restrictive than these Covenants, Conditions and Restrictions; provided, however, that such supplemental covenants and restrictions shall not bind, without the consent of the then Owner thereto, any portion of the properties which have previously been sold by the Developer and a deed evidencing such sale has been recorded in the land records of Somerset County, Pennsylvania;

(e) for a period of eighteen (18) months from the date hereof, to amend these Covenants, Conditions and Restrictions by Supplemental Declarations thereto and which Supplemental Declarations shall bind all of the properties; provided, however, that such Supplemental Declarations to these Covenants, Conditions and Restrictions shall not bind without the consent of the Owner thereto, any portion of the properties which have been previously sold by the Developer and a deed evidencing such sale has been recorded in the land records of Somerset County, Pennsylvania, unless such Supplemental Declaration shall have been approved by the unanimous consent of the Board of Directors of the Foundation.

Section 3. Acceptance of Community Properties.

(a) In addition to the rights of Developer, its successors and assigns, under the provisions of Article II of this Declaration to make such additions as are provided therein, subject to and in accordance with the provisions of subparagraph (b) hereof, Developer may convey and Foundation is obligated to accept the conveyance of additional land and property as may be conveyed to the Foundation by Developer or others, with Developer's approval, whether or not occupied in part by Private Dwelling Units. Such additions shall be conveyed by deed or other appropriate instrument. It is contemplated herein that additional parks, playgrounds, recreational facilities, streets, drives, utility service facilities, transportation systems or other property, will hereafter be conveyed to Foundation for the use of the Full Members of the Foundation.

(b) In the event that Developer shall construct any parks, playgrounds, recreational facilities, utility service facilities, transportation systems or other structures and shall wish to transfer or convey the same to the Foundation, such facilities shall be subject to inspection and examination for compliance with the Development Standards and Specifications which are attached hereto as EXHIBIT A.

(c) Developer shall construct recreational facilities on land which shall be conveyed to the Foundation as Community Property under the provisions of Section 2(a) above. Developer shall construct recreational facilities generally as shown on the Master Plan of Developer dated JANUARY, 1985, entitled MASTER PLAN OF DEVELOPER. Developer shall, in its sole and exclusive discretion, determine the final location of such recreational facilities as well as the final construction details of such facilities. Developer shall be entitled to adjust, modify and change its Master Plan as referred to above as Developer may, in its sole and exclusive discretion, determine, and Developer shall not be obligated to construct such recreational facilities if continued development of Residential Properties shall not occur or if general business conditions or usage of existing facilities indicate that additional recreational facilities are not necessary. Developer agrees to notify Foundation as soon as reasonably possible of the construction or proposed construction of any such additional recreational facilities.

Section 4. Foundation Use of Community Properties. The Foundation shall have the right to use all Community Properties within the Highlands for purposes of providing the services which it performs within the Highlands.

Section 5. Foundation Easements and Rights-of-Way. The Foundation is hereby given the right to grant within the Community Properties such easements and rights-of-way to such utility companies, public agencies, authorities, or governmental bodies, or such private service companies which may provide general service to the community as it shall deem necessary.

Section 6. Developer Easements and Rights-of-Way. Developer hereby reserves to itself, its successors and assigns, easements and rights-of-way under, over, across and through the Community Properties and the property of each Private Dwelling Unit for purposes of installing sanitary sewer, storm sewer, telephone, cable television and electric lines, systems and appurtenances thereto as the same exist as of the date hereof and as may hereafter be installed or constructed for the purpose of serving the Highlands or adjacent or other properties of Developer, and Developer shall restore any property disturbed in the exercise of Developer's rights hereunder (except that Developer shall not be obligated to restore any structure constructed on such easement or right-of-way after installation of any such facilities mentioned above).

Section 7. Arbitration (Developer/Foundation). Notwithstanding any other provision of the Declaration, in the event that Foundation shall take any action, or shall fail to take any action, which action is approved or not approved solely by reason of the exercise by Developer of its Class B vote, the Members of the Foundation, excluding Developer, shall be entitled to subject the action to review by an arbitrator in accordance with the provisions hereof, if

seventy-five (75) percent of all Members holding Class A votes shall vote affirmatively requiring such arbitration at a meeting either in person or by proxy, specially called for such purpose. In the event that arbitration is required hereunder, an independent, qualified arbitrator shall be selected in accordance with the provisions of the American Arbitration Association within thirty (30) days after the vote required above. The arbitrator once selected shall conduct hearings in accordance with the arbitration rules of the American Arbitration Association. Arbitrator shall make a final decision, binding on all parties, within thirty (30) days after hearing. All costs of such arbitration shall be borne equally by the parties.

Section 8. Arbitration (Member/Foundation). In the event that any dispute shall arise between Foundation and any Member thereof concerning the application of the provisions of Articles VI, VII and VIII, such dispute shall be subject to arbitration hereunder. Such arbitration shall proceed under the rules of procedure adopted by the Foundation existing as of the date of the first notice received from either Member or Foundation to the other. Such rules and procedures adopted by Foundation shall include provision for notice and hearing before an impartial arbitrator. The decision of the arbitrator shall be final and binding on all parties and shall be made not later than thirty (30) days following the hearing. All such costs of arbitration shall be borne equally by the parties.

Section 9. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Foundation at the time of such mailing. Notice to one of two or more co-Owners of a Residential Property or Private Dwelling Unit shall constitute notice to all co-Owners. It shall be the obligation of every Member to immediately notify the Secretary of the Foundation, in writing, of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 10. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating, attempting to violate or circumventing any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants and restrictions; and failure by the Foundation or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The remedies given to Foundation herein are distinct, cumulative remedies and the exercise of any of them shall not be deemed to exclude the Foundation's rights to exercise any or all of the others or those which may be permitted by law or equity. The failure to enforce any rights, reservation, restrictions or condition contained in this Declaration, however long continued, shall not be deemed a waiver of this right so to do hereafter as to the same breach, or as to a breach occurring prior to or subsequent thereto, and shall not bar or affect its enforcement. Any person entitled to file a legal action for the violation of these covenants shall be entitled to recover reasonable attorney's fees as a part of such action.

Section 11. Assignability. The Developer and its successors, notwithstanding any other provision herein to the contrary, shall at all times have the right to fully transfer, convey and assign all of its right, title and interest under this Declaration, provided that such transferee, grantee or assignee shall take such rights subject to all obligations also contained herein.

Section 12. Severability. Invalidation, illegality or unenforceability of any one of these covenants or restrictions or any article, section, subsection, sentence, clause, phrase or term thereof by judgment or court order shall in no way affect any other provision or the balance of the provision, as the case may be, all of which shall remain in full force and effect.

IN WITNESS WHEREOF, the Developer, Kettler Brothers, Inc., trading and doing business as Hidden Valley Farm Inn, being the Declarant herein, has caused these presents to be signed in its name by Clarence E. Kettler, Its President, all as of the day and year first hereinabove written.

DEVELOPER

KETTLER BROTHERS, INC., trading and doing business as HIDDEN VALLEY FARM INN

By Clarence E. Kettler  
Clarence E. Kettler, President

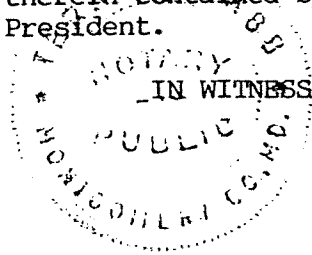
STATE OF MARYLAND

:  
ss.

COUNTY OF

:

ON THIS, the 14<sup>th</sup> day of March, 1985, before me, the undersigned officer, personally appeared CLARENCE E. KETTLER, who acknowledged himself to be the President of KETTLER BROTHERS, INC., a corporation, trading and doing business as HIDDEN VALLEY FARM INN, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as the President.



IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Harry L. Babb (SEAL)  
Notary  
Title of Officer

## DEVELOPMENT STANDARDS AND SPECIFICATIONS

## HIDDEN VALLEY

PART 1. INTRODUCTION.

Hidden Valley Foundation, Inc., has been formed for the purposes of owning, administering and maintaining the common and community properties within the various residential communities of Hidden Valley.

There does not, however, exist within the scope of the public law a set of standards for development of private streets, open spaces, common and community properties in order to protect the interests of the residents therein and the general public. This set of Standards and Specifications represents those standards by which the Developer has heretofore constructed and maintained certain of the streets and open spaces within Hidden Valley and the standards by which further construction is to be undertaken by the Developer and by which such construction and level of maintenance at the time of title transfer thereto shall be inspected and certified as being acceptable under these Standards and Specifications.

PART 2. RIGHTS-OF-WAY, PRIVATE STREETS.

Rights-of-way widths for all private streets are variable and need not be consistent throughout. The right-of-way may include the parking spaces for resident or guest parking which is not included within the boundaries of any private lots. All private street systems shall be clearly defined on the Final Subdivision Plans in accordance with the general planning and subdivision requirements of Somerset County, Pennsylvania. The Final Subdivision Plan and related Site Plan, when approved by the Somerset County Planning and Zoning Commission, shall constitute the guidelines for development of the private streets as to location, right-of-way and construction details. All streets or roads shall be located within the right-of-way but shall not be required to be located on the centerline of the right-of-way. All streets or roads shall be subject to verification as to location within the right-of-way and, in the event that it shall not be clear that the street or road is correctly located, the portion of the street or road in question shall be surveyed at the cost of Developer.

PART 3. GENERAL STANDARDS AND SPECIFICATIONS.A. Grading.

All grading shall be done in accordance with plans and specifications and profiles prepared by a Registered Professional Engineer or a Professional Land Surveyor licensed to practice in the Commonwealth of

Pennsylvania and approved by the Somerset County Planning and Zoning Commission where applicable as a part of the approved Plans. Erosion control during grading and construction shall be in accordance with specifications of the Commonwealth of Pennsylvania. All unpaved areas shall be sodded or seeded upon completion of grading.

B. Paving Standards.

The type and thickness of pavement material used in all main or primary streets or roads between residential communities or areas constructed after May 1, 1983, shall meet or exceed the applicable requirements of the Somerset County Planning and Zoning Commission and be in accordance with the approved Subdivision Plans and specifications and profiles prepared by a Registered Professional Engineer, licensed to practice in the Commonwealth of Pennsylvania. Where sub-grade tests indicate insufficient bearing strength, stone base shall be increased to a sufficient amount in accordance with good engineering practices. All other streets and parking areas constructed after May 1, 1983, shall be oil and chip surface with a stone base in accordance with plans and specifications prepared by a Registered Professional Engineer, licensed to practice in the Commonwealth of Pennsylvania.

All roads, streets or drives in existence on May 1, 1983, shall be in good, completed condition in accordance with the methods, standards and specifications by which they were originally constructed, except that all roads, streets or drives shall be at least stone or gravel construction.

C. Drainage Structures.

All drainage and structures, including drainage on roads, streets or drives, shall be installed in accordance with a plan prepared by a Registered Professional Engineer or Professional Land Surveyor, licensed to practice in the Commonwealth of Pennsylvania.

D. Curb and Gutter.

Where curb and gutter is specified on the approved Plan, it may be installed according to the specifications of low-profile type curb either designed or adapted by the Design Engineer as having suitable storm drainage capacity. All curb and gutter shall be constructed of Class A concrete or asphalt.

E. Community Open Space.

All areas designated on the various plats of subdivision as community open space, green space, paths or walks, to be administered and maintained by the Foundation, shall be completed by the Developer. Recognition shall be made of the range of variations among the green spaces throughout Hidden Valley so as to provide the best possible criteria for acceptable standards of development as they apply to separate sets of needs and demands of location, usage and maintenance. To that end, certain areas shall be left in their natural state to the extent possible, cleared of undergrowth, briars and

noxious weeds. In such areas, the Developer may install pedestrian or bicycle paths of asphalt or gravel. In all paths leading through Hidden Valley designed to carry pedestrian or bicycle traffic to and from recreation areas or schools, the Developer shall install walkways which may be of asphalt, mulch or other appropriate material selected by Developer. All other areas within the open space system shall be completed by the Developer in accordance with the following specifications and procedures:

(1) Acceptable Seed and Fertilizer Mixture:

K-31 Tall Fescue  
 Kentucky Bluegrass (certified)  
 Lime, as suggested by acceptable seeding contractor  
 Fertilizer, as suggested by acceptable seeding contractor  
 Phosphate, as suggested by acceptable seeding contractor  
 Straw Mulch

(2) Procedure for Application:

Subject to any approvals of the applicable Final Subdivision and Site Plans, grade shall generally be established at not more than 2:1 where practicable; on grades greater than 2:1, planting of ground cover or low maintenance grasses such as crown vetch is recommended. Ground to be worked up to a depth of 3 to 4 inches, working lime and phosphate into the soil where possible. All rocks, trash, construction, roots or debris to be removed from the area. Seed to be applied by Hydro Seeder or other acceptable method of application. A slurry of seed mixture and fertilizer to be applied evenly over the area. Straw to be applied evenly.

(3) Plantings:

The Developer may install trees, shrubs or ground cover within the open spaces as it deems necessary or desirable to enhance the beauty of the area or to provide screening where necessary. Such plantings so provided shall be alive and growing, disease free and guaranteed by the Developer for a period of one (1) year from the date of certification and acceptance of such spaces as herein provided.

F. Construction.

No construction by the Developer shall be accepted by the Foundation until such construction shall comply with plans, specifications and permits, if any, prepared by a Registered Professional Engineer or Professional Land Surveyor, licensed to practice in the Commonwealth of Pennsylvania, and approved, if required, in the form and manner required by the Commonwealth of Pennsylvania or the applicable authorities of Somerset County.

PART 4. CONSTRUCTION PROCEDURES.A. Explanation.

This section shall not be construed as waiving any requirements of the public law as to permits and fees nor of granting to the Foundation review authority over construction plans, which is a function of the public agency. The Inspector, as designated hereinafter in Part 4, B, shall have the right, however, to review construction plans relating to common or community property for the purpose of ensuring compliance of same to these Standards and Specifications, and the Inspector shall have the authority to suspend construction under such construction plans, until the Developer modifies said plans to provide such compliance.

B. Inspection and Supervision.

The Foundation shall provide such inspection services relative to construction within the private streets and open spaces as required by these Specifications through either a member of its staff or by a consultant, provided that such person shall meet the professional qualifications herein set forth. The Inspector shall be neither an employee of the Developer nor of any consultant firm engaged by the Developer, nor a resident of Hidden Valley, and shall be a Registered Professional Engineer or Professional Land Surveyor, licensed to practice in the Commonwealth of Pennsylvania, provided, however, that in the case of work in progress at the time of adoption of these Standards and Specifications, a licensed Registered Professional Engineer or Professional Land Surveyor engaged by the Developer may perform such inspection services as set forth herein at the cost and expense of the Developer until such time as the Foundation shall have arranged for such services as herein described, and providing further, that in the case of inspections of common and community properties other than the private street systems, such inspections may be performed by a recognized Landscape Architect practicing in the Commonwealth of Pennsylvania.

(1) Private Street Inspection.

Inspections of the private streets shall be made in the manner normally exercised by the Somerset County Planning and Zoning Commission as to adequacy of preparation of the sub-surface, quantity and quality of materials used, and compliance with the provisions of Part 3 hereof, General Standards and Specifications, paragraphs A thru D, inclusive. Written reports shall be maintained in the office of the Foundation of all information pertinent to such inspections and shall be made available to any public agency upon request. The Inspector shall have the authority to stop the work, reject all inferior materials or workmanship and take such steps as may be necessary to insure the proper completion of the work.

(2) Open Space Inspection.

Upon completion of the work within the community or common properties other than the private streets, but including within the context of this section those areas of green space which are designed as a part of the private street system as courts or turn-around islands, which by their location and size are usable green spaces, Developer shall call for a preliminary inspection by the Inspector, who shall therewith inspect such areas in the company of a representative of the Foundation, which will have the final responsibility for ownership and maintenance of such properties, and a representative of the Developer, and shall list those items to be repaired, replaced or completed prior to acceptance. Upon completion of such items by the Developer, request shall be made for a final inspection in like manner. Such final inspections shall not be made during the dormant season. When made, the committee as constituted above, having determined that the areas have been completed in accordance with these Standards, that all trees and shrubs are alive and growing, and that the turf is in good repair, shall, by majority opinion of such committee, authorize the Inspector to issue such certificates of acceptance as are herein provided on behalf of and for the Foundation. Records of such inspections shall be maintained in the office of the Foundation.

C. Work in Progress.

In the case of work which has been completed or is in progress at the time of adoption of these Standards and Specifications (as such work is defined in Part 4, Section A, hereof), the Inspector shall take such steps as may be necessary to determine that such construction has been completed or is being done in accordance with these Specifications and good engineering practices. He shall have the same authority as set forth herein for new work, and shall order such repairs to be made as may in his judgment be required to insure the proper condition of construction as to adequacy, quality of construction and the public safety and, upon completion of such work or such repairs, shall thereupon issue his Certificate of Acceptance as hereinafter set forth.

D. Acceptance.

Upon completion of the construction within the private streets and other spaces in accordance with these Standards and Specifications, the Inspector, duly authorized to represent the Foundation or its Designee, shall thereupon issue a Certificate of Acceptance, which thereby releases the Developer from all further obligations therefor. Upon the issuance thereof, title to the community property shall be passed to the Foundation by appropriate instrument of transfer, and such Certificate shall be deemed prima facie evidence of satisfactory completion of the obligations of the Developer therein for such transfer of title and for acceptance for maintenance thereof by the Foundation. In the case of property transferred to the Foundation prior to construction, such final Certificate shall be considered as final release to the Developer of such reservations and responsibilities as may have been imposed or agreed upon at the time of such transfer relative to completion of improvements therein. A copy of such Certificate shall be maintained in the office of the Foundation and shall be made available upon request to any properly constituted

public agency so requesting. Notwithstanding the provision herein relative to inspection, certification and release of the Developer from further obligation in areas covered by these Standards and Specifications, the Developer shall remain liable and shall assume continued responsibility for a period of one (1) year from the date of final certification to replace or repair dead trees, shrubs or sod installed by the Developer within the common or community properties covered by such certifications, providing, however, that the Developer shall not be liable or responsible for death or damage of such trees, shrubs or sod resulting from inadequate or improper maintenance by the Foundation, nor from accident, vandalism or excessive wear resulting from use of such areas.

#### PART 5. MAINTENANCE.

Upon adoption of these Standards and Specifications, the Developer shall have the sole responsibility for the continued maintenance of the improvements within the private streets and open spaces until such time as they shall have received final certification as herein provided, except for such areas owned by any existing homeowner's association or group, prior to such adoption. Upon certification by the Inspector duly authorized to represent the Foundation, whether title has been transferred or not, the maintenance responsibility shall rest with the Foundation to whom title will be passed. In the event that for some reason of title or inability to adequately describe such completed areas for purposes of transfer of title, completed and certified areas cannot be transferred, then the Developer and the Foundation, depending upon whose ownership is involved, may enter into such agreements as may be required to set forth the areas of control, jurisdiction and responsibility until such time as title may be passed.

In the event that the Developer shall find it necessary from time to time, at its discretion, for its employees, subcontractors or agents to enter upon the private streets or open spaces so completed and accepted, for the purposes of ingress and egress to other areas of development, or for repair, maintenance or reconstruction therein, then, in that event, the Inspector shall have the authority to designate any repairs required arising from excessive traffic loads or other damage occasioned by such construction activity of the Developer or its agents, and the Developer shall perform such required repairs at its own expense as directed.

#### PART 6. SIGNS.

Street name signs may be erected by the Developer at all street intersections, using colors and designs of its own option, generally conforming with standard designs readily identifiable and accepted by the public for the purpose intended. Other signs, such as pedestrian crossings, bike path designations and traffic control signs may be installed by the Developer, the Foundation or by any public agency having jurisdiction within the private spaces. Community identification markers or signs may be installed at the entrance to each community within the right-of-way of the private street. Upon acceptance of the

street for maintenance by the Foundation as herein set forth, the Foundation shall maintain such marker identifications and all other signs therein erected and shall thereafter exercise exclusive control and responsibility over such signs and devices as being adequate and proper for the purposes for which the same were erected or installed. The Developer, during the period of construction and development, may install directional signs of a real estate nature, which shall be maintained by the Developer during such period, and shall be removed at its expense upon completion of the community or the project to which such signs relate. No other signs shall be permitted within the private street systems or other open spaces of the community without the prior written approval of the Foundation.

PART 7. LIGHTING.

The Developer shall cause to be installed lighting and fixtures as shown on the applicable Final Subdivision Plan and Final Site Plan.

PART 8. DEFINITIONS.

Where used herein, the term "Foundation" shall mean in all cases the Hidden Valley Foundation, Inc. The term "Developer" shall mean Kettler Brothers, Inc., trading and doing business as Hidden Valley Farm Inn, or its successors or assigns. The term "Inspector" shall mean that person employed or designated by the Foundation or the Developer, meeting those qualifications hereinabove set forth, and performing those services and functions as herein described.

9025

VERA M. LOHR  
RECORDER

1985 APR 10 AM 11: 23

ENTERED FOR RECORD  
SOMERSET COUNTY

FEES AND TAX PAID 63  
*Hand: Barbara*

State of Pennsylvania }  
Somerset County } SS

RECORDED on this 10 day of April, A. D. 1985 in the Recorder's Office of said County, in RECORD Vol. 935 Page 115 Given under my hand and the seal of said office, the day and year aforesaid

Vera M. Lohr Recorder  
*me*

