

**Declaration of Restrictions and Covenants**  
**For**  
The Hidden Village Community

This declaration of restrictions and covenants for Hidden Village Community (this "Declaration") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2005 by Hidden Village, Inc. ("HVI") and by the Hidden Village Community Association, a Pennsylvania not-for-profit association.

RECITALS

- A. HVI is the owner of real property in Lackawanna County, Pennsylvania, more particularly described in Exhibit 1 attached hereto and made a part hereof (Hidden Village Community).
- B. HVI desires to subject Hidden Village Community to the covenants, conditions and restrictions contained in this Declaration.
- C. This Declaration is a covenant running with all of the land comprising Hidden Village Community, and each present and future owner of interests therein and their heirs, successors and assigns are hereby subject to this Declaration.

NOW THEREFORE, in consideration of the premises and mutual covenants in this Declaration, HVI hereby declares that every portion of Hidden Village Community is to be held, transferred, sold, conveyed used and occupied subject to the covenants, conditions restrictions, reservations, regulations, charges and liens hereinafter set forth.

- 1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.
- 2. Definitions. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"Age of Residents" shall have the meaning set forth in Section 20.1. hereof.

"Articles" shall mean the Articles of Incorporation of Association filed with the Pennsylvania Secretary of State in the form attached hereto as Exhibit \_\_\_\_\_ and made part hereof.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 13. hereof.

"Association" shall mean Hidden Village Community Association, its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, By-Laws, the Rules and Regulations, and the Community Standards.

"Board" shall mean the Board of Directors of Association.

"By-Laws" shall mean the By-Laws of Association in the form attached hereto as Exhibit \_\_\_\_\_ and made a part hereof.

"Common Areas" shall mean all real property interests within Hidden Village designated as Common Areas for the common use and enjoyment of the Owners within Hidden Village. The Common Areas May include, without limitation, open space areas, internal buffers, neighborhood entrance features, perimeter buffers, improvements, easement areas, Village Hall, Village Greens, service roads, walls, commonly used utility facilities, project signage, parking areas, other lighting, entranceways, features, and masonry walls. The Common Areas do not include any portion of a Home.

Hidden Village Declaration  
September 2005

“Community” shall mean the subdivision of Hidden Village, which is subject to the jurisdiction of the developer and a Community Association. Each Home shall be part of a Neighborhood.

“Community Association” shall mean any homeowners association, which governs a portion of Hidden Village.

“Community Common Areas” shall mean all property owned and/or maintained by a Neighborhood Association.

“Community Completion Date” shall mean the date upon which all Homes in Hidden Village, as ultimately planned, and as fully developed, have been conveyed by Developer and/or Builder to Owners.

“Community Declaration” shall mean any declaration recorded in the Public Records governing this Community. No Community Declaration shall be effective unless and until approved by Developer, which approval shall be evidenced by Developer’s execution of, or joiner in, and such Community Declaration.

“Declaration” shall mean this Declaration, together with all amendments and modifications thereof.

“Developer” shall mean Hidden Village and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

“Hidden Village” shall have the meaning set forth in the Recitals hereof subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration.

“HV Maintenance, Inc.” shall mean a corporation in the state of Pennsylvania operating in the capacity of maintaining and repairing the Common Areas grounds, landscaping, and individual lots.

“Individual Assessments” shall have the meaning set forth in Section 13.2.2 hereof.

“Owner” shall mean the record owner (whether on or more persons or entities) of fee simple title to any Home. The term “Owner” shall not include Developer, or a Lender.

“Parcel” shall mean a platted or unplatted lot, of real property upon which a Home has been, or will be constructed. Once improved, the term Parcel shall include all improvements thereon and appurtenances thereto.

“Plat” shall mean any plat of any portion of Hidden Villages filed in the Public Records.

“Public Records” shall mean the Public Records of Lackawanna County Pennsylvania.

“Rules and Regulations” shall mean the Rules and Regulations governing Hidden Village as adopted by the Board from time to time.

“Special Assessments” shall mean those Assessments more particularly described as Special Assessments in Section 13.2. hereof.

“Surface Water Management System” shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes road basins and piping, detention basin, and drainage maintenance easements.

“Turnover date” shall mean, unless turned over sooner by Developer in its sole discretion, three (3) months after the date upon which ninety percent (90%) of the Homes which will ultimately be built have been conveyed by Developer to Owners.

### 3. Amendment.

3.1 General Restrictions on Amendments. Notwithstanding any other provisions herein to the contrary, no amendment to this Declaration shall affect the rights of the Developer unless such amendment receives the prior written consent of Developer which may be withheld for any reason whatsoever.

3.2 Amendments Prior to the Turnover Date. Prior to the association Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person entity whatsoever. Such amendments, may include, without limitation, the creation of easements for utilities, drainage, ingress and egress; additions or deletions from properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes, and maintenance standards for landscaping. Developer’s right to amend under this provision is to be construed as broadly as possible. In the event that Association shall desire to amend this Declaration prior to the Turnover Date, Association must first obtain Developer’s prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments from and after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

3.3 Amendments From and After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty- six and 2/3 percent (66 2/3 %) of the Board; and (ii) seventy-five percent (75%) of all the votes in Association.

### 4. Binding Effect and Membership.

4.1 Term. The term of this Declaration shall be perpetual. Each Owner, by acceptance of title to a Home-Lot package, and any person claiming by, through or under such Owner, agrees to be subject to this Declaration and the provisions hereof. The provisions of this Declaration are equitable servitudes and run with the land.

4.2 Transfer. The transfer of the fee simple title to a Home, whether voluntary or by operation of law, terminating the Owner’s title to that Home shall terminate the Owner’s rights to the use of and enjoyment of the Common Areas as it pertains to that Home. An Owner’s rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. In the event that any Owner desires to sell or otherwise transfer title of his or her home, such Owner shall give the Board at least fourteen (14) days prior written notice of the name, and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board may reasonable require. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer. Until written notice is received in this Section, the transferor and transferee shall be jointly and severally liable for Assessment accruing subsequent to the date of transfer. In the event that upon the conveyance of a Home an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the home, the transferring Owner shall remain liable for Assessments accruing on the Home from and after the date of conveyance.

4.3 Membership. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each owner shall be a member of Association. Membership rights are governed by the provisions of the Articles and By-Laws. Membership shall be an appurtenance to and may not be separated from, the ownership of a home. Developer rights with respect to Association are set forth in the Articles and By-Laws.

5. Ownership and Voting Interest.

5.1 Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home designate one or more persons who are the occupants of the Home and register such persons with Association. All provisions of this Declaration and Rules and Regulations promulgated pursuant thereto shall apply to both such Owner and the designated occupants.

5.2 Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

5.3 Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer or Club Owner, or conflict with the provisions of this Declaration.

5.4 Conflicts. In the event of any conflict among this Declaration, a Neighbor Declaration, the Articles, by-laws or any of the Association Documents, this Declaration shall control. In the event that a Neighborhood Declaration is more restrictive than this Declaration, the Neighborhood Declaration shall control.

6. Paramount Right Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to : Sales brochures, site plans, and marketing materials currently represented as to what facilities, if any, will be included within the common areas. Developer specifically reserves the right to change the layout, composition, and design of any and all common areas at any time without notice at its discretion.

7. Operation of Common Areas.

7.1 Prior to Conveyance. Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association.

7.2 Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and personality contained therein, and such other improvements and personality as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, schedule, materials, size, and contents of the facilities, improvements, appurtenances, personality (e.g., furniture) color, textures, finishes, or Common Areas, or changes or modifications to any of them.

7.3 Conveyance. Within sixty (60) days after the Community Completion Date, or earlier as determined by Developer in its sole discretion, all or portions of the Common Areas may be dedicated, or conveyed by written instrument recorded in the Public Records. The dedication, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition without any representation or warranty, expressed or implied, in fact or by law, as to the condition, fitness or merchantability of the common areas being conveyed. Notwithstanding the foregoing, any such conveyance or encumbrance of such Common Areas subject to each irrevocable Owner's ingress and egress easement to his or her Home as set forth in this Declaration.

7.4 Operation After Conveyance. After conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, and operated and administered by Association for the use and benefit of the owners of all property interests in Hidden Village including, but not limited to, Association, Developer, Owners and any Lenders.

Subject to Association's right to grant easements, and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party **without** (i) if prior to the Community Completion Date, the approval of (a) a majority of the Board; **and** (b) the consent of Developer and Club Owner, **or** (ii) from and after the Community Completion Date approval of (a) sixty-six and two-thirds percent (66 2/3%) of the Board; (b) seventy-five percent (75%) of all the votes in Association; **and** (c) the consent of the Club Owner being first had obtained.

7.5 Delegation. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located hereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Further, in the event that Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of this document creating such easement.

7.6 Use.

7.6.1 Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by owners for any purpose other than as permitted by Association.

7.6.2 Assumption of Risk. Without limiting any other provisions herein each person using any portion of the Common Areas accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use of such Common Areas including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, (c) view restriction caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery trees within Hidden Village, and (e) design of any portion of Hidden Village. Each such person also expressly indemnifies and agrees to hold harmless Developer, Association, and all employees, directors, representatives, officers, agents, and partners of the foregoing, from any and all damages, weather direct or consequential, arising from or related to the person's use of the Common Areas, including for attorney's fees, paraprofessional fees and costs at trial and upon appeal.

7.6.3 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer, Association, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs, and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas within Hidden Village by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Association, Builder or any of the Indemnified Parties. Should any Owner bring suit against Developer, Association, Builder or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorney's fees and paraprofessional fees at trial and upon appeal.

## 7.7 Rules and Regulations

7.71 Generally. Prior to the Turnover Date, the Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of Common Areas. The Rules and Regulations need not be recorded in the Public Records. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated relating thereto.

7.7.2 Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to the Developer and/or Builder or any property owned by Developer and/or Builder, and shall not be applied in a manner which would prohibit or restrict the development or adversely affect the interests of the Developer. Without limiting the foregoing, Developer, and/or its designees or assigns, shall have the right to: (i) develop and construct homes, Common Areas, maintenance facilities and related improvements within Hidden Village, and make any additions, alterations, improvements, or changes thereto; (ii) place erect or construct portable, temporary accessory buildings or structure within Hidden Village for sales, construction storage or other purpose; (iii) temporarily deposit, dump or accumulate materials, trash and rubbish in connection with the development or construction of any portion of Hidden Village; (iv) post display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Hidden Village owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion of Hidden Village including, without limitation, Parcels, and Homes ; (v) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Hidden Village.

7.7.3 Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or construction dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

7.7.4 Association Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer, its officer, directors, shareholders, and any related persons or corporations and its employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas, or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Associations or Owners, and from and against all costs, expenses, court costs, attorney's fees and paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this convenient of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

8. Maintenance of Common Areas and Individual Parcels.

8.1. Common Areas. Except otherwise specifically provided in this Declaration to the contrary, HV Maintenance, Inc. shall at all times maintain, and repair the Common Areas, including all improvements placed thereon. The Association shall insure all Common Areas including all improvements placed thereon.

8.2. Maintenance of completed parcels. Except as otherwise specifically provided in this Declaration to the contrary, HV Maintenance, Inc. shall have the exclusive right and responsibility to maintain all individual parcels after they have been conveyed to each owner. This right and responsibility is all inclusive to maintain the lawns, sprinklers, landscaping and snow removal. Costs for such services will be billed and collected by Hidden Village Maintenance on a monthly basis.

8.3. Conveyance of HV Maintenance, Inc. Developer reserves the right to convey ownership of HV Maintenance, Inc. to the Association at time of Community Completion Date as set forth in section \_\_\_\_\_.

8.4. Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner, Neighborhood Association, or persons utilizing the Common Areas, through or under an Owner of the Community Association, shall be borne solely by such Owner or Community Association and the Home and/or Parcel owned by that Owner shall be subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal of all landscaping structures placed within easements or Common Areas without the prior written approval of Association.

8.5. Right of Entry. Developer, and HV Maintenance is granted a perpetual and irrevocable easement over, under and across Hidden Village for the purposes herein expressed, including, without limitation, inspections

9. Use and Restrictions.

9.1. Disputes as to Use. If there is any dispute as to whether the use of any portion of Hidden Village complies with this declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

9.2. Use of Homes. Each Home is restricted to residential use as a residence by Owner or permitted occupant thereof, its immediate family, tenants and invitees.

9.3. Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association if so requested by Association. All covenants and restrictions apply, including but not limited to the age restriction covenant. No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No time-share or other similar arrangement is permitted. The Owner must make available to the lessee or occupants copies of the Association Documents. No lease term shall be less than thirty (30) days. AGE RESTRICTION SHALL APPLY.

9.4. Lawful Use. No unlawful or obnoxious use shall be made of any portion of Hidden Village. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Hidden Village shall be the same as the responsibility for maintenance and repair of the property concerned.

9.5. Maintenance by Owners. All lawns, landscaping and sprinkler systems, and any property structures, improvements and appurtenances not maintained by HV Maintenance, Inc. shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Hidden Village by the Owner of each Home. Each Owner is specifically responsible for maintaining all grass, landscaping and improvements within any portion of a Home that is fenced.

9.5.1. Common Area Enclosed by Private Fence. If an Owner has installed a fence or wall, subject to ACC approval, around a Home, or any portion thereof, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to HV, Maintenance Inc.

9.5.2. Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

9.6. Driveway Easement. Each Owner shall be responsible to repair, maintain and/or replace the driveway comprising part of a Home, including, but not limited to, any damage caused by Association or the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of deed to a Home, shall be deemed to have agreed to indemnify and hold harmless HV Maintenance, Inc. and the holder of such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of Common Areas and any easement or construction and/or maintenance of any driveway in that portion of the Common Areas, easement area, or public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse the Association any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs.

9.7. Boundaries of Maintenance. All lawn maintenance and snow removal shall be the exclusive responsibility of the HV Maintenance, Inc. or the individual Owners to the extent of areas fenced-in.

9.8. Alterations and Additions. No material alteration, addition or modification to a Parcel or Home, or material change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the Association required by this Declaration.

9.9. Signs. No sign (including brokerage or for sale/lease signs), flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any part of a Parcel or Home that is visible from the outside without the prior written approval thereof being first had and obtained from the Association required by this Declaration.

9.10. Paint. Homes shall be painted within forty-five (45) days of notice by the Association.

9.11. Windows or Wall Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

9.12. Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted.

9.13. Satellite Dishes and Antennae. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Parcel without the prior written approval thereof being first had and obtained from the Association as required by this Declaration. The Association may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others.

9.14. Pools. No above-ground pools shall be permitted. All in-ground pools, hot tubs, spas and appurtenances installed shall require the approval of the Association as set forth in this Declaration. All pools shall be adequately maintained and chlorinated. No diving boards, slides, or platforms shall be permitted without Association approval. All pool/ hot tub/ spa areas shall be properly fenced and maintained.

9.15. Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by Association and governmental agencies.

9.16. Holiday Lights and Other Lighting. Except for seasonal holiday lights, all exterior lighting shall require the approval of the Association as set forth in this Declaration. The Association may establish standards for holiday lights. The Association may require the removal of any lighting that creates a nuisance.

9.1.7. Removal of Soil and Additional Landscaping. Without the prior consent of the Association, no Owner shall remove soil from any portion of Hidden Village, change the level of the land within Hidden Village, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Hidden Village. Owners may place additional plants, shrubs, or trees within any portion of Hidden Village with the prior approval of the Association.

9.1.8. Casualty Destruction of Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as approved by the Association and set forth Section 11.4.2 herein. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the Association.

9.1.9. Animals. No animals of any kind shall be raised, bred or kept within Hidden Village for commercial purposes. Otherwise, Owners may keep domestic pets up to a limit of two (2) such pets per household, provided they are 20 lbs or under and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets do not constitute a nuisance. A determination by the Board that an animal or pet kept harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unattended. No pet shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. Barking, whining, crying or excessive noisemaking of any kind is expressly forbidden. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of giving of the notice. Owners are responsible for the clean up of all matter created by the pet. Each Owner shall be responsible for the activities of its pet.

9.20. Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Hidden Village is permitted. No firearms shall be discharged within Hidden Village. Nothing shall be done or kept within the Common Areas, or any other portion of Hidden Village, including a Home or Parcel which will increase the rate of insurance to be paid by Association.

9.21. Minor's Use of Facilities. Persons who are not sixteen (16) years of age or older shall not be permitted to use the Common Areas unless under the supervision of an adult Owner or lawful occupant over the age of eighteen (18) years. Parents or guardians shall be responsible for all actions of minor children at all times in and about Hidden Village.

9.22. Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property, except usual patio furniture, may be stored on, or left out on, any parcel or Home or any other portion of Hidden Village, which is unsightly or which interferes with the comfort, enjoyment and convenience of others. Hidden Village and/or the Association will not be responsible for damage, theft, or misuse of personal property.

9.23. Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without prior approval of the Association, which approval shall conform to the requirements of Declaration.

9.24. Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from the outside of the Home or Parcel.

9.25. Laundry. No rugs, mops, or laundry of any kind, or any other similar type article, shall be shaken, hung, or exposed so as to be visible outside the Home or Parcel.

9.26. Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer shall direct, supervise, or in any manner attempt to assert control over any contractor of Association.

9.26. Servants. Servants and domestic help of any Owner may not gather or lounge in or about the common Areas.

9.27. Parking. Owner's automobiles shall be parked in the garage or driveway. No vehicle which cannot operate on its own power, shall remain in Hidden Village for more than twelve hours, except in the garage of a Home. No repair, except emergency repair, of vehicles shall be made within Hidden Village, except in the garage of a Home. No commercial vehicle, recreational vehicle, boat, trailer, including but not limited to boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept within Hidden Village except in the garage of a Home. The term commercial vehicle shall not be deemed to include recreational or utility vehicles (i.e. Broncos, Blazers, Explorers, etc.) up to 21'2" in length or clean "non-work" vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by developer or builder of Homes, Common Areas or any other Hidden Village facility.

9.28. Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for the purposes by Association. The Association shall have the right to prohibit or restrict the use of grills or barbeque facilities throughout Hidden Village Common areas.

9.29. Substances. No inflammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Hidden Village or within any Home or Parcel, except, those which are required for normal household use.

9.30. Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by (i) notifying Association (ii) removing all removable furniture, plants and other objects from outside the Home; (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Association shall have no responsibility of any nature relating to any unoccupied Home.

9.31. Commercial Activity. Except for normal construction activity, sale and re-sale of a Home, sale or re-sale of other property owned by Developer, no commercial or business activity shall be conducted in any Home within Hidden Village. Notwithstanding the foregoing, and subject to applicable status and ordinances, an Owner may maintain a home business office within a Home for such Owner's personal use; provided, however, business invitees customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Hidden Village. No solicitors of a commercial nature shall be allowed within Hidden Village, without the prior written consent of Association. No garage sales are permitted, except as permitted by the Association. Prior to the Community Completion Date, Association shall not permit any garage sales without the prior written consent of Developer.

9.32. Completion and Sale of Homes. No person or entity shall interfere with the completion and sale of Homes within Hidden Village.

9.33. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Parcel, unless approved by the Association.

9.34. Decorations. No decorative objects including, but not limited to, birdbaths, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Hidden Village without prior written approval of the Association.

9.35. Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Hidden Village without written consent of the Association.

9.36. Fencing. No walls or fences shall be erected or installed without prior written consent of the Association. No chain link fencing of any kind shall be allowed.

10. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a property shall encroach upon another property by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists.

11. Insurance. Association shall maintain the following insurance coverages:

11.1. Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days prior written notice to Developer (until community Completion Date), and Association.

11.2. Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

11.3. Other Insurance. Such other insurance coverages as appropriate from time to time including but not limited to mine subsidence insurance and property protection insurance. All coverages obtained by Association shall cover all activities of Association and all properties maintained by Association, weather or not Association owns title hereto.

11.4. Homes.

11.4.1. Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or reconstruction work, and/or including mine subsidence coverage shall cover the costs to demolish a damaged Home as applicable, remove the debris, and to re-sod and landscape land comprising the Home. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

11.4.2. Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home (“Required Repair”), or Owner shall tear the Home down, remove all the debris, and re-sod and landscape the property comprising the Home as required by the Association (“Required Demolition”). If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner’s receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be continued in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the power of Association, Association shall have a right to bring an action against any Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

11.4.3. Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section 11.4 shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Hidden Village.

11.4.4. Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole and absolute discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

11.4.5. Association Has No Liability. Notwithstanding anything to the contrary in this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail or any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association’s this Section.

11.5. Fidelity Bonds. If available, a blanket fidelity bond for all officers, directors, trustees and employees of Association, and all other persons handling or responsible for funds of, or administered by, Association. In the event Association delegates some or all of the responsibility for the handling of the funds to a professional management company or licensed manager, such bonds shall be required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of Association. The amount of the fidelity bond shall be based upon reasonable business judgment. The fidelity bonds required herein must meet the following requirements (to the extent available at a reasonable premium):

11.5.1. The bonds shall name Association as an obligee.

11.5.2. The bonds shall contain waivers, by the issuers of the bonds, of all defenses based upon the exclusion of persons serving without compensation from the definition of “employee” or similar terms or expressions.

11.5.3. The premiums on the bonds (except for premiums on fidelity bonds maintained by a professional management company, or its officers, employees and agents), shall be paid by Association.

11.5.4. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date), and Association.

11.6. Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

11.7. Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Parcel or Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

11.8. Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

11.9. Additional Insured. Developer, and their respective Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

11.10. Cost of Payment of Premiums. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs.

## 12. Property Rights.

12.1. Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Hidden Village shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purposes, subject to the following provisions:

12.1.1. Easements, restrictions, reservations, conditions, limitations and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended.

12.1.2. The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Pennsylvania Statutes, as amended from time to time.

12.1.3. The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

12.1.4. The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

12.1.5. The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purpose of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

12.1.6. The rights of Developer and/or Association regarding Hidden Village as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

12.1.7. Rules and Regulations adopted governing use and enjoyment of the Common Areas.

12.2. Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks, paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

12.3. Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement in favor of the Common Areas over, upon, across, and under Hidden Village, and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Parcels and Homes, and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within Hidden Village for vehicular and pedestrian ingress and egress to and from construction sites. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Developer shall have no liability or obligation to repave, restore, or repair any portion of the Common Areas as a result of the use of the same by construction traffic, and all maintenance and repair of such Common Areas shall be deemed ordinary maintenance of the Association payable by all Owners as part of Operating Costs. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of new and used Homes. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of residential Homes. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement this rights of Developer set forth in Section 21 of this Declaration. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Developer may non-exclusively assign its rights hereunder to Builder.

12.4. Public Easement. Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

12.5. Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

12.6. Permits, Licenses and Easements. Prior to the Community Completion Date, Developer, and thereafter Association, shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Hidden Village (including Parcels and/or Homes) utilities, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and; thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

12.7. Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Hidden Village (including Parcels, and/or Homes) for the reasonable and necessary maintenance of Common Areas, cables, wires and other similar facilities.

12.8. Drainage. A non-exclusive easement shall exist in favor of Developer, Association, and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over Hidden Village over, across and upon Hidden Village for drainage, irrigation and water management purposes. An easement or ingress, egress and access shall exist for such parties to enter upon and over any portion of Hidden Village (including Parcels and/or Homes) in order to construct, maintain, inspect, record data on, monitor, test or repair, as necessary, any water management areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Hidden Village and/or installation or maintenance of utilities or which may obstruct or retard these flow of water through Hidden Village and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

12.9. Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

13. Assessments.

13.1. Types of Assessments. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association or HV Maintenance, Inc. at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association or HV Maintenance Inc. (collectively, the "Assessments"). All Owners shall pay Assessments.

13.2. Purpose of Assessments. The Assessments levied by Association or HV Maintenance, Inc. shall be used for, among other things, the improvement and maintenance of the Common Areas and any easement in favor of the Association, including but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

13.2.1. Any monthly, quarterly, semi-annually, or annually assessment or charge, as the Board may determine, for the purpose of operating the Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

13.2.2. Any special assessments for capital improvements, major repairs, sewage pumps, or nonrecurring expenses (hereinafter "Special Assessments");

13.2.3. Any specific fees, dues or charges to be paid by Owners for any special services provided to or for the benefit of an Owner or Home, for any special or personal use of the Common Areas, Sewage Pumps or to reimburse Association for the expenses incurred in connection with that service or use (hereinafter "Use Fees"); and

13.2.4. Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements comprising a portion of the Common Area (hereinafter "Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are disapproved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason.

13.2.5. Assessments for which one or more Owners (but less than all Owners) within Hidden Village is subject ("Individual Assessments") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, all of the Owners within the development may be subject to Individual Assessments for maintenance, repair and/or replacement of facilities serving only the residents of the development. Further, in the event an Owner fails to maintain the exterior of his Home Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment.

13.3. Designation. The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

13.4. Allocation of Operating Costs.

13.4.1. For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

13.4.2. Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Installment Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Hidden Village conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole and absolute discretion may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

13.4.3. In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1<sup>st</sup> of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment) except to the extent specifically provided herein.

13.4.4. Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

13.5. General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

13.6. Use Fees and Individual Assessment. Except as herein specified to the contrary, Use Fees and Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

13.7. Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner.

13.8. Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Homes conveyed to Owners on or prior to September 30 of the prior fiscal year, it is possible that Association may collect more or less than the amount budgeted for Operating Costs. Any surplus Assessments collected by Association may be allocated towards the next year's Operating Costs or, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

13.9. Budgets. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association Budget. Thereafter, annual budgets shall be prepared and adopted by Association. THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

13.10. Establishment of Assessments. Assessments shall be established in accordance with the following procedures:

13.10.1. Installment Assessments shall be established by the adoption of twelve (12) months operating budget by the Board. The budget shall be in the form required by the Pennsylvania Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of the Association.

13.10.2. Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Community Completion Date, no Special Assessment shall be imposed without the consent of Developer.

13.10.3. Association may establish, from time to time, by resolution, rule or regulation, or by delegation to an officer or agent, including, a professional management company, Use Fees. The sums established shall be payable by the Owner utilizing the service or facility as determined by Association.

13.11. Working Capital Fund. Association has established a working capital fund for the operation of Association (the "Working Capital Fund"). There shall be collected from each Owner that purchases a Home from Developer at the time of conveyance of each Home an amount equal to two (2) months' Assessments.

13.12. Assessment Estoppel Certificates. No Owner shall sell or convey its interest in a Home unless all sums due to the Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefore, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

13.13. Payment of Home Real Estate Taxes. Each owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

13.14. Creation of the Lien and Personal Obligation. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have co covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, last fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels of proceedings including appeals, collections and bankruptcy, shall be in charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a Claim or Lien in the Public Records stating the legal description of the Home, name of Owner, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. Without limiting the foregoing, any Claim of Lien filed by the Association shall have priority and be superior to any lien of a Neighborhood Association. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner's heirs, devisees, personal representatives, successors and assigns.

13.15. Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

13.16. Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and bankruptcy. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of, or the waiver of the right to use the Common Areas or the Club or by abandonment of a Home.

13.17. Exemption. Notwithstanding anything to the contrary herein, neither Developer nor any one or property owned by Developer shall (unless specified to the contrary by Developer in a separate written instrument) be responsible for any Assessments of any nature or any portion of the Operating Costs. Developer, at Developer's sole option, may pay Assessments on Homes owned by it. In addition the Board shall have the right to exempt any portion of Hidden Village subject to this Declaration from the Assessments, provided that such part of Hidden Village exempted is used (and as long as it is used ) for any of the following purposes:

14. Information to Lenders and Owners.

14.1. Availability. There shall be available for inspection upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

14.2. Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

14.3. Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

14.3.1. Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

14.3.2. Any delinquency in the payment of Assessments owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

14.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder;

14.3.4. Any proposed action (if any) which would require the consent of a specific mortgage holder.

15. Architectural Control.

15.1. Master Plan. Developer has established an overall Master Plan. However, notwithstanding to the above, or any other document, brochures or plans, Developer reserves the right to modify the Master Plan or any site plan at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances.

15.2. Community Standards. Each Owner and its contractors and employees shall observe, and comply with, the Community Standards which now or may hereafter be promulgated by the ACC and approved by the Board from time to time. The Community Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as if set forth herein verbatim. The Community Standards shall not require any Owner to alter the improvements previously constructed. Until the Community Completion Date, Developer shall have the right to approve the Community Standards, which approval, may be granted in its sole discretion.

15.3. Quorum. A majority of the Association shall constitute a quorum to transact business at any meetings. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the Association. In lieu of a meeting, the Association may act in writing.

15.4. Power and Duties of the Association. No improvements shall be constructed on a Parcel, no exterior of a Home shall be repainted, no landscaping, sign or improvements erected, removed, planted, or maintained on a Parcel, nor shall any material addition to or any change, replacement, or alternation of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the Association.

15.5. Procedure. In order to obtain the approval of the Association, each Owner shall observe the following:

15.5.1. Each applicant shall submit an application to the Association with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the Association. The applications shall include such information as may be required by the application form adopted by the Association. The Association may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the Association, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Pennsylvania architect or residential designer, and landscaping and irrigation plans, prepared by a registered landscape architect or designer showing all existing trees and major vegetation stands and surface water drainage plan showing existing and proposed design grades, contours relating to the predetermined ground floor finish elevation, pool plans and specifications and the times scheduled for completion, all as reasonably specified by the Association.

15.5.2. In the event the information submitted to the Association is, in the Association's opinion, incomplete or insufficient in any manner, the Association may request and require the submission of additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

15.5.3. No later than thirty (30) days after receipt of all information required by the Association for final review, the Association shall approve or deny the application in writing. The Association shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the Association's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the Association shall consider the suitability of the proposed improvements, the materials of which the improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the Association fails to respond within said thirty (30) day period, the plans and specifications shall be deemed disapproved by the Association.

15.5.4. Construction of all improvements shall be completed within the time period set forth in the application and approved by the Association.

15.5.5. In the event that the Association disapproves any plans and specifications, the applicant may request a rehearing by the Association for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the ACC, unless applicant waives this time requirement in writing. The Association shall make a final written decision no later than thirty (30) days after such meeting. In the event the Association fails to provide such written decision within said thirty (30) days, the plans and specifications shall be deemed disapproved.

15.6. Alterations. Any and all alternations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans and specifications previously approved by the Association shall be subject to the approval of the Association in the same manner as required for approval of original plans and specifications.

15.7. Variances. Association shall have the power to grant variances from any requirements set forth in this Declaration or from the Community Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Community Standards on any other occasion.

15.8. Permits. The Owner is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

15.9. Construction by Owner. The following provisions govern construction activities by Owner after consent of the Association has been obtained:

15.9.1. Each Owner shall deliver to the Association, if requested, copies of all construction and building permits as and when received by the Owner. Each construction site in Hidden Village shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on a diligent, work manlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in Hidden Village shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in Hidden Village and no construction materials shall be stored in Hidden Village subject, however, to such conditions and requirements as may be promulgated by the Association. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner within Hidden Village. All construction activities shall comply with the Community Standards. If a contractor or Owner shall fail in any regard to comply with the requirements of this Section, the contractor or Owner shall be liable for all costs incurred for cleanup in such form and amount deemed appropriate by the Association in its sole discretion.

15.9.2. There shall be provided to the Association, if requested, a list (name, address, telephone number and identity of contact person), of all contractors, subcontractors, materialmen and suppliers (collectively, “Contractors”) and changes to the list as they occur relating to construction. Builder and all of its employees and contractors and their employees shall utilize those roadways and entrances into Hidden Village as are designated by the Association for construction activities. The Association shall have the right to require that each builder’s and contractor’s employees check in at the designated construction entrances and to refuse entrance to persons and parties whose names are not registered with the Association.

15.9.3. Each Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Community Standards by all of its employees and contractors. In the event of any violation of any such terms or conditions by any employee or contractor, or, in the opinion of the Association, the continued refusal of any employee or contractor to comply with such terms and conditions, after five (5) days’ notice and right to cure, the Association shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or contractor from performing any further services at Hidden Village.

15.9.4. The Association may, from time to time, adopt standards governing the performance or conduct of owners, contractors and their respective employees within Hidden Village. Each Owner and contractor shall comply with such standards and cause its respective employees to also comply with same. The Association may also promulgate requirements to be inserted in all contracts relating to construction with Hidden Village and each Owner shall include the same therein.

15.10. Inspection. There is specifically reserved to Association and to any agent or member , the right of entry and inspection upon any portion of Hidden Village at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Community Standards.

15.11. Violation. If any improvement shall be construed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Owner shall, upon demand of Association, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Owner shall be liable for the payment of all costs or removal or restoration, including all costs and attorneys’ fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred by Association. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration. The Association is specifically empowered to enforce the architectural and landscaping provision of this Declaration and the Community Standards, by any legal or equitable remedy.

15.12. Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety to any constructed improvements or to cause the removal of any unapproved improvement, Association shall be entitled to recover court costs, expenses and attorneys’ fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, in connection therewith.

15.15. Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer, Builder, or their nominees, including, without limitation, improvements made or to be made to the Common Areas, or any Home shall not be subject to the review of the Association. Association, or the provisions of the Community Standards.

15.16 Exculpation. Developer, Association, the directors or officers of Association, the members of the Association, or any person acting on behalf of any of them, shall not be liable for an cost or damages incurred by any Owner or nay other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer. Association or their members, officers, or directors, in connection with the approval or disapproval of plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or

officers, or the members of the Association, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or their respective members, Officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees at all levels, including appeals, of all nature resulting by virtue of the acts of the Owners. Association, or their members, officers and directors. Developer, Association, its directors or officers, the Association or its members, or any persona acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

16. Owners Liability.

16.1. Right to Cure. Should any Owner do any of the following:

16.1.1. Fail to perform its responsibilities as set forth herein or otherwise breach the provisions.

16.1.2. Cause any damage to any improvement or Common Areas or; or

16.1.3. Impede Developer, or Association from exercising its rights or performing its responsibilities hereunder Covenants; or

16.1.4. Undertake unauthorized improvements or modifications to a Home, the Common Areas;  
or

16.1.5. Impede Developer from proceeding with or completing the development of Hidden Village, as the case may be.

Then Developer, and Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, but not limited to, the entering upon the Home and/or Home and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred shall be assessed against the Owner as an Individual Assessment.

16.2. Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, the party entitled to enforce same may, at its option:

16.2.1. Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

16.2.2. Commence an action to recover damages; and/or

16.2.3. Take any and all action reasonably necessary to correct the violation or breach.

All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

16.3. No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the rights to enforce such right, provision, covenant or condition in the future.

16.4. Rights Cumulative. All rights, remedies, and privileges granted to Developer, Association pursuant to any terms, provisions, covenants or conditions of this Declaration, or Community Standards, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

16.5. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or Community Standards may be enforced by Developer and/or, where applicable, Owners and/or Association by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration or Community Standards shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the Community Standards.

16.6. Fines. Except to the extent prohibited by law, in the event of a violation of the provisions contained herein by an Owner or a person acting by, through, or under an Owner, the Rules and Regulations, the Community Standards, or other rules and regulations promulgated by the Association shall also have the right to levy reasonable fines or suspend the privileges of the Owner or any person acting by, through, or under an Owner. Each fine shall be an Individual Assessment and enforceable pursuant to the provisions of this Declaration and the By-Laws. Each day of an Owner's failure to comply with this Declaration, the Rules and Regulations, the Community Standards, or other rules and regulations promulgated by the Association shall be treated as a separate violation and, be subject to a separate fine. The decisions of Association shall be final. Fines shall be in such reasonable and uniform amounts as Association shall determine. Suspensions and fines shall be imposed in the manner provided in the Pennsylvania Statutes, as amended from time to time. The Board shall have the authority to promulgate additional procedures from time to time.

17. Additional Rights to Developers.

17.1. Sales and Administrative Offices. Developer, Builder and their assigns shall have the perpetual right to take such action reasonably necessary to transact any business necessary to consummate the development of Hidden Village and sales and re-sales of Homes and/or other properties owned by Developer or others outside of Hidden Village. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of Hidden Village, including Common Areas, employees in the models and offices without the payment of rent or any other fee, maintain offices in models and use of the Common Areas to show Homes. The sales office and signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without charge or expense. Without limiting any other provision of this Declaration, The rights reserved hereunder shall extended beyond the Community Completion Date.

17.2. Promotional Events. Prior to the Community Completion Date, Developer shall have the right, at any time, to hold marketing and promotional events within Hidden Village and/or on the Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market Hidden Village and Homes in advertisements and other media by making reference to Hidden Village, including, but not limited to pictures or drawings of Hidden Village, Common Areas, Parcels and Homes constructed in Hidden Village. All logos, trademarks, and designs used in connection with Hidden Village are the property of Developer, and the Association shall have no right to use the same after the Community Completion Date except with the express written permission of Developer. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder.

17.3. Use by Prospective Purchases. Prior to the Community Completion Date, Developer shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes, or other properties owned by Developer outside of Hidden Village.

17.4. Easements. Until the Community Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress drainage, utilities service, maintenance, Telecommunication Services; and other purposes over, upon and across Hidden Village so long as any said easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Community Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

17.5. Right to Enforce. Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Community Standards and to recover all costs relating thereto, including attorneys' fees and the right to perform the obligations of Association and to recover all costs incurred in doing so.

17.6. Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF HIDDEN VILLAGE INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS WITHOUT LIMITING THE GENERALITY OF THE FOREGOING.:

- 17.6.1. IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF HIDDEN VILLAGE HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF HIDDEN VILLAGE AND THE VALUE THEREOF; AND
- 17.6.2. ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF PENNSYLVANIA AND/OR LACKAWANNA COUNTY OR PREVENTS TORTIOUS ACTIVITIES; AND
- 17.6.3. THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY, OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF HIDDEN VILLAGE (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE, AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

**17.7. Resolution of Disputes.** BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME.

**17.8. Venue.** EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN LACKAWANNA COUNTY, PENNSYLVANIA. DEVELOPER HAS AN OFFICE IN LACKAWANNA COUNTY, PENNSYLVANIA AND EACH HOME IS LOCATED IN LACKAWANNA COUNTY, PENNSYLVANIA. ACCORDINGLY, AN IRREFUTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN LACKAWANNA COUNTY, PENNSYLVANIA. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN LACKAWANNA COUNTY, PENNSYLVANIA.

**17.9. Reliance.** BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION, BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN

ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR DEVELOPER TO SUBJECT HIDDEN VILLAGE TO THIS DECLARATION EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR

**MAY HAVE AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THIS DECLARATION, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF PENNSYLVANIA.**

17.10. Duration of Rights. The rights of Developer set forth in this Declaration shall, unless specifically provided to the contrary herein, extended for a period of time ending upon the earlier of: (i) when neither Developer nor any affiliate of Developer has any further interest of any kind in Hidden Village; or (ii) a relinquishment by Developer in an amendment to the Declaration placed in Public Records.

18. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

19. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer, as the case may be, herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and, at Developer's option, recorded in the Public Records.

20. Housing for Older Persons.

20.1. Age of Residents; Services and Facilities. Subject to all local ordinances, as they may be amended from time to time, at least eighty percent (80%) of the Homes must be occupied by at least one (1) person fifty (50) years of age or older. No person under the age of eighteen (18) may be a permanent occupant of any Home, except that persons under the age of eighteen (18) may be permitted to visit and temporarily reside for periods not to exceed thirty (30) days in total in any calendar year. Such temporary residency shall be governed by Rules and Regulations adopted by the Board. By way of example, if a Home is transferred by inheritance, the requirement as to one occupant of such Home being fifty (50) years of age or older is waived as to occupancy by the heirs so long as no permanent occupant is under the age of eighteen (18) years and further so long as at least eighty percent (80%) of all the Homes in Hidden Village are occupied by one person fifty (50) years of age or older. It shall be the responsibility of the Board of Association to determine whether eighty percent (80%) of the Homes in Hidden Village are occupied by at least one person who is fifty (50) years of age or older. Subject to the terms of this Declaration, the Articles and By-Laws, the Board shall have the authority to make any additional capital improvements upon the Community Property necessary to provide facilities or services specifically designed to meet the requirements of the Fair Housing Act, as amended from time to time (the "Act"). Notwithstanding anything to the contrary set forth in this Declaration, the restriction that no person under the age of eighteen (18) years may be a permanent occupant of any Home shall be in perpetuity and shall not be subject to amendments. The provisions of this Section are intended specifically to be consistent with, and are set forth in order to comply with the provisions of the Act, and exceptions there from provided by 42 U.S.C., Section 3607 regarding discrimination based on familial status, and may be amended at any time to reduce the fifty (50) years of age restriction if so permitted by the Act. Each Owner should be aware that up to twenty percent (20%) of the Homes in Hidden Village may be occupied by persons who are under the age of fifty (50) so long as such persons are eighteen (18) years of age or older.

20.1. Sale or Lease. This Section shall in no way be deemed to restrict the ownership of any Home; provided, however, no Owner may occupy a Home nor permit occupancy of a Home exception in compliance with the requirements of this Section. Owners shall be responsible for including the statement that the Homes with Hidden Village are intended for occupancy by persons fifty (50) years of age or older, as set forth above, in conspicuous type in any lease or other occupancy agreement or contract of sale relating to such Owner's Home, which agreements or contracts shall be in writing and signed by the tenant or purchaser, and for clearly disclosing such interest to any prospective tenant, purchaser or other potential occupant of the Home. Every lease of a Home shall provide that failure to comply with the requirements and restrictions of this Section shall constitute a default under the lease.

20.2. Change of Occupancy. In the event of any change in occupancy of an Home, as a result of transfer, sale, gift, lease, sublease, assignment, death, birth, marriage, separation, divorce, or otherwise, the Owner of such Home shall immediately notify the Board in writing and provide to the Board the names and ages of all current occupants of the Home and such other information so the Board may reasonably require to verify the age of each occupant. In the event that an Owner fails to notify the Board and provide all required information within ten (10) days after a change in occupancy occurs, Association shall be authorized to levy monetary fines against the Owner and the Home for each day the change in occupancy occurs until Association receives the required action and information, regardless of whether the occupants continue to meet the requirements of this Section, in addition to all other remedies available to Association under this Declaration.

20.3. Maintaining Age Records. Association shall be responsible for maintaining age records on all occupants of Homes. The Board shall adopt policies, procedures and rules to monitor and maintain compliance with this Section, including policies regarding visitors, conducting a census of the occupants of Homes, requiring copies of birth certificates or other proof of age for each occupant of the Home to be provided to the Board on a periodic basis, updating age records as appropriate the granting of exemptions pursuant to this Section, and enforcement. Association shall periodically distribute such policies, procedures and rules to the Owners and make copies available to Owners, their tenants and mortgagees upon reasonable request.

20.4. Enforcement of Provisions. Association shall have the power and authority to enforce this Section in any legal manner available, as the Board deems appropriate, including, without limitation, taking action to evict the occupants of any Home which does not comply with the requirements and restrictions of this Section. EACH OWNER HEREBY APPOINTS ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OF HIS OR HER HOME AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS SECTION. Each Owner shall fully and trustfully respond to any and all requests by Association for information regarding the occupancy of the Home which in the judgment of the Board are reasonably necessary to monitor compliance with this Section.

21. General Provisions.

21.1. Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

21.2. Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

21.3. Execution of Documents. Developer's plan of development for the Property (including, without limitation, the creation of one (1) or more special taxing districts) may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that said documents require the joinder of Owners other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home or any other portion of Hidden Village, to execute or otherwise join in any petition and/or other documents required in connection with the creation of a special taxing district relating to Hidden Village or any portion(s) thereof.

21.4. Affirmative Obligation of Association. In the event that Association believe that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure to defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. Shall be deemed scheduled at a reasonable time. The rights reserved in this Section included the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas.

21.5. Notices. Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

21.6. Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF HIDDEN VILLAGE ARE HEREBY PLACED ON NOTICE THAT DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNATES WILL BE, FROM TIME TO TIME, CONDUCTING EXCAVATION , CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO HIDDEN VILLAGE. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF HIDDEN VILLAGE, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO HIDDEN VILLAGE WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON -WORKING HOURS), (iii) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (iv) ANY PURCHASE OR USE OF ANY PORTION OF HIDDEN VILLAGE HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

IN WITNESS WHEREOF, the undersigned, being Developer hereunder, has hereunto set its hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

WITNESSES:

HIDDEN VILLAGE, INC.,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Print name: \_\_\_\_\_

{SEAL}

Print name: \_\_\_\_\_

\*pursuant to that certain Power of

Attorney recorded in Official Record  
page \_\_\_\_ in Public Records

Book \_\_\_\_ at  
of \_\_\_\_\_

Hidden Village Declaration  
September 2005

STATE OF PENNSYLVANIA            )  
  )  
COUNTY OF LACKAWANNA        )        SS.:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2005  
by \_\_\_\_\_, as \_\_\_\_\_ of Hidden Village, a Pennsylvania Corporation, attorney in fact for  
\_\_\_\_\_, who is personally known to me or who has produced \_\_\_\_\_ as identification.

My commission expires:

\_\_\_\_\_  
NOTARY PUBLIC, State of Pennsylvania

Print name: \_\_\_\_\_





CONSENT



EXHIBIT 1  
LEGAL DESCRIPTION