

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	4. PUBLIC MEETING DATE:
5. APPROVED BY:	:	00/00/00
DIRECTOR:	:	
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 02/12/04
8. DOCKET NO: A-230101	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: HIDDEN VALLEY UTILITY SVCS LP

COMP/APP COUNTY:

UTILITY CODE: 230101

ALLEGATION OR SUBJECT

APPLICATION OF HIDDEN VALLEY UTILITY SERVICES, L.P., FOR APPROVAL TO BEGIN TO OFFER, RENDER, FURNISH OR SUPPLY WASTEWATER SERVICE TO THE PUBLIC IN HIDDEN VALLEY, PA.

**DOCKETED**  
FEB 19 2004

**DOCUMENT  
FOLDER**

1. REPORT DATE: 00/00/00 :  
 2. BUREAU: ALJ :  
 3. SECTION(S) : 4. PUBLIC MEETING DATE:  
 5. APPROVED BY: : 00/00/00  
 DIRECTOR: REVISED :  
 SUPERVISOR: :  
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DOCUMENT

DOCKETED  
DEC 07 2004

ORIGINAL

LAW OFFICES  
RYAN, RUSSELL, OGDEN & SELTZER LLP

SUITE 330  
1105 BERKSHIRE BOULEVARD  
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TELEPHONE: (610) 372-4761  
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February 12, 2004

HARRISBURG OFFICE  
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800 NORTH THIRD STREET  
HARRISBURG, PENNSYLVANIA  
17102-2025  
TELEPHONE: (717) 236-7714  
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VIA UPS OVERNIGHT

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, Pennsylvania 17120

DOCUMENT  
FOLDER

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania  
Application Docket No. A- 230101

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the Application By a Proposed Public Utility for Approval to Begin to Offer, Render, Furnish or Supply Wastewater Service (Public Utility Code, 66 Pa. C.S. § 1101) on behalf of Hidden Valley Utility Services, L.P. in the above-referenced matter. Also enclosed is a check for the filing fee in the amount of \$350.00.

Please contact me with any questions.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

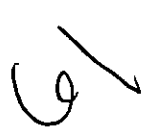


Jeffrey A. Franklin  
Carl J. Engleman, Jr.

Enclosures  
CJE:jab

c: As per Certificate of Service

RECEIVED  
FEB 12 2004  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility :  
Services, L.P. for approval to begin to offer, :  
render, furnish or supply wastewater service :  
to the public in Hidden Valley, Pennsylvania:

Application Docket  
No. A- 230101

DOCUMENT  
FOLDER

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Application By a Proposed Public Utility for Approval to Begin to Offer, Render, Furnish or Supply Wastewater Service (Public Utility Code, 66 Pa. C.S. § 1101) upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by U.S. First Class mail, postage prepaid, addressed as follows:

James F. Beener, Esquire  
Barbera, Clapper, Beener, Rullo &  
Melvin  
146 West Main Street  
P.O. Box 775  
Somerset, PA 15501-0775

Hidden Valley Utility Services, L.P.  
1 Craighead Drive  
Suite 300  
Hidden Valley, PA 15502

Office of the Consumer Advocate  
555 Walnut Street  
5th Floor Forum Place  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Pennsylvania Department of  
Environmental Protection  
Southwest Regional Office  
400 Waterfront Drive  
Pittsburgh, PA 15222-4745

Office of Trial Staff  
P.O. Box 3265  
Harrisburg, PA 17105-3265

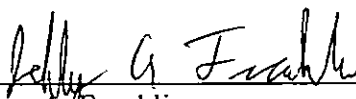
Jefferson Township  
Board of Supervisors  
1610 Glades Pike  
Somerset, PA 15501

Somerset County  
Suite 500  
300 North Center Avenue  
Somerset, PA 15501

Somerset County Planning Commission  
Suite 540  
300 North Center Avenue  
Somerset, PA 15501

RECEIVED  
FEB 12 2004  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Dated: February 12, 2004



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Jeffrey A. Franklin  
Carl J. Engleman, Jr.  
RYAN, RUSSELL, OGDEN & SELTZER LLP  
1105 Berkshire Boulevard, Suite 330  
Wyomissing, Pennsylvania 19610-1222  
(610) 372-4761

James F. Beener  
BARBERA, CLAPPER, BEENER, RULLO & MELVIN  
146 West Main Street  
P.O. Box 775  
Somerset, Pennsylvania 15501-0775  
(814) 443-4681

Counsel for Hidden Valley Utility Services, L.P.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of Hidden Valley Utility :  
Services, L.P. for approval to begin to offer, : Application Docket  
render, furnish or supply wastewater service : No. A- 230101  
to the public in Hidden Valley, Pennsylvania:

DOCUMENT  
FOLDER

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

1. Hidden Valley Utility Services, L.P. ("Hidden Valley") hereby requests that the Pennsylvania Public Utility Commission ("Commission") issue a Certificate of Public Convenience evidencing its approval under Section 1102(a)(i) of the Public Utility Code (the "Code"), 66 Pa. C.S. §§ 101, *et seq.*, for Hidden Valley to begin to offer, render, furnish, or supply wastewater service to the public in a portion of Jefferson Township, Somerset County, Pennsylvania.

2. The name and address of Applicant are Hidden Valley, 1 Craighead Drive, Suite 300, Hidden Valley, Pennsylvania 15502.

3. The name and address of Applicant's attorneys are:

Jeffrey A. Franklin, Esquire  
Carl J. Engleman, Jr., Esquire  
Ryan, Russell, Ogden & Seltzer LLP  
1105 Berkshire Boulevard  
Suite 330  
Wyomissing, PA 19610-1222  
Phone: (610) 372-4761  
JFranklin@RyanRussell.com  
CEngleman@RyanRussell.com

James F. Beener, Esquire  
Barbera, Clapper, Beener, Rullo & Melvin  
146 West Main Street  
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Somerset, PA 15501-0775  
Phone: (814) 443-4681  
JBeener@bcbrm.com

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FEB 19 2004

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FEB 12 2004  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## **II. BACKGROUND INFORMATION**

4. Applicant is a Pennsylvania limited partnership. Applicant attaches hereto as Exhibit 1, a copy of the names and addresses of its general and limited partners.

## **III. PROPOSED SERVICE AREA**

5. Hidden Valley proposes to provide wastewater service to the Hidden Valley Resort area in Jefferson Township, Somerset County, Pennsylvania. Attached hereto and incorporated herein is Exhibit 2, a map depicting the boundaries of the proposed service area for Hidden Valley.

6. Hidden Valley is aware of no corporation, partnership, or individual other than itself or its affiliates, which is now furnishing or has corporate or franchise rights to furnish service similar to that other proposed public utility in this territory; therefore, no competitive conditions will be created to the knowledge of Hidden Valley.

7. The facilities identified in Exhibit 3 will be employed by Hidden Valley in furnishing the proposed wastewater service.

8. Hidden Valley Utility Services LP is a Pennsylvania limited partnership. The sources of funds used to finance the construction of the sewer and water facilities was as follows. Plant number two constructed in late 1989, was financed in part with industrial revenue bonds in the amount of \$750,000. All other facilities and capital improvements were financed through loans from the parent company Kettler Brothers Inc.

9. Attached as Exhibit 4, is an estimate of the number of customer connections and EDUs by class in the first, fifth, and tenth years as projected by Hidden Valley.

10. All of Hidden Valley's collection mains are constructed of PVC and are six (6) or eight (8) inches in diameter. The sewer plant's capacity is 130,000 gallons per day, over 40,000 gallons per day greater than the projected flow for 2011.
11. Hidden Valley's business plan for public wastewater service dated September 15, 2003, is attached hereto as Exhibit 5; and Hidden Valley's Water Permit Compliance History dated as of October 2, 2003, is attached hereto as Exhibit 6.
12. Attached as Exhibit 7 please find the two most recent Schedule C Forms for Hidden Valley.
13. Attached as Exhibit 8 are the valid certified operator certificates for Hidden Valley's wastewater system.
14. Hidden Valley's proposed rate schedule is attached hereto as Exhibit 9 and their proposed wastewater tariff is attached hereto as Exhibit 10.
15. Hidden Valley's one, five, and ten year estimate of operating revenues, operation and maintenance expenses, and annual depreciation in taxes is attached hereto as Exhibit 11. Also contained in Exhibit 11 are Hidden Valley's total rate base value, the basis for Hidden Valley's rate of return claim, Hidden Valley's capital structure estimate and pro forma at December 31, 2003 and Hidden Valley's recommended fair rate of return estimated and pro forma at December 31, 2003.
16. Hidden Valley seeks to begin furnishing wastewater service immediately upon approval of this Application by the Commission.
17. The business plan attached hereto as Exhibit 5 describes any further planned developments known to Hidden Valley at this time.

18. Approval of Hidden Valley's Application is necessary and proper so that a regulated public utility may begin providing wastewater service to the public as stated in this Application.

#### **IV. OTHER REGULATORY APPROVALS**

19. Hidden Valley currently holds an NPDES wastewater supply permit from the Pennsylvania Department of Environmental Protection ("DEP"). Hidden Valley is in the process of transferring this permit from Hidden Valley Resort, L.P. to Hidden Valley Utility Services, L.P.

20. Hidden Valley does not believe that it is required to obtain Susquehanna River Basin Commission ("SRBC"), Ohio River Basin Commission ("ORBC") or Great Lakes Commission ("GLC") approval for the purposes of this Application.

#### **V. NOTICE**

21. A copy of this Application has been provided to the following parties:  
Somerset County Board of Commissioners, Somerset County Planning Commission, Jefferson Township Board of Supervisors, DEP Southwest Regional Office, the Office of Small Business Advocate, and the Office of Consumer Advocate.

WHEREFORE, Hidden Valley Utility Services, L.P. respectfully requests that the Commission approve this Application, to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Jefferson Township, Somerset County, Pennsylvania.

Respectfully submitted,

Dated: February 12, 2004



Jeffrey A. Franklin

Carl J. Engleman, Jr.

RYAN, RUSSELL, OGDEN & SELTZER LLP

1105 Berkshire Boulevard, Suite 330

Wyomissing, Pennsylvania 19610-1222

(610) 372-4761

James F. Beener

BARBERA, CLAPPER, BEENER, RULLO & MELVIN

146 West Main Street

P.O. Box 775

Somerset, Pennsylvania 15501-0775

(814) 443-4681

Counsel for Hidden Valley Utility Services, L.P.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

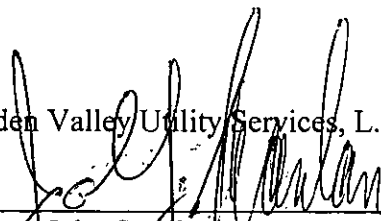
In re: Application of Hidden Valley Utility :  
Services, L.P. for approval to begin to offer, : Application Docket  
render, furnish or supply wastewater service : No. A-  
to the public in Hidden Valley, Pennsylvania:

VERIFICATION

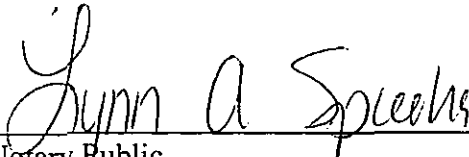
I hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect Hidden Valley Utility Services, L.P. to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

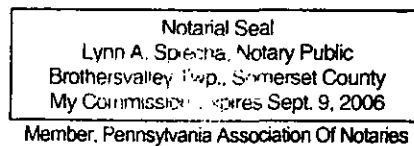
Date: 2-10-\_\_\_\_, 2004

Hidden Valley Utility Services, L.P.

By:   
Name: John Scarlan  
Title: President

Sworn to and subscribed before  
me this 10<sup>th</sup> day of February, 2004.

  
\_\_\_\_\_  
Notary Public



**EXHIBIT 1**

**EXHIBIT 1 – NAMES OF GENERAL AND LIMITED PARTNERS**

General Partner – Kettler Brothers at Hidden Valley, Inc.

Limited Partner – James Kettler

**EXHIBIT 2**

# PROPRIETARY INFORMATION

Docket Number A-230101

Name of Document M 9ps

Date Document Received 2-12-2004

**DOCUMENT CONTAINS**

**PROPRIETARY INFORMATION**

**EXHIBIT 3**

HIDDEN VALLEY UTILITY SERVICES, L.P.  
SEWER OPERATIONS  
UTILITY PLANT AND ACCUMULATED DEPRECIATION AT DECEMBER 31, 2002

ACCOUNT	ACCOUNT DESCRIPTION	CONSTRUCTION YEAR	ASSUMED RETIREMENT YEAR	LIFE (YEARS)	ORIGINAL COST VALUE	DEPRECIATION RATE	ACCUMULATED DEPRECIATION @ YEAR END 2002	NET ORIGINAL COST @ YEAR END 2002
361.2	COLLECTION SEWERS - GRAVITY	1986	2066	80	\$10,892.23	1.25%	\$2,178.45	\$8,713.78
361.2	COLLECTION SEWERS - GRAVITY	1986	2066	80	75,313.53	1.25%	15,062.71	60,250.82
361.2	COLLECTION SEWERS - GRAVITY	1986	2066	80	91,072.45	1.25%	18,214.49	72,857.96
361.2	COLLECTION SEWERS - GRAVITY	1997	2077	80	38,488.22	1.25%	2,405.51	36,082.71
361.2	COLLECTION SEWERS - GRAVITY	1998	2078	80	5,766.38	1.25%	288.32	5,478.06
361.2	<b>TOTAL COLLECTION SEWERS - GRAVITY</b>				<u>221,532.81</u>		<u>38,149.48</u>	<u>183,383.33</u>
370.3	RECEIVING WELLS	1986	2021	35	49,848.80	2.86%	22,810.81	27,037.99
370.3	<b>TOTAL RECEIVING WELLS</b>				<u>49,848.80</u>		<u>22,810.81</u>	<u>27,037.99</u>
371.3	PUMPING EQUIPMENT	1985	2030	45	2,060.69	2.22%	777.70	1,282.99
371.3	<b>TOTAL PUMPING EQUIPMENT</b>				<u>2,060.69</u>		<u>777.70</u>	<u>1,282.99</u>
380.4	TREATMENT & DISPOSAL EQUIPMENT	1985	2035	50	57,360.92	2.00%	19,502.71	37,858.21
380.4	TREATMENT & DISPOSAL EQUIPMENT	1986	2035	49	12,782.03	2.04%	4,172.05	8,609.98
380.4	TREATMENT & DISPOSAL EQUIPMENT	1986	2036	50	388.15	2.00%	124.21	263.94
380.4	TREATMENT & DISPOSAL EQUIPMENT	1988	2038	50	19,943.90	2.00%	5,584.29	14,359.61
380.4	TREATMENT & DISPOSAL EQUIPMENT	1998	2048	50	1,786.80	2.00%	142.94	1,643.86
380.4	<b>TOTAL TREATMENT &amp; DISPOSAL EQUIPMENT</b>				<u>92,261.80</u>		<u>29,526.20</u>	<u>62,735.60</u>
381.4	PLANT SEWERS	1985	2035	50	1,053,056.64	2.00%	358,039.26	695,017.38
381.4	PLANT SEWERS	1986	2033	47	12,708.08	2.13%	4,330.91	8,377.17
381.4	PLANT SEWERS	1986	2033	47	21,956.70	2.13%	7,482.84	14,473.86
381.4	PLANT SEWERS	1987	2033	46	2,745.81	2.17%	893.76	1,852.05
381.4	PLANT SEWERS	1988	2033	45	7,795.50	2.22%	2,422.84	5,372.66
381.4	PLANT SEWERS	1989	2033	44	192,257.80	2.27%	56,735.28	135,522.52
381.4	PLANT SEWERS	1989	2039	50	42,893.37	2.00%	11,152.28	31,741.09
381.4	PLANT SEWERS	1989	2039	50	740,407.30	2.00%	192,505.90	547,901.40
381.4	PLANT SEWERS	1991	2033	42	10,663.53	2.38%	2,791.71	7,871.82
381.4	PLANT SEWERS	1991	2039	48	418,879.68	2.08%	95,839.67	323,040.01
381.4	<b>TOTAL PLANT SEWERS</b>				<u>2,503,364.41</u>		<u>732,194.45</u>	<u>1,771,169.96</u>
	<b>TOTAL SEWER UTILITY PLANT</b>				<u>\$2,869,068.51</u>		<u>\$823,458.64</u>	<u>\$2,045,609.87</u>

**EXHIBIT 4**

Hidden Valley Utility Services, L.P.  
 Sewer Operations  
 Number of Customer Connections by Class  
In the First, Fifth and Tenth Years, and Estimated Water Usage

	Customers (1)			Sewer Flows GPD (2)		
	1st Year	5th Year	10th Year	1st Year	5th Year	10th Year
Residential	1,068	1,128	1,203	52,381	57,072	62,984
Commercial	18	22	28	19,619	22,328	25,666
<b>Total</b>	<b>1,086</b>	<b>1,150</b>	<b>1,231</b>	<b>72,000</b>	<b>79,400</b>	<b>88,650</b>

	EDUs		
	1st Year	5th Year	10th Year
Residential	1,068	1,128	1,203
Commercial	266	323	412
<b>Total</b>	<b>1,334</b>	<b>1,451</b>	<b>1,615</b>

- Notes: (1) Customer growth is based on 15 new residential units annually and 5% annual growth in commercial. Year 1 is based on 2002 actual data.
- (2) Sewer Flow for individual customers is not metered. Flow by customer class is based upon apportioning the total sewer flow by the metered water usage. Overall Flow growth is based on 1,850 annual increase in flow based on the customer growth assumptions. Year 1 is based on 2002 actual data.

**Hidden Valley Utility Services, L.P.**  
**Sewer Operations**  
**Number of Customer Connections by Class**  
**And Estimated Water Usage, Actual 2002 and estimated for 2003 - 2011**

		Customers (1)									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential		1,068	1,083	1,098	1,113	1,128	1,143	1,158	1,173	1,188	1,203
Commercial		18	19	20	21	22	23	24	25	26	28
<b>Total</b>		<b>1,086</b>	<b>1,102</b>	<b>1,118</b>	<b>1,134</b>	<b>1,150</b>	<b>1,166</b>	<b>1,182</b>	<b>1,198</b>	<b>1,214</b>	<b>1,231</b>

		Sewer Flows GPD (2)									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential		52,381	53,550	54,721	55,895	57,072	58,251	59,431	60,614	61,798	62,984
Commercial		19,619	20,300	20,979	21,655	22,328	22,999	23,669	24,336	25,002	25,666
<b>Total</b>		<b>72,000</b>	<b>73,850</b>	<b>75,700</b>	<b>77,550</b>	<b>79,400</b>	<b>81,250</b>	<b>83,100</b>	<b>84,950</b>	<b>86,800</b>	<b>88,650</b>

		EDUs									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential		1,068	1,083	1,098	1,113	1,128	1,143	1,158	1,173	1,188	1,203
Commercial		266	279	293	308	323	339	356	374	393	412
<b>Total</b>		<b>1,334</b>	<b>1,362</b>	<b>1,391</b>	<b>1,421</b>	<b>1,451</b>	<b>1,482</b>	<b>1,514</b>	<b>1,547</b>	<b>1,581</b>	<b>1,615</b>

- Notes: (1) Customer growth is based on 15 new residential units annually and 5% annual growth in commercial.
- (2) Sewer Flow for individual customers is not metered. Flow by customer class is based upon apportioning the total sewer flow by the metered water usage. Overall Flow growth is based on 1,850 annual increase in flow based on the customer growth assumptions.

**EXHIBIT 5**

**Hidden Valley Resort, L.P.  
Jefferson Township, Somerset County**

**Business Plan  
for  
Public Water and Sewer Systems**

**September 15, 2003**

**prepared by:**

**The EADS Group, Inc.  
450 Aberdeen Drive  
P. O. Box 837  
Somerset, Pennsylvania 15501-0837**

## TABLE OF CONTENTS

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2. Facility Plan
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  - B. Population and Sewer and Water Supply Needs
  - C. Nearby Water and Sewer Systems
  - D. Service Area
  - E. Description of Existing Sewer and Water Systems
  - F. Future Expansion and Capital Improvement Budget
  - G. Associated Facilities and Emergency Services

### Appendices

1. Sample Deed Covenants
2. DEP Approval of Sewage Facilities Plan
3. Water System Inventory
4. Sewer System Inventory
5. Sewer and Water System Projections and Capital Improvements Budget
6. Development Plan for Hidden Valley

### Exhibits

- A. Service Area Map
- B. Master Plan
- C. Sewer System Map, 2 sheets
- D. Water System Map, 2 sheets

cl/HV

FILE 36509-03

**Business Plan for Hidden Valley Resort, L.P.**  
**Public Water and Sanitary Sewer System**  
**prepared September 15, 2003**

1. INTRODUCTION

The Hidden Valley Farm Inn constructed a ski area to attract clients to the Inn in the 1960's. In the early 1970's, the Resort expanded with additional motel rooms, townhouses and second home lots. Public sewer and water systems were developed to support the commercial and residential needs. The sewer and water system was owned and operated by the Resort owner. Permits were obtained for both sewer and water systems from the Pennsylvania Department of Environmental Resources (now Department of Environmental Protection or DEP). The Hidden Valley water system was permitted prior to the DEP requirement to prepare a Business Plan.

In the early 1970's the sewer system consisted of sanitary sewer collection lines which were connected to underground holding tanks. Sewage was hauled from the holding tanks to a nearby treatment facility at Laurel Hill State Park. The Resort was not able to obtain a permit to construct a sewage treatment plant because Jefferson Township was preparing an overall Act 537 sewage facilities plan. The Jefferson Act 537 Plan was completed and adopted in 1980. This plan concluded that it was not financially feasible to construct an overall public sewer system to serve the Bakersville area of Jefferson Township, Kooser State Park or Hidden Valley. The plan recommended that Hidden Valley and Kooser State Park develop separate sanitary sewer system to serve their own needs. Following this decision, Hidden Valley planned and constructed a 100,000 gallon per day (GPD) sewage treatment plant which utilized a woodland spray field to dispose of the treated effluent. The effluent sprayfield was the preferred disposal method because the water shed is classified as a high quality cold water fishery. DEP regulations require that alternatives to stream discharges be evaluated for technical feasibility in high quality watersheds.

The initial Hidden Valley water system consisted of water supplies from a number of small groundwater wells and springs. These sources were replaced with a high yield, high quality groundwater well (Well No. 1) drilled in 1982. This groundwater well is able to be treated by chlorination only and pumped to a 250,000 gallon ground level storage tank serving the entire Resort.

This Business Plan is prepared to document the existing sewer and water systems serving Hidden Valley. An alternative analysis is not presented in the Business Plan since this Plan is summarizing existing facilities.

This Business Facility Plan has been prepared by F. Scott Rugh, P.E., of the Neilan Engineers, Inc., t/d/b/a The EADS Group, Inc., with offices in Somerset, Pennsylvania.

2. FACILITIES PLAN

A. PROJECT LOCATION

The existing and proposed service area for the Hidden Valley sewer and water system is entirely located within Jefferson Township in Somerset County, Pennsylvania. Boundary of the service area is the overall Resort property boundary which is shown on the service area map attached as Exhibit A. The Hidden Valley service area consists of approximately 1,399 acres.

B. POPULATION AND SEWER AND WATER SUPPLY NEEDS

The water uses within Hidden Valley are residential and commercial facilities located in the Resort. The Hidden Valley Resort is a four season Resort which offers snow skiing and tubing, an 18-hole golf course, tennis courts, walking trails, mountain biking trails, and indoor and outdoor swimming pools. The Resort commercial facilities feature a conference center which contains a restaurant, banquet facilities and meeting rooms. The nearby ski lodge includes the Clock Tower Inn, a ski shop, restaurant, cafeteria and lounge. Hidden Valley also features a golf clubhouse and sports club with indoor racquetball and swimming. The Hidden Valley community currently has 1,092 residences. While most residences are used as second homes, there are a number of full-time residents living at the Resort. Residential housing includes townhouses, condominiums, hotel style condominiums, efficiency apartments, and single family dwellings. Refer to Table 1 below for a summary of the residential and commercial facilities and equivalent populations at Hidden Valley. In addition to the water and sewage needs for the residences, day use especially in the ski season can bring an additional 3,000 people to the Resort. Day use demand is included in the commercial category.

TABLE 1  
Hidden Valley Resort Customer and Water Demand Projections

Customer Type	YEAR <u>2002</u>	<u>2004</u>	<u>2008</u>	<u>2013</u>	<u>2018</u>
Residential	1,068	1,098	1,158	1,233	1,308
Commercial Equivalent Domestic Units	266	292	356	455	581
Total Equivalent Domestic Units	1,334	1,390	1,514	1,688	1,889
Water Demand, GPD	131,100	134,300	140,700	148,700	155,700

Notes:

1. Water demand is 34 GPD/residential unit.
2. Unaccounted for demand is 84,410 GPD.
3. Growth is estimated at 15 residences and 5% commercial demand which is 1,600 GPD per year.

Future sewer and water needs for Hidden Valley Resort were prepared in an overall master development plan prepared in 1994 and submitted to the Somerset County Planning Commission for review and approval. The approved development plan included total residential development of 2,800 dwelling units within the Resort. The master plan included sewer and water utility plans to support the overall Resort population. Refer to Exhibit B for a copy of the master plan and to Appendix 6 for the plan narrative and approval.

C. NEARBY WATER AND SEWER SYSTEMS

Hidden Valley Resort is located on the westerly side of Jefferson Township in Somerset County near the border with Westmoreland County. Public sewer and water service is not available in the areas around Hidden Valley in Jefferson Township or in Donegal Township in Westmoreland County. The closest sewer and water facilities to Hidden Valley can be found on the vicinity map attached as Exhibit C. Kooser State Park, which is adjacent to the northeasterly side of Hidden Valley along State Route 31, operates a small sewer system with holding tanks. Sewage from Kooser is transported to the Laurel Hill State Park sewage treatment plant. Laurel Hill State Park, located approximately 3 miles southeast of Hidden Valley, operates a non-community water system and a sewer treatment system for their facility. The Seven Springs Resort operates sewer and water systems for their facility to the south of Hidden Valley. The utilities are owned by the Seven Springs Municipal Authority. The Municipal Authority of the Borough of Somerset owns the Bakersville water treatment plant which is located approximately one and one-half miles to the east of Hidden Valley. The Bakersville plant produces potable water for Somerset Borough and adjacent parts of Somerset Township. The plant does not supply water to the adjacent Bakersville area in Jefferson Township. Homes in Bakersville and throughout Jefferson Township are served by individual water supplies and on-lot sewage systems. Other commercial operations near Hidden Valley which have permitted water and sewer facilities for their own use include the Laurel Mountain Inn, Luther's Little Store and the Pioneer Park campground all located in Jefferson Township.

Jefferson Township is not currently planning to develop public sewer or water systems.

D. SERVICE AREA

The proposed Hidden Valley Resort service area is shown on Exhibit A. The service area encompasses 1,399 acres owned by Hidden Valley Resort, L.P. The Resort has planned sewer and water systems to serve all of the development within the service area boundary. Purchasers of residences are required to connect to the sewer and water system and use the services of these facilities. The property purchaser is required to utilize the sewer and water systems by accepting a deed covenant with the property. A copy of a sample deed covenant can be found attached in Appendix 1.

In the master planning process previously mentioned, Hidden Valley Resort determined the sewer and water needs to be 380,000 gpd for ultimate size of the Resort with 2,800 residences plus commercial users. The Resort received sewage planning approval from Jefferson Township and DEP in 1993. The approved plan is to develop sewage facilities for 380,000 gpd flow from the Resort, 20,000 gpd from Kooser Park and 60,000 gpd reserve capacity to treat and dispose of sewage from the Bakersville area in Jefferson Township. A copy of the sewage planning approval can be found in Appendix 2. The sewage planning module assumed that Jefferson Township would develop their own sewer collection system and contract with Hidden Valley for treatment services. No time schedule was designated for the Jefferson Township sewer collection system to be developed. The other sewer and water systems in the vicinity of Hidden Valley have developed sewer and water facilities for their own needs and do not have the capability to offer service to the adjacent properties in Jefferson Township.

E. DESCRIPTION OF EXISTING SEWER AND WATER SYSTEMS

The current Hidden Valley sewer and water systems have been in operation since the mid 1980's. These systems are designed to be constructed in phases to serve the needs of the developing Resort. An Inventory of the major sewer and water system components can be found attached in Appendices 3 and 4. Refer to Exhibit C for the sewer system map and Exhibit D for the water system map.

The sewer system includes two separate treatment plants. Plant No. 1 has a 100,000 GPD capacity and Plant No. 2 has a 30,000 GPD capacity. Treated effluent from both plants is pumped to a storage lagoon for treatment on a 20-acre wooded sprayfield.

The water system is supplied by a primary well ( No. 1) and a backup well (No. 2). Well water is permitted to be treated by chlorination, pH and phosphate conditioning before being pumped to a 250,000 gallon storage tank. Most of the water distribution system is in good condition. Main water lines are designed to provide domestic demand and fire protection. All customers are metered.

F. FUTURE EXPANSION AND CAPITAL IMPROVEMENT BUDGET

As previously mentioned, Hidden Valley Resort prepared a Master Plan for the sewer and water systems to serve the needs of the Resort with 2,800 residential dwellings. This Master Plan can be found attached as Exhibit B. This plan was approved by the Somerset County Planning Commission in 1994.

The sewer system planning was approved by Jefferson Township and the Department of Environmental Protection in 1993. The sewage treatment capacity is planned to be enlarged in phases from the current 130,000 GPD capacity to ultimately 380,000 GPD capacity for the Resort.

The water system has permitted sources capable of supplying all the ultimate 380,000 GPD demand. These sources are two groundwater supply wells.

The detailed plan to phase construction of the needed sewer and water facilities was prepared from a water demand and sewer flow projection for the next 25 years and can be found as Appendix 5. The projections were prepared using an annual growth rate of 15 residential units and 5% commercial demand. This projection is the best estimate based upon residential development and commercial records for the past five years. The sewer and water improvements needed to meet the flow and demand have been added to the projections. The recommended projects with a budgetary cost have been compiled in a sewer and water capital budget. Two needed replacement projects have been included with the capital budget because of the project size. The Lake View water line replacement will eliminate 1,200 lineal feet of deteriorated galvanized pipe. The 250,000 gallon water storage tank was originally constructed in 1984. The life of the paint system is 25 years. The repainting has been programmed in the budget for the year 2009.

The backup well doesn't have the capacity to supply the ultimate water demand. A water supply shortage would occur should Well No. 1, the primary source, become unavailable because of loss of yield or change in the water quality. A backup well and water treatment plant are proposed to provide a full backup to replace the water quantity and quality if Well No. 1 was unavailable. The backup well would supplement the yield from Well No. 1. Groundwater source exploration hasn't identified a source with the high quality produced by Well No. 1. We've assumed that a backup well of sufficient quantity could be found. Without proven water quality, the water treatment plant is planned to treat groundwater which contains elevated concentrations of iron and manganese.

The capital improvement budget can be found in Appendix 5.

#### G. ASSOCIATED FACILITIES AND EMERGENCY SERVICES

The sewer collection system and water distribution system have been constructed as part of the land development costs for each subdivision in the Resort. New sewer waterline and extensions are constructed by the developer, tested and turned over to Resort utility operations.

Operation and management of the sewer and water systems are by Resort employees. Water meters are read and maintained by the utility operations department. The Resort has a vehicle maintenance garage available for repair work.

The Resort is patrolled by Hidden Valley Security, a private service. The security personnel routinely patrol the sewage treatment facility, water plant and water storage tank during unannounced times. Police protection is provided by the Pennsylvania State Police.

Fire protection is provided by the Bakersville Volunteer Fire Department located one mile east of the Resort. The area is served by a County 911 communications system. The fire department is supported by mutual aid agreements throughout the entire county.

The Resort and utility department rely on private contractors for snow removal, excavating service, hauling and electrical work.

# APPENDIX 1

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

(HIDDEN VALLEY FOUNDATION, INC.)

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### Property Subject To This Declaration:

#### Additions Thereto

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

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

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

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

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

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

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

### ARTICLE III

#### Membership and Voting Rights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE V

### Covenants for Maintenance Assessments and Service Charges

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

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

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

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

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

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

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

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

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

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

## ARTICLE VI

### Architectural Control Committee

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

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

#### ARTICLE VII

##### Exterior Maintenance

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE X

### General Provisions

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

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

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

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

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

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

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

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

Section 3. Acceptance of Community Properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEVELOPER

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

By Clarence E. Kettler  
Clarence E. Kettler, President

STATE OF MARYLAND

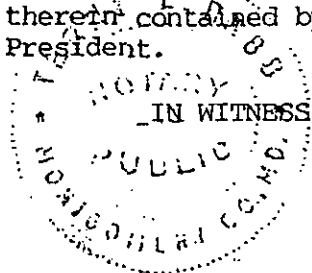
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ss.

COUNTY OF

:

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



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

Henry L. Bobb (SEAL)  
Notary  
Title of Officer

## DEVELOPMENT STANDARDS AND SPECIFICATIONS

## HIDDEN VALLEY

PART 1. INTRODUCTION.

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

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

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

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

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

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

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

B. Paving Standards.

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

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

C. Drainage Structures.

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

D. Curb and Gutter.

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

E. Community Open Space.

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

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

(1) Acceptable Seed and Fertilizer Mixture:

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

(2) Procedure for Application:

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

(3) Plantings:

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

F. Construction.

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

PART 4. CONSTRUCTION PROCEDURES.A. Explanation.

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

B. Inspection and Supervision.

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

(1) Private Street Inspection.

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

(2) Open Space Inspection.

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

C. Work in Progress.

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

D. Acceptance.

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

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

#### PART 5. MAINTENANCE.

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

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

#### PART 6. SIGNS.

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

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

PART 7. LIGHTING.

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

PART 8. DEFINITIONS.

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

9025

VERA M. LOHR  
RECORDER

1985 APR 10 AM 11: 23

ENTERED FOR RECORD  
SOMERSET COUNTY

FEES AND TAX PAID \$3.50  
*Hand: Garburas*

State of Pennsylvania }  
Somerset County } SS

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

*Vera M. Lohr*  
*me* Recorder



## APPENDIX 2



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
SOUTHWEST REGION - FIELD OPERATIONS  
WATER MANAGEMENT  
400 Waterfront Drive  
Pittsburgh, Pennsylvania 15222-4745  
(412) 442-4000 (answers 24 hrs.)

March 3, 1993

Jefferson Township Board of Supervisors  
R.D. #4, Box 266E  
Somerset, PA 15501

RE: Sewage Facilities Plan Revision  
Hidden Valley Resort  
Jefferson Township  
Somerset County

Gentlemen:

We have completed our review of the Planning Module Components and all addendums thereto and supplemental information submitted as of February 19, 1993. We hereby approve the subject revision to the Jefferson Township Sewage Facilities Plan.

In accordance with the provisions of the Pennsylvania Sewage Facilities Act and of Chapter 71 (Administration of Sewage Facilities Act) of Pennsylvania Code 25, we will hold Jefferson Township responsible for implementing the sewage disposal program as described in said plan.

Applications and filing information for the Part I and Part II Permits can be obtained by contacting Lisa Spano, Permits Clerk, at the above number. You are urged to make application within six (6) months of the date of this notice. Normal processing time for a Part I Permit is 180 days from the time a complete application is received in our office. For a Part II Permit it is 180 days from receipt of a complete application.

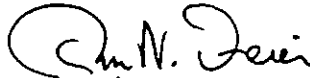
Jefferson Township Board of  
Supervisors

-2-

March 3, 1993

If you have any questions pertaining to the above, please feel free to contact this office.

Sincerely,



Tim V. Dreier  
Regional Manager

TVD:HS:kld: c r t

cc: Hidden Valley Resort  
Neilan Engineers Division  
The Honorable William J. Lincoln  
The Honorable William R. Lloyd, Jr.  
The Allegheny Group, Sierra Club  
Laurel Hill Creek Watershed Association  
Pennsylvania Federation of Sportsmen's Clubs, Inc.  
Somerset County Sportsmen's League

## APPENDIX 3

# Hidden Valley Resort

## Water System Inventory

Prepared September 8, 2003

- 1 Water Supply Wells
  - Well No. 1 504,000 Gallon Per Day Capacity
  - Well No. 2 288,000 Gallon Per Day Capacity
  
- 2 Booster Pump Station and Water Treatment Plant
  - Duplex Vertical Turbine Booster Pumps
    - 160 Gallon Per Min. ( 230,000 GPD) Capacity
    - 300 Gallon Per Min. ( 432,000 GPD) Combined Capacity
  - Treatment consists of adding Phosphates, Sodium Hydroxide and Chlorine
  - Clear Well 4,500 Gallons
  - Chlorine Contact Tanks 3,000 Gallons
  - Telemetry System to Start/stop Well No 1 and the Booster Pumps from the Water Tank Level
  
- 3 Finish Water Storage Tank , Painted Welded Steel
  - 250,000 Gallon Storage Capacity
  
- 4 Pressure Reducing Stations
  - Lake Road
  - Ski Lodge
  - Gardner Road
  
- 5 Distribution Water Lines
  - 8 inch 7,500 Lineal Feet
  - 6 inch 21,000 Lineal Feet
  - 3 inch 26,000 Lineal Feet
  
- 6 Fire Hydrants 32 Hydrants

APPENDIX 4

# Hidden Valley Resort

## Sewer System Inventory

Prepared September 8, 2003

- 1 Sewage Treatment Plant No.1  
330,000 Gallon Equalization Tanks  
100,000 Gallon Per Day Extended Aeration Plant  
Effluent Pump Station
- 2 Sewage Treatment Plant No. 2  
30,000 Gallon Per Day Aerated Faculative Lagoon Plant  
Effluent Pump Station
- 3 Effluent Force Mains                    8,350 Lineal Feet  
6 and 8 inch diameter
- 4 Effluent Storage Lagoon  
3 Million Gallons
- 5 Sprayfield Pump Station
- 6 Effluent Sprayfield                    20 Acres  
100,000 Gallon per Day Capacity
- 7 Collection Sewers                    76,600 Lineal Feet  
8 inch Diameter  
6 inch Diameter
- 8 Collection System Grinder Pump Stations  
Ski Area Maintenance Garage  
Westridge  
Stonewood  
High Top Drive  
Snowfield Drive

# APPENDIX 5

**HIDDEN VALLEY OFF-SITE  
SEWER AND WATER SYSTEM  
CAPITAL IMPROVEMENT BUDGET**

for 15 units/year growth

\*\*\*\*\*

YEAR	ITEM	COST	CUMULATIVE COST
2004	Replace Lakeview Waterline	\$50,000	\$50,000
2005		\$0	
2006		\$0	
2007	Back-up Water Supply Well	\$ 50,000	\$100,000
2008	Water Treatment Plant	\$1,200,000	\$1,300,000
2009	Repaint Water Storage Tank	\$75,000	\$1,375,000
2010		\$0	
2011		\$0	
2012		\$0	
2013		\$0	
2014		\$0	
2015		\$0	
2016		\$0	
2017		\$0	
2018		\$0	
2019		\$0	
2020		\$0	
2021	Add Clarifier (30,000 gpd capacity) to STP#1 Total 160,000 GPD cap.	\$80,000	\$1,455,000
2022	Add 6 acre sprayfield (30,000 GPD capacity) & 1.0 MG storage lagoon.	\$350,000	\$1,805,000
2023		\$0	
<b>TOTAL</b>			<b>\$1,805,000</b>

HIDDEN VALLEY RESORT WATER SYSTEM

**Water System Demand Projection and Capital Improvements**

**15 units per year projected growth**

YEAR	# UNITS	AVE. PROJ,GPD	PEAK PROJ,GPD	COMMENTS
1989	877	116,000	232,000	
1990	902	105,000	210,000	
1991	952	107,500	215,000	Reduced unaccounted for water.
1992	970	110,900	221,800	
1993	993	114,300	228,600	
1994	1,015	107,402	214,804	
1995	1,031	106,475	212,950	
1996	1,036	102,200	204,400	
1997	1,086	122,266	244,532	
1998	1,136	117,052	234,104	
1999	1,186	146,562	293,124	
2000	1,236	150,211	300,422	
2001	1,286	139,132	278,264	
2002	1,068	131,100	262,200	Actual average consumption records
2003	1,083	132,700	265,400	
2004	1,098	134,300	268,600	Replace Lakeview Waterline
2005	1,113	135,900	271,800	
2006	1,128	137,500	275,000	
2007	1,143	139,100	278,200	Back-up Supply Well
2008	1,158	140,700	281,400	Water Treatment Plant
2009	1,173	142,300	284,600	Repaint Water Storage Tank
2010	1,188	143,900	287,800	

HIDDEN VALLEY RESORT WATER SYSTEM

2011	1,203	145,500	291,000	
2012	1,218	147,100	294,200	
2013	1,233	148,700	297,400	
2014	1,248	150,300	300,600	
2015	1,263	151,900	303,800	
2016	1,278	153,500	307,000	
2017	1,293	155,100	310,200	
2018	1,308	156,700	313,400	
2019	1,323	158,300	316,600	
2020	1,338	159,900	319,800	
2021	1,353	161,500	323,000	
2022	1,368	163,100	326,200	
2023	1,383	164,700	329,400	Modify booster pumps to deliver 310 gpm each.
2024	1,398	166,300	332,600	
2025	1,413	167,900	335,800	
2026	1,428	169,500	339,000	
2027	1,443	171,100	342,200	
2028	1,458	172,700	345,400	

Notes 1) Flow Projection based on adding 15 units per year @ 70gpd and 550 gpd commercial = 1,600 gpd demand each year.

2) Peak flow is estimated at 200% of the average.

3) Well #1 delivers 310 gpm or 446,000 gpd.

4) Metered flows from entire year of 2002:	Flow
Residential (1,068 units)	33,351 GPD (31 GPD/Unit)
Commercial	12,491 GPD
Sew. Trt. Plant	4,767 GPD
Unmetered and Unaccounted for	80,488 GPD
	<hr/>
	131,097 GPD

5) Larger booster (high service) pumps required when peak flow is 353,000 GPD.

6) Second water tank required when peak flow is 511,000 GPD.

# HIDDEN VALLEY RESORT SEWER SYSTEM

## HIDDEN VALLEY RESORT Sewage Flow Projection - Treatment and Spray Irrigation Expansion 15 units per year projected growth.

***** YEAR	***** # UNITS	***** HIGH FLOW PROJ,GPD	***** LOW FLOW PROJ,GPD	***** COMMENTS
1987	595		45,000	
1988	740		56,000	
1989	877		65,000	Added 30,000 GPD trtment lagoon. Total 130,000 GPD capacity.
1990	902		55,000	
1991	952		63,000	
1992	970		64,000	
1993	993		81,000	
1994	1,015		101,000	
1995	1,031		95,000	
1996	1,036		112,600	
1997	1,086		88,100	
1998	1,136		110,000	
1999	1,186		103,000	
2000	1,236		93,000	
2001	1,286		78,000	
2002	1,334		82,000	<u>Actual winter flow records.</u>
2003	1,334	84,000	83,700	
2004	1,384	86,000	85,400	
2005	1,434	88,000	87,100	
2006	1,484	90,000	88,800	

## HIDDEN VALLEY RESORT SEWER SYSTEM

2007	1,534	92,000	90,500	
2008	1,584	94,000	92,200	
2009	1,634	96,000	93,900	
2010	1,684	98,000	95,600	
2011	1,734	100,000	97,300	
2012	1,784	102,000	99,000	
2013	1,834	104,000	100,700	
2014	1,884	106,000	102,400	
2015	1,934	108,000	104,100	
2016	1,984	110,000	105,800	
2017	2,034	112,000	107,500	
2018	2,084	114,000	109,200	
2019	2,134	116,000	110,900	
2020	2,184	118,000	112,600	
2021	2,234	120,000	114,300	Add Clarifier (30,000 gpd capacity) to STP#1 Total 160,000 GPD cap.
2022	2,284	122,000	116,000	Add 6 acre sprayfield (30,000 GPD capacity) & 1.0 MG storage lagoon.
2023	2,334	124,000	117,700	

Notes 1) High Flow Projection:  $15 \text{ units} \times 75 \text{ gpd} + 575 \text{ gpd com.} = 1,700 \text{ gpd/each year}$

2) Low Projection  $15 \text{ units} \times 50 \text{ gpd} + 1000 \text{ gpd commercial} = 2,000 \text{ gpd /each year}$

3) Flows are winter peak rates.

4) 2002 Low Flow is the recorded winter peak.

5) Lagoon trt expansion phase 2-30,000gpd, Phase 3-70,000gpd

Phase 4-70,000gpd, Phase 5-100,000gpd

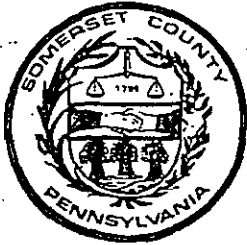
6) Sprayfield expansion available - 25 acres with capacity of 110,000 gpd treated water

Total sprayfield capacity available 210,000 GPD.

7) STP #1 serves 801 res. units, 22,300 GPD COM. and has a Reserve capacity 170 units.

8) STP #2 serves 267 units, and has a Reserve capacity 169 units.

# APPENDIX 6



# SOMERSET COUNTY PLANNING COMMISSION

July 16, 1992

Mabon Lichtenfels  
Hidden Valley Resort  
Two Craighead Drive  
Hidden Valley, PA. 15502

Dear Mr. Lichtenfels:

At the July 16, 1992 meeting of the Somerset County Planning Commission, you were granted approval for the Development Plan for Hidden Valley Resort, located in Jefferson Township.

The total submission was approved with the following exceptions:

1. High Top Drive variances were approved provided the speed limits are posted in such a manner as to compensate for the reductions requested.
2. The stormwater design plan for the two drainage areas must be certified by the developer's engineer.
3. The variance for 18% road grades was not approved, but would be evaluated for specific instances on future submissions.
4. The variance for a 20' right-of-way and 16' cartway, for up to three lots was approved provided they would be improved to municipal standards should they ever be turned over to the municipality.
5. The Board approved the request to have different road name suffixes within a development, but reserved the right to require different names should the 911 emergency system encounter dispatching problems.
6. The general landscaping standards were approved, however, specific requirements may need to be addressed upon individual plan submissions.

The Board decided to not require a police and fire feasibility study at this time, however, reserved the right to request one in the future. If you have any questions, do not hesitate contacting our office.

Sincerely,

*William L. Lehman*

William L. Lehman  
Planner

pc: Jefferson Township Supervisors  
PA Dept. of Environmental Resources  
James Beener, Attorney at Law  
Neilan Engineers Division, Scott Rugh, P.E.  
file

APPLICATION TO  
SOMERSET COUNTY PLANNING COMMISSION  
FOR APPROVAL OF DEVELOPMENT PLAN  
FOR  
HIDDEN VALLEY RESORT  
JEFFERSON TOWNSHIP, SOMERSET COUNTY

JUNE 1992

Prepared For:

Kettler Brothers, Inc.  
9426 Stewartown Road  
Gaithersburg, Maryland 20879

Prepared By:

Neilan Engineers Division  
1065 Tayman Avenue  
Somerset, Pennsylvania 15501

DEVELOPMENT PLAN - HIDDEN VALLEY RESORT.

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2. HIDDEN VALLEY GOLF COURSE STORM WATER MANAGEMENT,  
GROSS RUN WATERSHED, JULY 1986
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UNNAMED TRIBUTARY OF KOOSER RUN AND A DAM ON GROSS  
RUN, JUNE 10, 1987.
4. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR MEMBERS OF THE HIDDEN VALLEY FOUNDATION

EXHIBITS

DEVELOPMENT PLAN

HIGHTOP DRIVE

PLAN AND PROFILES, 6 SHEETS  
CROSS SECTIONS, 19 SHEETS

A. INTRODUCTION

Hidden Valley began developing resort homes adjacent to the existing ski area in the early 1970's. Since then, the resort has grown with the acquisition of adjacent parcels of land to a total of 1,343 acres. The growth also has included residential and commercial development to create a fourseasons resort community. The residential development currently consists of 1,228 approved home sites of which 962 homes are completed. The variety of the residential development consists of condominiums, townhouses, zero lot line single family cluster homes, and single family homes on individual lots.

The commercial development includes a conference center, a ski area and ski lodge, a golf club and 18 hole championship mountain top golf course, a tennis club, a sports club, restaurants, shops, swimming pools and other recreational facilities. These commercial and recreational facilities serve both the homeowners and resort guests.

In accordance with the Somerset County Subdivision and Land Development Regulations, Hidden Valley Resort is submitting this Development Plan to the Somerset County Planning Commission for approval under Article III, Section 304 of the regulations; Submission and Review of a Development Plan. The items for approval are as follows:

1. Number of Units - 3,000 total residence of which 1,228 are approved (of which 962 homes are completed) and 1,772 are proposed within defined development areas.
2. Hightop Drive, design and location.
3. Stormwater Management Plan - for the two drainage areas that are tributary to the golf course (Gross Run and an unnamed tributary to Kooser Run).
4. Roadway Construction Standards
5. Deed Covenants of Hidden Valley Resort pertaining to membership in the Hidden Valley Foundation.
6. Standard Variance Requests that are normally applied for during subdivision approvals.
7. Landscaping Standards

B. NUMBER OF UNITS ON DEVELOPMENT PLAN

The enclosed plan depicts areas presently developed and approved at Hidden Valley Resort as well as seven (7) future areas proposed for residential and commercial development. Like the existing residential areas, the areas of proposed residential development will include mixed uses of residential townhouses, condominiums, and single family dwellings on individual lots and in zero lot clusters, as well as future commercial and recreational facilities. Approval of the proposed development areas would bring the total of existing and proposed residences to 3,000.

While each development "bubble" is identified with a number of units, Hidden Valley is proposing to reserve the right to shift units between areas providing that the 3,000 total residential units are not that exceeded within the property as shown on the Exhibit.

The residential development areas include non-residential facilities such as community buildings, swimming pools, playgrounds, picnic areas and ballfields. Expansion of commercial facilities will also continue within the development areas. Possible commercial developments include, resort, community service and public facilities. Resort facilities could include restaurants, conference centers or recreational facilities for golf, skiing or tennis. These facilities would be planned to compliment residential development, such as siting hotel type condominium building adjacent to a conference meeting building, or developing a cluster of residences adjacent to a ski slope. Community service facilities could include, convenience stores, gas stations and other neighborhood shopping stores. Public facilities could include a branch of the Bakersville Volunteer Fire Department, a central postal delivery station, telephone, electric, cable television, sewer or water structures.

On the plan, data is presented to summarize the areas of existing and proposed residential development, including the number of units, total acreage, and unit density. The existing residential areas consist of 1,228 units located on 257.87 acres for an average density of 0.21 acres per unit or 4.76 units per acre. For the proposed residential areas combined, a total of 1,772 units over 578.49 acres are planned, with an average density of 0.3265 acres per unit or 3.064 units per acre.

As with the existing residential development, proposed development areas will meet applicable Subdivision and Land Development Regulations; specifically the following sections in the Subdivision and Land Development Regulations.

1. Design Standards, Article V, Section 504 - Lots
  - a. General Standards, as applicable.
  - b. Lot Sizes with respect to item 3 (service by sanitary sewers and public water facilities).
  - c. Building Setbacks.

2. Design Standards, Article V, Section 505 - Water Supply
  - a. Like the existing developed areas, all areas proposed for development will be served by Hidden Valley's DER permitted public water supply and sanitary sewage disposal systems. Presently, the public water supply available is permitted for adequate capacity to accommodate 3,000 residences. A copy of this approval is attached.

A Planning Module to increase Hidden Valley's Sewage Treatment capacity to accommodate the ultimate master planned development has been prepared and is currently in the review process. Eventual approval would lead to expansion of sewage treatment facilities to handle all master planned development over 2,100 units.

3. Design Standards, Article V, Section 507 - Public Use & Service Areas

- a. Open Space will be provided as part of the overall resort settling. The development areas are adjacent to the existing golf course and ski area in many locations.

Open space and recreation areas will continue to be accessible to all residents. The ownership of the open "greenspace" within the residential developments is transferred to the Hidden Valley Foundation, which is an organization comprised of all homeowners. The Foundation manages and maintains these greenspace areas for the benefit of the residents. All proposed residential areas will be served by roads and parking areas suitable for the number and types of dwellings constructed.

- b. Security is provided by the private Hidden valley Resort Security personnel and the Pennsylvania State Police. Fire protection for the resort is available from fire hydrants as a part of the Hidden Valley water system. The residential areas are developed with fire hydrants connected to the public water system. The entire water supply system including the hydrants, mains and water storage tank is designed to deliver fire flows recommended by the Insurance Services Office (ISO). Hidden Valley currently has an ISO rating of 7. Fire protection will continue to be provided by the Bakersville Volunteer Fire Company.
- c. Natural, existing features are preserved to the greatest extent possible as community assets. Hidden Valley's natural assets are the mature hardwood forests, and mountain streams. The water courses are enhanced by constructing ponds which serve as a neighborhood amenity as well as stormwater retention and water recycling. Hidden Valley's concept for the resort community relies on preserving natural vegetation throughout the development.
- d. As with all existing development, planned areas will also provide for the required utility easements within the proposed areas.

4. Residential Cluster Subdivision or Land Development - Article IX

The following sections from this article are pertinent to the development plan:

- a. Section 901 - The cluster method of subdivision is intended for use with townhouses, condominiums, and zero-lot line residences within the proposed development areas.
- c. Section 903 - Design Standards.
  - 1. Item A - The subdivisions within development areas will meet all applicable provisions of the regulations.
  - 2. Item B - Adequate parking will be provided.
  - 3. Item C - Streets will meet all required criteria of this section.

4. Item D - Public water and sewerage for clusters will be provided as previously mentioned in this report.
5. Item E - Lot sizes will be such that the minimum twelve feet (12') distance required between buildings will be provided.
6. Item F - Open space requirements will be incorporated into the planning of all areas of proposed development.

C. HIGHTOP DRIVE

Approval is requested for Hightop Drive between the intersection with Greenfield Drive and Golf Hole No. 5 near Gardner Road. This segment is approximately 0.9 miles in length and is shown on the Development Plan and the attached roadway plans, profile and cross sections. Specific approval is desired according to the following sections:

1. Streets - Article V, Section 502
  - a. General Standards - The roadway extends an existing street from adjacent, developed areas through the development areas 2 and 3. In addition to providing access to the developments, this road is planned as a collector street to help traffic circulate from the South Ridge area to the east toward Bakersville. This segment of Hightop Drive was constructed in 1989 with the exception of two sections. The incomplete work relocating Golf Tee No. 14 and constructing a culvert to cross Gross Run. The constructed roadway currently has all drainage installed and is stabilized with a crushed aggregate base course. The width of the roadway, which will exceed the minimum required, will match the width of the existing roadway.
  - b. Under an A-Level Subdivision requirements, Hightop Drive will be constructed in a mud-free condition with a right-of-way width no less than 33 feet, cartway width of 20 feet, and 4 feet berm width on each side, which exceeds the requirements for streets with no set back parking.
  - c. Centerline grades are all less than 12 percent and greater than 3/4 percent, except at Sta. 79+40.73 where the proposed roadway ties into existing roadway at 0.5 percent.

- d. Hightop Drive conforms to the standards with the exception of two horizontal curves with centerline radii less than 200 feet and five areas where there are less than 100 foot tangents between reverse curves.
- e. The 17 vertical curves on Hightop Drive meet the criteria for vertical curves except for five (all sag conditions) which experience less than standard headlight sight distances for a posted 20 mph speed limit. To compensate for this condition, a proposed 15 MPH speed limit is proposed.
- f. The extension of the existing roadway will continue to be named Hightop Drive.

A variance form has been included to address the specific items listed above.

D. STORMWATER MANAGEMENT PLAN

Approval is sought under Article V, Section 506 - Storm Drainage, for two drainage areas that encompass part of the land proposed for development. These drainage areas are tributary to Gross Run through existing Golf Course Ponds numbered 1 and 2, and an unnamed tributary of Kooser Run through existing Golf Course Pond Number 5, respectively. Included for evaluation under Section, 506 is a copy of DER permit to construct and maintain ponds, 2 and 5. Also enclosed is the application to DER and the calculations and supporting data to show compliance under Section 506.

For the 150 acre drainage area contributing to Gross Run, outlined on Development Plan, the predevelopment 25 year storm yields a discharge of 78.9 cfs. The post development 10 year storm routed through pond number 2 is 52.07 cfs. Similarly, for the 230 acre drainage area contributing to an unnamed tributary of Kooser Run, outlined on the Development Plan, the predevelopment 25 year storm provides a discharge of 137.2 cfs, while the post development 10 year storm routed through pond number 5 yields 128.0 cfs.

Compliance with Section 506 is in accordance with the following:

- 1. Item A. - The Soil Conservation Service TR-55 method for the Type 2 25-year storm, 24-hour frequency was used to compute runoff.

2. Item B. - For both drainage areas, storage capacity is provided so that release rates for the post-development 10-year, 24-hour storm do not exceed the pre-development 25-year, 24-hour discharges.
3. Item C. - Impoundments are designed to meet the SCS Engineering Standard for Ponds, Chapter 378. In fact these ponds are permitted by the PA Department of Environmental Resources Bureau, of Dam Safety.
4. Item D. - Adequate drainage easement is provided to preserve the unimpeded flow of natural drainage resulting from a 25-year storm, 24-hour frequency.
5. Item E. - Streets are/will be designed for discharge of surface water from their rights-of-way.

E. ROADWAY CONSTRUCTION STANDARDS

1. General

To simplify future subdivision reviews, Hidden Valley Resort is requesting approval of general roadway construction standards applicable to all future road construction.

This request is based on the requirements of the Subdivision Regulations found in Article V, Section 502. Each Subdivision of the Regulations will be reviewed to describe the proposed street standards.

2. Subsection A General Standards

The streets constructed in Hidden Valley subdivisions are intended to remain in private ownership. After construction and inspection, ownership of the completed streets is turned over to the Hidden Valley Foundation. The Foundation is an organization composed of all Homeowners at Hidden Valley, has 5 employees and a one million dollar budget. The Foundation maintains the streets and roads through funds obtained from homeowner assessments.

Streets (not intended for through traffic) which enter a Subdivision and have on-street parking, are not subject to the requirements of this section except that they must be constructed in a mud free condition. The following items are specific proposals. Those regulated items not discussed are proposed to be designed in accordance with the regulations.

3. Subsection B Street Widths and Pavement

Jefferson Township does not have any general standards for roadway construction. In the absence of a municipal standard, PennDOT road construction standards for rural roads have been followed.

No sidewalks or curbs are proposed within Hidden Valley. As an alternative to sidewalks, Hidden Valley has developed a system of pedestrian and bicycle paths throughout the resort. These paths may or may not follow streets.

In all cases, the paths are separated from adjacent streets by a vegetated buffer strip for both aesthetic and safety reasons.

The minimum street standard is:

Right-of-Way	33 feet
Cartway	18 feet
Shoulders	4 feet

These widths may be increased for streets with higher traffic use.

3. Subsection C - Street Grades

The maximum centerline grade proposed is eighteen (18) percent. This is greater than the regulations, but is requested because of the mountain top setting.

F. LANDSCAPING STANDARDS

1. General

The requirements of Article XI - Landscaping Standards will in general be followed. This section is a narrative which describes the general Hidden Valley landscaping standards in sufficient detail to be approved for all the future subdivisions within the development.

2. Existing Vegetation Protection

Existing wooded areas are shown on preliminary plans. These plans also show the extent of clearing for areas to be developed, and areas where existing vegetation will remain.

3. Single Family Lots

This type of development involves constructing roadways and utilities to serve the individual lots. These areas disturbed during construction will be seeded and mulched. The existing trees and other natural features on the lots will remain undisturbed until the individual homes are constructed. The amounts of clearing on the lot will be limited to that area required for house construction. The house will be graded to fit the shrubs around the lot perimeter. After construction, homes will be landscaped with a foundation planting.

4. Townhouse, Condominium and Zero Lot Residences

These developments, all cluster type, will disturb the vegetation in the immediate area of the cluster. The existing vegetation will be preserved in open space not disturbed during construction.

Evergreen screen trees (6' to 8' spruce) will be planted as necessary to provide a screen between buildings, around container enclosures and parking areas.

A completed building will have a foundation planting at the building front.

G. DEED COVENANTS AND RESTRICTIONS OF HIDDEN VALLEY RESORT

All homeowners at Hidden Valley become members of the Hidden Valley Foundation, Inc. at the time of their purchase of property. This applies regardless of housing type. The Foundation operates under the Declaration of Covenant, Conditions and Restrictions dated March 14, 1985 and recorded in Somerset County Record Book Volume 935 Page 115. A copy of the Declaration is attached as Appendix 4 for review and approval.

H. STANDARD VARIANCE REQUESTS

A variance request form for the overall Development Plan is attached.

These requests are for design conditions which have been previously dealt with on an individual basis. In all cases, these variance requests are typical for circumstances encountered in the Hidden Valley Development.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES

PERMIT

The Department of Environmental Resources "Department", established by the Act of December 3, 1970, (71 P.S. §510-1 *et seq.*) and empowered to exercise certain powers and perform certain duties under and by virtue of the Act of November 26, 1978, P.L. 1375, No. 325, as amended by the Act of October 23, 1979, No. 70, known as the "Dam Safety and Encroachments Act"; and the Administrative Code, Act of April 9, 1929, P.L. 177, *as amended*, which empowers the Department to exercise certain powers and perform certain duties by law vested in and imposed upon the Water Supply Commission of Pennsylvania and the Water and Power Resources Board, hereby issues this permit to:

KETTLER BROTHERS, INC., t/d/b/a/ Hidden Valley Farm Inn  
9426 Stewartown Road, Gaithersburg, MD 20879

giving its consent to

construct, operate and maintain a dam across Gross Run in Jefferson  
Township, Somerset County.

This permit is issued in response to an application filed with the Department of Environmental Resources on the 22nd day of April A.D. 19 87, and with the understanding that the work shall be performed in accordance with the maps, plans, profiles and specifications filed with and made part of the application \_\_\_\_\_

June 12, 1987 and July 29, 1987

Subject, however, to the provisions of the Dam Safety and Encroachments Act, the Administrative Code, and the following conditions, regulations, and restrictions (YOUR ATTENTION IS DRAWN TO CONDITION NUMBER 12).

1. This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement, or interest in, to, or over any land belonging to the Commonwealth of Pennsylvania; any infringement of Federal, State, or local laws or regulations; nor does it obviate the necessity of obtaining Federal assent when necessary;

2. The work shall at all times be subject to supervision and inspection by representatives of the Department, and no changes in the maps, plans, profiles and specifications as approved shall be made except with the written consent of the Department. The Department, however, reserves the right to require such changes or modifications in the maps, plans, profiles, and specifications as may be considered necessary. The Department further reserves the right to suspend or revoke this permit if in its opinion the best interest of the Commonwealth will be subserved thereby;

3. All work shall be conducted under the oversight and supervision of a competent engineer approved by the Department, and such engineer or a competent representative shall be on the work site at all times during significant construction activities until completion of the dam.

4. The Department shall be notified in advance of the proposed time of commencement of this work, and a detailed report upon the status of the construction shall be mailed to the "Division of Dam Safety, P. O. Box 2357, Harrisburg, Pennsylvania 17120" on the first of each month until work upon the dam has been completed. Within thirty (30) days after the completion of the work authorized in this permit, the permittee shall file with the Division of Dam Safety, a statement certifying at the work has been performed in accordance with this permit and the approved maps, plans, profiles and specifications. Further, the permittee shall submit to the Division of Dam Safety, within ninety (90) days of the date of final completion of the dam authorized by this permit, a set of "as built" plans for the project;



SPECIAL CONDITION(S):

The permittee is directed to furnish the Department of Environmental Resources, Division of Dam Safety with the names, qualifications and employer of the personnel responsible for the supervision of construction. In addition, the name of the contractor is also required. The permittee is further advised that the Department reserves the right to approve the personnel who will be in charge of supervision of construction. This information is to be submitted to the Division of Dam Safety fifteen (15) days in advance of the anticipated start of construction.

The permittee is required to submit annual reports regarding the condition of the dam, certified by a registered professional engineer, to the Division of Dam Safety on or before October 1 of each year.

An emergency warning system and operation plan shall be submitted to and approved by the Pennsylvania Emergency Management Agency prior to commencement of storage of water. A copy of the approved plan shall be submitted to the Division of Dam Safety.

A continuous flow of not less than 0.05 cubic feet per second, equivalent to 35,000 gallons per day, shall be maintained in the stream immediately below the dam in order to maintain aquatic life.

The permittee is required to contact the Somerset County Conservation District at 814-445-4652 prior to the commencement of construction.

Prior to commencement and upon completion of the work authorized by this permit, the permittee shall notify the Pennsylvania Fish Commission's Southwest Regional Office, R.D. 2, Box 39, Somerset, PA 15501-9311, Telephone 814-445-8974. The project site will at all times be available for inspection by authorized officers and employees of the Pennsylvania Fish Commission.

The permittee shall post notices in public places in any area which might be affected by failure of this dam as required by Act 32 of May 16, 1985. In order to comply with this notice requirement, such notices should be posted in the following public places within each political subdivision situated within the inundation area downstream of this dam: (1) the City, Borough or Township Building; (2) police department offices; (3) fire company halls; and (4) tax collector's office. The Notice should state that a copy of the Emergency Warning Plan for this dam is available for inspection at the following locations: County Emergency Management office (list location); Municipal Emergency Management Office (list location); and Office of the Dam Owner (list location). The permittee shall provide the Division of Dam Safety within sixty (60) days of the date of completion of construction, a statement certifying compliance with this requirement. Failure to comply will be cause for the Department to revoke or suspend this permit and may expose the permittee to criminal or civil penalties for violation of the Dam Safety and Encroachments Act.

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES

PERMIT

The Department of Environmental Resources "Department", established by the Act of December 3, 1970, (71 P.S. §510-1 *et seq.*) and empowered to exercise certain powers and perform certain duties under and by virtue of the Act of November 26, 1978, P.L. 1375, No. 325, as amended by the Act of October 23, 1979, No. 70, known as the "Dam Safety and Encroachments Act"; and the Administrative Code, Act of April 9, 1929, P.L. 177, *as amended*, which empowers the Department to exercise certain powers and perform certain duties by law vested in and imposed upon the Water Supply Commission of Pennsylvania and the Water and Power Resources Board, hereby issues this permit to:

KETTLER BROTHERS, INC., t/d/b/a/ Hidden Valley Farm Inn  
9426 Stewartown Road, Gaithersburg, MD 20879

giving its consent to

operate and maintain an existing dam (Dam No. 1) across Gross Run approximately  
1.9 miles upstream of the confluence with Laurel Hill Creek in Jefferson  
Township, Somerset County.

This permit is issued in response to an application filed with the Department of Environmental Resources on the 24th day of August A.D. 19 87, and with the understanding that the work shall be performed in accordance with the maps, plans, profiles and specifications filed with and made part of the application \_\_\_\_\_

September 16, 1987

Subject, however, to the provisions of the Dam Safety and Encroachments Act, the Administrative Code, and the following conditions, regulations, and restrictions (YOUR ATTENTION IS DRAWN TO CONDITION NUMBER 12).

1. This permit does not give any property rights, either in real estate or material, nor any exclusive privileges, nor shall it be construed to grant or confer any right, title, easement, or interest in, to, or over any land belonging to the Commonwealth of Pennsylvania; any infringement of Federal, State, or local laws or regulations; nor does it obviate the necessity of obtaining Federal assent when necessary;

2. The work shall at all times be subject to supervision and inspection by representatives of the Department, and no changes in the maps, plans, profiles and specifications as approved shall be made except with the written consent of the Department. The Department, however, reserves the right to require such changes or modifications in the maps, plans, profiles, and specifications as may be considered necessary. The Department further reserves the right to suspend or revoke this permit if in its opinion the best interest of the Commonwealth will be subserved thereby;

3. All work shall be conducted under the oversight and supervision of a competent engineer approved by the Department, and such engineer or a competent representative shall be on the work site at all times during significant construction activities until completion of the dam.

4. The Department shall be notified in advance of the proposed time of commencement of this work, and a detailed report on the status of the construction shall be mailed to the "Division of Dam Safety, P. O. Box 2357, Harrisburg, Pennsylvania 17120" on the first of each month until work upon the dam has been completed. Within thirty (30) days after the com-

... authorized in this permit, the permittee shall file with the Division of Dam Safety a statement certifying that the work has been performed in accordance with this permit and the approved maps, plans, profiles and specifications. Further, the permittee shall submit to the Division of Dam Safety, within ninety (90) days of the date of final completion of the work authorized by this permit, a report as to the results of the project.

4. If this work is not completed on or before the N/A day of      A.D. 19     , this permit, if not previously revoked or specifically extended, shall cease and be null and void; and if, upon the expiration or revocation of this permit, the work shall not be completed, the permittee shall, at his own expense and to such extent and in such time and manner as the said Department may require, remove all or any portion of the incompleted work and restore the watercourse to its former condition. No claim shall be made against the Commonwealth of Pennsylvania on account of any such removal or alteration;

5. No material shall be placed on any portion of the foundation until such portion of the foundation has been approved, in writing, by a representative of the Department; no earth or other embankment material which is in a frozen condition shall be covered or placed in embankments; concrete shall not be placed in freezing weather except under conditions approved by the Department;

6. The Department shall be notified at least one week in advance of the time when it is proposed to begin to store water in the reservoir or pond created by the dam for which this permit is issued. The Department will require the permittee to allow a portion of the natural stream flow to pass the dam while the reservoir or pond is being filled, and this notice is required in order that arrangements may be made to have a representative on the ground before or during the filling if the Department considers it desirable. Sufficient water to support fish life shall be allowed to flow into the stream below the dam, during the period of its construction or repair and while the reservoir is being filled. The permittee agrees to abide by such rules and regulations as to the storage and discharge of water, and as to the level of the reservoir created by said dam, as may be prescribed from time to time by the said Department;

7. All trees of no value and brush cleared from the area under this permit shall be burned at such time and under such conditions as to prevent the fire from spreading to adjoining timber land; provided, however, that before such burning begun, the Regional Air Pollution Control Engineer of the Department of Environmental Resources in charge of the Region in which the area is located shall be notified;

8. The permittee agrees in accepting this permit, to install, upon the request of the Pennsylvania Fish Commission, such fishway or fishways as the said Department may require. (See Section 185, of the Act of May 2, 1925, P.L. 448, as amended by Act of April 22, 1929, P.L. 621.) Attention is also called to Section 191 of the Act of May 2, 1925, P.L. 443, as amended by Act No. 113, approved May 25, 1955, which provides that no person owning, leasing or maintaining a dam, holding back waters impounded by fish, shall draw off such waters without first receiving written permission from the Pennsylvania Fish Commission;

9. The permittee shall be responsible for the maintenance of the work described in this permit and the various conditions contained in the permit; provided that if the permittee fails to file acceptance of the permit in accordance with Condition 12, the permit shall be null and void and the permittee shall remove all works constructed and restore the area in a manner specified by the Department;

10. The Engineer and the Contractor shall be approved of all of the provisions and conditions and shall sign a copy of the acknowledgment or being so approved on the form hereto attached. Copy of this agreement, together with copy of the permit shall be available for inspection at the project site at all times. Copy of the acknowledgment shall also be forwarded to the District Engineer, Pittsburgh District, and to the District Engineer, Erie District, at the project site.

11. The permittee shall be responsible for the maintenance of the work described in this permit and the various conditions contained in the permit; provided that if the permittee fails to file acceptance of the permit in accordance with Condition 12, the permit shall be null and void and the permittee shall remove all works constructed and restore the area in a manner specified by the Department;

12. The permittee shall be responsible for the maintenance of the work described in this permit and the various conditions contained in the permit; provided that if the permittee fails to file acceptance of the permit in accordance with Condition 12, the permit shall be null and void and the permittee shall remove all works constructed and restore the area in a manner specified by the Department;

District Engineer, Pittsburgh District  
XXXX. XXXXXXXX  
Room 1817, Federal Building  
1000 Liberty Avenue  
Pittsburgh, PA 15222

14. SEE SPECIAL CONDITIONS ON ATTACHED SHEET.

DATE NOV 16 1989

DEPARTMENT OF ENVIRONMENTAL RESOURCES

By: *Joseph J. Ellam*  
Joseph J. Ellam, Chief  
Division of Dam Safety

ATTEST:

*Susan E. Frazier*

\_\_\_\_\_  
Permittee (Signature)

SPECIAL CONDITION(S):

The permittee is required to submit annual reports regarding the condition of the dam, certified by a registered professional engineer, to the Division of Dam Safety on or before October 1 of each year.

The permittee is advised that, since this permit authorizes the continued operation and maintenance of an existing dam, Standard Condition Nos. 3, 4, 5, 6, 8, 10, 11 and 13, relating to the construction of dams, are deleted from this permit.

The permittee agrees to notify the Department of any future changes in the ownership of the dam, or the lake formed by the dam, or of any portion of the dam or lake, and shall furnish the Division of Dam Safety with the name(s) and address(es), and further agrees to execute an assignment of this permit to the new owner(s).

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF DAMS AND WATERWAY MANAGEMENT

Dam Permit No. D56-106

Somerset, PA

Date: November 11, 1988

DAM COMPLETION REPORT

Department of Environmental Resources  
Bureau of Dams and Waterway Management  
Division of Dam Safety  
P. O. Box 2357  
Harrisburg, PA 17120

Gentlemen:

(WE) hereby certify that the dam across Gross Run  
(Stream)  
in Jefferson Township, Somerset County, PA, was completed on September 30,  
19 88 in accordance with the plans and specifications approved by the Department.

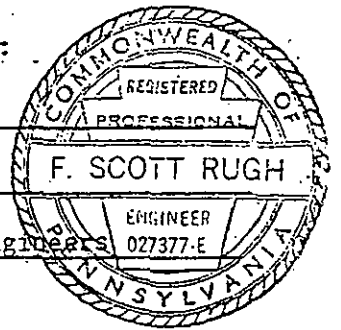
Yours very truly,

Signature of Supervising Engineer:

Scott Rugh

Title: Project Engineer

Firm or Agency: The Neilan Engineers



Signature of Permittee: Melan Bluff

Title: Construction Manager

Firm or Agency: Kettler Brothers Inc.  
t/d/b/a Hidden Valley Resort

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF DAMS AND WATERWAY MANAGEMENT

Dam Permit No. D56-111

Somerset, PA

Date: October 12, 1988

DAM COMPLETION REPORT

Department of Environmental Resources  
Bureau of Dams and Waterway Management  
Division of Dam Safety  
P. O. Box 2357  
Harrisburg, PA 17120

Gentlemen:

(WE) hereby certify that the dam across Gross Run  
(Stream)  
in Jefferson Township, Somerset County, PA, was completed on September 30  
19 88 in accordance with the plans and specifications approved by the Department.

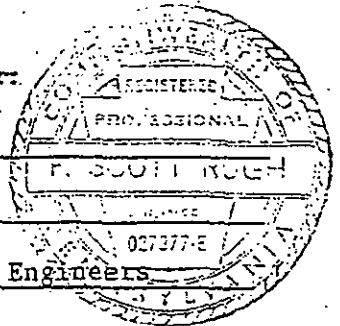
Yours very truly,

Signature of Supervising Engineer:

Scott Rugh

Title: Project Engineer

Firm or Agency: The Neilan Engineers



Signature of Permittee:

Mark B. Brubaker

Title: Construction Manager

Firm or Agency: Kettler Brothers Inc.  
t/d/b/a Hidden Valley Resort

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF DAMS AND WATERWAY MANAGEMENT

Dam Permit No. D56-112

Somerset, PA

Date: November 11, 1988

DAM COMPLETION REPORT

Department of Environmental Resources  
Bureau of Dams and Waterway Management  
Division of Dam Safety  
P. O. Box 2357  
Harrisburg, PA 17120

Gentlemen:

((WE) hereby certify that the dam across an unnamed tributary of Kooser Run  
(Stream)  
in Jefferson Township, Somerset County, PA, was completed on September 30,  
19 88 in accordance with the plans and specifications approved by the Department.

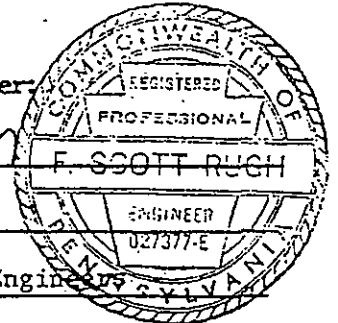
Yours very truly,

Signature of Supervising Engineer:

Scott Rugh  
F. SCOTT RUGH

Title: Project Engineer

Firm or Agency: The Neilan Engineers



Signature of Permittee: Melvin B. Brubaker

Title: Construction Manager

Firm or Agency: Kettler Brothers Inc.  
t/d/b/a Hidden Valley Resort

**EXHIBIT 6**

**Hidden Valley Resort, L.P.  
Sewer and Water System  
Permit Compliance History**

**October 2, 2003**

**compiled by:**

**The EADS Group, Inc.  
450 Aberdeen Drive  
P. O. Box 837  
Somerset, Pennsylvania 15501-0837**

**Hidden Valley Resort, L.P.**  
**Regulatory and Permit Compliance History**  
**Prepared October 2, 2003**

The Hidden Valley Resort has a good working relationship with the Department of Environmental Protection (DEP) field compliance personnel. The Hidden Valley sewer and water systems do not have any outstanding violations from the DEP. The DEP online electronic EFACTS (Environmental Facility Application, Compliance Tracking System) data base was accessed for data on Hidden Valley permits and inspections. A copy of the results can be found attached in Appendix A.

The water system was most recently inspected by Mr. Ben Williams of DEP on September 16, 2003. No violations or other observations were found at this inspection. A copy of the inspection report can be found in Appendix B.

The most recent water system violation is from July 2002. This violation was issued because a copy of the Consumer Confidence Report was not sent to DEP. A similar reporting violation for the Consumer Confidence Report not being sent to DEP was issued in November 2000. Both of these non-health based violations are related to a Monitoring and Reporting deficiency. No other water system violations were reported through 1998. Hidden Valley Resort received a "Certificate of Recognition" for meeting all MCL (maximum contaminant level), Monitoring and Reporting Performance Requirements for the years 1997, 1998, 1999, 2000, and 2002. Refer to Appendix B. A copy of the Water System Inventory prepared by DEP can be found attached in Appendix C.

The DEP also performs compliance inspections for the sewer system. The most recent inspections have identified no violations. The most recent Inspection Reports can be found in Appendix B.

Hidden Valley prepares an Annual Wasteload Management Report for the Department of Environmental Protection to comply with Title 25, Chapter 94. This report summarizes the condition of the sewer system, organic and hydraulic loading and flow projections for 5 years. The most recent Chapter 94 report can be found in Appendix C.

Prepared by:



---

F. Scott Rugh, P.E.  
The EADS Group, Inc.

APPENDIX A

eFACTS Database

Search  
Subjects

Department of Environmental Protection



# eFACTS

Environment, Facility, Application, Compliance Tracking System

welcome

news

background

search

resources

eMapPA

## Site Information by Program

 [Prev](#)  
  [List](#)  
  [New](#)  
  [Help](#)  
[Screen](#) [Clients](#) [Search](#)

### Site (Active)

### Municipality County Region

HIDDEN VALLEY FARM INN  
539727



Permits



Inspections



P2E2 Visits

Jefferson Twp Somerset South West

Individuals & Families | Students | Educators | Farmers | Local Government | Business  
PA Home Site | GreenWorks.tv | Ask DEP | Plug-Ins | eNOTICE | Home Page

**Contact eFACTS Web Help**

Search  
Subjects



# eFACTS

Environment, Facility, Application, Compliance Tracking System

- welcome
- news
- background
- search
- resources
- eMapPA

## Search Results

[S](#) [?](#)  
 New Help  
 Search

**Permit Information:** Authorization ID 474467

**Site:** HIDDEN VALLEY RESORT L P SUBDIV

**Client:** JEFFERSON TWP SOMERSET CNTY

**Authorization/App.Type:** Planning Mailer Application/Exemption Request - New

**Received:** Tuesday, August 20, 2002

**Disposed:** Tuesday, August 20, 2002

Individuals & Families | Students | Educators | Farmers | Local Government | Business  
 PA Home Site | GreenWorks.tv | Ask DEP | Plug-Ins | eNOTICE | Home Page

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# eFACTS

Environment, Facility, Application, Compliance Tracking System



## Site Information by Program



### Site (Active)

HIDDEN VALLEY RESORT LP  
240635  
2 GORDON CRAIGHEAD  
MEM DR  
HIDDEN VALLEY, PA 15502



### Municipality County Region

Jefferson Twp Somerset South West



### Primary Facility List

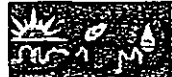
4 primary facilities found.

Primary Facility (ID) - Type	Other ID	Status	Other Info
<u>HIDDEN VALLEY RESORT LP</u> (561269) Erosion & Sediment Control Facility	PAS106110	Active	Permits   Inspections
<u>HIDDEN VALLEY RESORT LP</u> (241817) Encroachment Location	E56-188WL		Permits   Inspections
<u>KETTLER BROS. INC.</u> (257764) Encroachment Location	E56-055		Permits   Inspections
<u>KETTLER BROTHERS INC.</u> (257765) Encroachment Location	E56-123		Permits   Inspections

Individuals & Families | Students | Educators | Farmers | Local Government | Business  
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Search  
Subjects



# eFACTS

Environment, Facility, Application, Compliance Tracking System

- welcome
- news
- background
- search
- resources
- eMapPA

## Site Authorization Information

(from data available prior to 6/25/2003)

Date Range Searched: 1/1/1975 to 6/24/2003

Site: **HIDDEN VALLEY RESORT LP**

- ▲  
[Prev](#)  
[Screen](#)
- S  
[New](#)  
[Search](#)
- ?  
[Help](#)

Auth ID	Type	Date Received	Status / Date
<a href="#">325469</a>	Public Water Supply Permit Community Water System Operations:	March 29, 2000	Issued

[Individuals & Families](#) | [Students](#) | [Educators](#) | [Farmers](#) | [Local Government](#) | [Business](#)  
[PA Home Site](#) | [GreenWorks.tv](#) | [Ask DEP](#) | [Plug-Ins](#) | [eNOTICE](#) | [Home Page](#)

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**U.S. Environmental Protection Agency**  
**Safe Drinking Water Information System**  
**(SDWIS)**

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[EPA Home](#) > [Envirofacts](#) > [SDWIS](#) > [Query](#)



## Query Results



**Query Selections:**

Water system id entered: **PA4560049**  
 water\_system\_status: **Both-Active/Closed**  
 Query executed on: **JUN-25-2003**  
 Results are based on data extracted on: **APR-16-2003**

## List of Water Systems in SDWIS

For a detailed Violation and Enforcement History, click on the underlined Water System Name. To obtain additional information about drinking water please call EPA's Safe Drinking Water hotline at 1-800-426-4791.

**Community Water Systems:** Water Systems that serve the same people year-round (e.g. in homes or businesses).

<u>Water System Name</u>	<u>Principal County Served</u>	<u>Population Served</u>	<u>Primary Water Source Type</u>	<u>System Status</u>	<u>Date Closed</u>	<u>Water System ID</u>
<u>HIDDEN VALLEY RESORT LP</u>	SOMERSET	750	Ground water	Active		PA4560049

**Non-Transient Non-Community Water Systems:** Water Systems that serve the same people, but not year-round (e.g. schools that have their own water system).

No systems were found.

**Transient Non-Community Water Systems:** Water Systems that do not consistently serve the same people (e.g. rest stops, campgrounds, gas stations).

No systems were found.

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Last updated on Wednesday, June 25th, 2003  
[http://oaspub.epa.gov/enviro/sdw\\_query.get\\_list](http://oaspub.epa.gov/enviro/sdw_query.get_list)

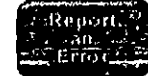
# Safe Drinking Water Information System (SDWIS)



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## Violation Report



**HIDDEN VALLEY RESORT LP**  
 1 GORDON CRAIGHEAD MEMORIAL DR  
 HIDDEN VALLEY, PA 15502  
 814-443-8000

Primary Water Source Type	Population Served
Ground water	750

This report was created on SEP-23-2003  
 Results are based on data extracted on JUL-20-2003

EPA is not aware that this water system's annual water quality report is available on the internet.  
 For a copy contact the water system.

**NOTICE:** EPA is aware of inaccuracies and underreporting of some data in the Safe Drinking Water Information System. We are working with the states to improve the quality of the data.

The tables below list all violations that the state reported to EPA for this water system. Health-based violations are listed first, followed by monitoring, reporting, and other violations.

**Health Based Violations:** amount of contaminant exceeded safety standard (MCL) or water was not treated properly.  
*No health-based violations found. EPA has no record of any health-based violations reported by the state for this water system (1993 and later violations are included in this report).*

**Monitoring and Reporting and Other Violations:** system failed to complete all samples or sample in a timely manner, or had another non-health-based violation. A significant monitoring violation means the system failed to take a large percentage of the required samples. Non-significant monitoring violations indicate that the water system failed to take some of the required samples, but did do some of the required sampling.

Significant Violation	Type of Violation	Sampling Period: Begin Date	Sampling Period End Date	Contaminant	Violation Code
	CCR Complete Failure to			Consumer Confidence	

Yes	Report	JUL-01-2002	NOV-01-2002	Rule	201
-----	--------	-------------	-------------	------	-----

Follow-up Action	Date of Response
Fed Compliance achieved	NOV-01-2002
Fed Formal NOV issued	OCT-03-2002

Significant Violation	Type of Violation	Sampling Period: Begin Date	Sampling Period End Date	Contaminant	Violation Code
No	CCR Complete Failure to Report	JUL-01-2000	DEC-27-2000	Consumer Confidence Rule	001

Follow-up Action	Date of Response
Fed Compliance achieved	DEC-27-2000
Fed Formal NOV issued	NOV-02-2000

Significant Violation	Type of Violation	Sampling Period: Begin Date	Sampling Period End Date	Contaminant	Violation Code
No	Monitoring, Regular	JAN-01-1996	DEC-31-1996	Nitrate	97014678

Follow-up Action	Date of Response
St Compliance achieved	MAY-01-1997
St Violation/Reminder Notice	MAR-24-1997

Significant Violation	Type of Violation	Sampling Period: Begin Date	Sampling Period End Date	Contaminant	Violation Code
No	Monitoring, Regular	JUL-01-1995	SEP-30-1995	1,2,4-Trichlorobenzene	95036118

Follow-up Action	Date of Response
St Compliance achieved	MAR-01-1995

Significant Violation	Type of Violation	Sampling Period: Begin Date	Sampling Period End Date	Contaminant	Violation Code
No	Monitoring, Regular	APR-01-1994	JUN-30-1994	1,2,4-Trichlorobenzene	94061905

Follow-up Action	Date of Response

APPENDIX B

Compliance Inspections

**WATER SUPPLY INSPECTION**



FACILITY NAME <b>Hidden Valley Resort LP</b>		PWSID NO <b>4560049</b>	COUNTY <b>Somerset</b>	MUNICIPALITY <b>Jefferson</b>	INSPECTION DATE <b>9/16/2003</b>
CERTIFIED OPERATOR'S NAME <b>Glenn Fodor</b>		TELEPHONE NO. <b>814 443-8000</b>	RESPONSIBLE OFFICIAL'S NAME <b>John Scanlon</b>		TYPE SYSTEM <b>CWS</b>
FACILITY LOCATION/ADDRESS <b>1 Gordon Craighead Drive Hidden Valley, PA 15502</b>			FIELD ORDER NO.		
			ISSUE DATE (MM/DD/YY)		

<b>VIOLATIONS</b>	A1. Response to emergency		C1. Design / construction standards		INSPECTION TIME  START: <u>9:00 AM</u> STOP: <u>12:00 PM</u>
	A2. Continuous disinfection		C2. Performance monitoring		
	A3. Response to an acute violation		C3. Failure to treat as permitted		
	B1. Inadequate Supply		C4. Operate and maintain PWS		
	B2. Minimum disinfection residual		C5. Certified operator		
	B3. PMCL / TrL Technique violation		C6. Improper interruption / repair		
	B4. Public notice for PMCL		D1. Reports / Records / Maps		INSPECTION TYPE
	B5. Noncompliance with Order		D2. Operation and Maintenance plan		FULL <input checked="" type="checkbox"/>
	B6. Failure to obtain permit		E1. Other		PARTIAL <input type="checkbox"/>
					COMPLAINT <input type="checkbox"/>

**NARRATIVE:**

*The inspection was conducted to update the sanitary survey and ensure the systems compliance with the departments regulations. I was accompanied on the inspection by Glenn Fodor, Certified Operator. I inspected the water treatment plant and pump station #2. The system was without power during the inspection due maintenance being conducted by Penelec Inc. Water is feed to the system from the 250,000 gallon storage tank by gravity. Mr. Fodor stated that no new equipment had been added and the system has had no major problems in the past year. I reviewed the operation and maintenance, and emergency response plans. The emergency response plan had been updated in 2001. The operation and maintenance plan should be updated. I reviewed the operational logs. No violations or other observations were noted at this time.*

WATER QUALITY SAMPLING POINT LOCATION	SAMPLE NUMBER	Ph	CHLORINE		TURBIDITY	SAC #	COLLECTION TIME
			F	T			
Foundation Office Tap			0.51	0.54			


 9-16-03  
 RECEIVED BY (SIGNATURE AND DATE)      INVESTIGATOR (SIGNATURE AND DATE)      MSIS UPDATED      SUPV. INITIALS

Department of Environmental Resources	NPDES Compliance Inspection Report	Water Management Program
--	------------------------------------	-----------------------------

**Section A: National Data System Coding**

Transaction Code	NPDES	Yr./Mo./DAY	Inspection Type	Inspector	Fac. Type
1 N 2 S 3 P A		11 12 98 2 3	17 18 R	19 S	20 I

**Section B: Facility Data**

Name and Location of Facility Inspection		Entry Time/Date	Permit Effective Date
Jefferson Twp Supervisor Hidden Valley #1		2/3/98	
Rt 31 West of Somerset		Exit Time/Date	Permit Expiration Date
Municipality: Jefferson Twp		2/3/98	
County: Somerset			
Name, Address of Responsible Official		Title	
Jefferson Twp Supervisors			
RD 6		Telephone	Contacted
Somerset PA 15501			Yes <input type="checkbox"/> No <input type="checkbox"/>

**Section C: Areas Evaluated During Inspection**  
(S = Satisfactory, I = Improvement Needed, U = Unsatisfactory, D = Does Not Apply, Blank = Not Evaluated)

<input type="checkbox"/> Permit Verification	<input type="checkbox"/> Flow Measurement	<input type="checkbox"/> Effluent/Receiving Waters
<input type="checkbox"/> Compliance Schedule	<input type="checkbox"/> Laboratory/QA	<input type="checkbox"/> Operation/Maintenance
<input type="checkbox"/> Records/Reports	<input type="checkbox"/> Self-Monitoring Program	<input type="checkbox"/> Pretreatment
<input type="checkbox"/> Other (Specify):		

**Section D: Summary of Violations/Recommendations/Comments (Attach additional sheets if necessary)**

**VIOLATIONS:** Review of the past 12 months of DMR's FINDING WITH Dec 97 shows NO VIOLATIONS. A Review of the SLUDGE Hauled shows 6.82 Ton was removed which is @ 79% of the amount expected from a plant of this type & flow. Cash flow problems resulted in NO CAUSTIC SODA to ADJUST pH, have had low pH problems lately.

Inspector Name	Inspector Signature	Title	Date
ROBERT SHILCOSKY	<i>Robert Shilcosky</i>	WQS	2/3/98
			Telephone 412-1900
Inspector Name	Inspector Signature	Title	Date
Ken Hoover	<i>Ken Hoover</i>	Operator	2/3/98
			Telephone (610) 413-6378

This document is official notification that a representative of the Department of Environmental Resources inspected the above facility. The findings of this inspection are shown above and on any attached pages.

Any violations which were uncovered during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analysis of the discharge and review of Department records. Notification will be forthcoming, if such violations are noted.

### Operation and Maintenance Checklist

- 1. Standby power or other equivalent provision is provided.
- 2. Adequate alarm system for power or equipment failures is provided.
- 3. Operating schedules are established.
- 4. Plan for emergency treatment control is established.
- 5. Maintenance record system exists and includes:
  - a. As-built drawings.
  - b. Maintenance log.
  - c. Repair log.
- 6. Required number of appropriately certified operators: 2. (Indicate names and certificate numbers)
 

Glenn Fodor S8817

Brad Hoover S9584
- 7. Established procedures are available for training new operators.
- 8. Spare parts and supplies inventory and major equipment specifications are maintained.
- 9. Instructions are kept for operation and maintenance of each item of major equipment.
- 10. Operation and maintenance manual is available and kept up-to-date.
- 11. Routine and preventive maintenance are scheduled/performed on time.
- 12. Controlled diversions and overflows are maintained and recorded.
- 13. Plant performance not affected by organic or hydraulic overloads.

### Treatment Process

Treatment Units	Number of Units				Treatment Units	Number of Units			
	Total	On Line	Operable	Inoperable		Total	On Line	Operable	Inoperable
Comminutor	1	1	1						
Aerated Holding	3	3	3						
Pit Settling	1	1	1						
Aeration Tank	4	4	4						
Clarifier	2	2	2						
Digester	2	2	2						
Chlorinator	1	1	1						
Cl <sub>2</sub> Contact Tank	1	1	1						
Lagoon	1	1	1						
Sludge Press	1	1	1						

S = Satisfactory    I = Improvement Needed    U = Unsatisfactory  
 Blank = Not Evaluated    D = Does Not Apply

Permit No.: PA \_\_\_\_\_  
 Date: 2/3/98

HV #1

Effluent/Receiving Waters Evaluation

Stream Name LAGOON

Upstream Conditions/Location:

Field Measurements

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Flow \_\_\_\_\_ c.f.s.

pH \_\_\_\_\_ s.u.

Dissolved Oxygen \_\_\_\_\_ mg/L

Chlorine Residual \_\_\_\_\_ mg/L

Temperature \_\_\_\_\_ °C

DER Collector Number \_\_\_\_\_

Outfall Number: To LAGOON  
DISCHARGE IS SLIGHTLY CLOUDY

Field Measurements;

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Flow \_\_\_\_\_ c.f.s.

pH 1 \_\_\_\_\_ s.u.

Dissolved Oxygen \_\_\_\_\_ mg/L

Chlorine Residual \_\_\_\_\_ mg/L

Temperature \_\_\_\_\_ °C

DER Collector Number \_\_\_\_\_

Downstream Conditions/Location:

Field Measurements;

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Flow \_\_\_\_\_ c.f.s.

pH \_\_\_\_\_ s.u.

Dissolved Oxygen \_\_\_\_\_ mg/L

Chlorine Residual \_\_\_\_\_ mg/L

Temperature \_\_\_\_\_ °C

DER Collector Number \_\_\_\_\_

Outfall Number: \_\_\_\_\_

Field Measurements;

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Flow \_\_\_\_\_ c.f.s.

pH \_\_\_\_\_ s.u.

Dissolved Oxygen \_\_\_\_\_ mg/L

Chlorine Residual \_\_\_\_\_ mg/L

Temperature \_\_\_\_\_ °C

DER Collector Number \_\_\_\_\_

Downstream Conditions/Location:

Field Measurements;

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Flow \_\_\_\_\_ c.f.s.

pH \_\_\_\_\_ s.u.

Dissolved Oxygen \_\_\_\_\_ mg/L

Chlorine Residual \_\_\_\_\_ mg/L

Temperature \_\_\_\_\_ °C

DER Collector Number \_\_\_\_\_

Permit No.: PA  
Date: 2/3/98

HV # 1

Department of Environmental Resources	NPDES Compliance Inspection Report	Water Management Program
--	------------------------------------	-----------------------------

**Section A: National Data System Coding**

Transaction Code	NPDES	Yr./Mo./DAY	Inspection Type	Inspector	Fac. Type
1 <b>N</b> 2 <b>S</b> 3 <b>P A</b>		11 12 <b>98</b> <b>2</b> <b>3</b>	17 18 <b>R</b>	19 <b>S</b>	20 <b>1</b>

**Section B: Facility Data**

Name and Location of Facility Inspection <b>JEFFERSON TWP SUPERVISORS HIDDEN VALLEY #2</b>		Entry Time/Date <b>2/3/98</b>	Permit Effective Date
Rt 31 WEST OF SOMERSET		Exit Time/Date <b>2/3/98</b>	Permit Expiration Date
Municipality <b>JEFFERSON TWP</b>	County <b>SOMERSET</b>	Title	
Name, Address of Responsible Official <b>JEFFERSON TWP SUPERVISORS</b>		Telephone	
RD 4		Contacted Yes <input type="checkbox"/> No <input type="checkbox"/>	
SOMERSET PA 15501			

**Section C: Areas Evaluated During Inspection**

(S = Satisfactory, I = Improvement Needed, U = Unsatisfactory, D = Does Not Apply, Blank = Not Evaluated)

_____ Permit Verification	_____ Flow Measurement	_____ Effluent/Receiving Waters
_____ Compliance Schedule	_____ Laboratory/QA	_____ Operation/Maintenance
_____ Records/Reports	_____ Self-Monitoring Program	_____ Pretreatment
_____ Other (Specify): _____		

**Section D: Summary of Violations/Recommendations/Comments (Attach additional sheets if necessary)**

**VIOLATIONS:** Review of DMR's For THE PAST 12 MONTHS ENDING WITH Dec 97 SHOWS A TSS VIOLATION IN FEB 97, A LOW PH IN MAY 97 AND A BOD IN JUNE 97.

Inspector Name <b>ROBERT SHILCOSKY</b>	Inspector Signature <i>Robert Shilcosky</i>	Title <b>WOJ</b>	Date <b>2/3/98</b> Telephone <b>472-1900</b>
Inspector Name <i>Paul Hinder</i>	Inspector Signature <i>Paul Hinder</i>	Title <i>Operator</i>	Date <b>2/3/98</b> Telephone <b>(412) 773-8375</b>

This document is official notification that a representative of the Department of Environmental Resources inspected the above facility. The findings of this inspection are shown above and on any attached pages.

Any violations which were uncovered during the inspection are indicated. Violations may also be discovered upon examination of the results of laboratory analysis of the discharge and review of Department records. Notification will be forthcoming, if such violations are noted.

Operation and Maintenance Checklist

- 1. Standby power or other equivalent provision is provided.
- 2. Adequate alarm system for power or equipment failures is provided.
- 3. Operating schedules are established.
- 4. Plan for emergency treatment control is established.
- 5. Maintenance record system exists and includes:
  - a. As-built drawings.
  - b. Maintenance log.
  - c. Repair log.
- 6. Required number of appropriately certified operators: 2. (Indicate names and certificate numbers)
 

Glen Fodor 58817

Brad Hoover 89584
- 7. Established procedures are available for training new operators.
- 8. Spare parts and supplies inventory and major equipment specifications are maintained.
- 9. Instructions are kept for operation and maintenance of each item of major equipment.
- 10. Operation and maintenance manual is available and kept up-to-date.
- 11. Routine and preventive maintenance are scheduled/performed on time.
- 12. Controlled diversions and overflows are maintained and recorded.
- 13. Plant performance not affected by organic or hydraulic overloads.

Treatment Process

Treatment Units	Number of Units				Treatment Units	Number of Units			
	Total	On Line	Operable	Inoperable		Total	On Line	Operable	Inoperable
Aerated Lagoon	1	1	1						
Chlorinator	1	1	1						
Ch Contact Tank	1	1	1						
Lagoon	1	1	1						

S = Satisfactory    I = Improvement Needed    U = Unsatisfactory  
 Blank = Not Evaluated    D = Does Not Apply

Permit No.: PA \_\_\_\_\_  
 Date: 2/3/98

HV #2

**Effluent/Receiving Waters Evaluation**

Stream Name LAGOON

**Upstream Conditions/Location:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Field Measurements**

Flow \_\_\_\_\_ c.f.s.  
 pH \_\_\_\_\_ s.u.  
 Dissolved Oxygen \_\_\_\_\_ mg/L  
 Chlorine Residual \_\_\_\_\_ mg/L  
 Temperature \_\_\_\_\_ °C  
 DER Collector Number \_\_\_\_\_

Outfall Number: To LAGOON

Discharge is clear  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Field Measurements;**

Flow \_\_\_\_\_ c.f.s.  
 pH \_\_\_\_\_ s.u.  
 Dissolved Oxygen \_\_\_\_\_ mg/L  
 Chlorine Residual \_\_\_\_\_ mg/L  
 Temperature \_\_\_\_\_ °C  
 DER Collector Number \_\_\_\_\_

**Downstream Conditions/Location:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Field Measurements;**

Flow \_\_\_\_\_ c.f.s.  
 pH \_\_\_\_\_ s.u.  
 Dissolved Oxygen \_\_\_\_\_ mg/L  
 Chlorine Residual \_\_\_\_\_ mg/L  
 Temperature \_\_\_\_\_ °C  
 DER Collector Number \_\_\_\_\_

Outfall Number: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Field Measurements;**

Flow \_\_\_\_\_ c.f.s.  
 pH \_\_\_\_\_ s.u.  
 Dissolved Oxygen \_\_\_\_\_ mg/L  
 Chlorine Residual \_\_\_\_\_ mg/L  
 Temperature \_\_\_\_\_ °C  
 DER Collector Number \_\_\_\_\_

**Downstream Conditions/Location:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Field Measurements;**

Flow \_\_\_\_\_ c.f.s.  
 pH \_\_\_\_\_ s.u.  
 Dissolved Oxygen \_\_\_\_\_ mg/L  
 Chlorine Residual \_\_\_\_\_ mg/L  
 Temperature \_\_\_\_\_ °C  
 DER Collector Number \_\_\_\_\_

Permit No.: PA

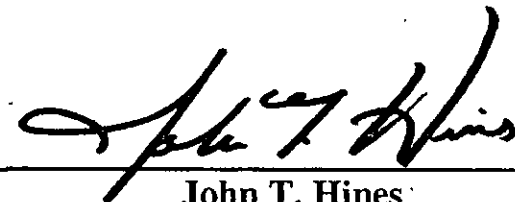
Date: 2/3/98

HV #2

Certificate of  
“**Recognition**”

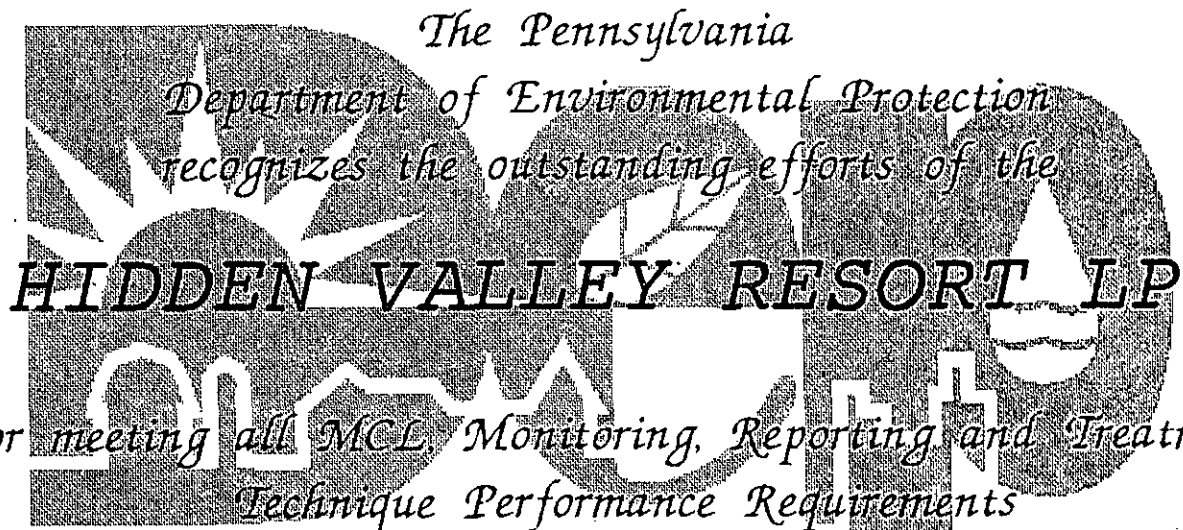
*The Pennsylvania  
Department of Environmental Protection  
recognizes the outstanding efforts of the*  
**HIDDEN VALLEY RESORT LP**  
*For meeting all MCL, Monitoring, Reporting and Treatment  
Technique Performance Requirements  
Under the Safe Drinking Water Program during 2002*

PWS ID# 4560049



John T. Hines  
Acting Deputy Secretary  
for Water Management

Certificate of  
**Recognition**



**HIDDEN VALLEY RESORT LP**

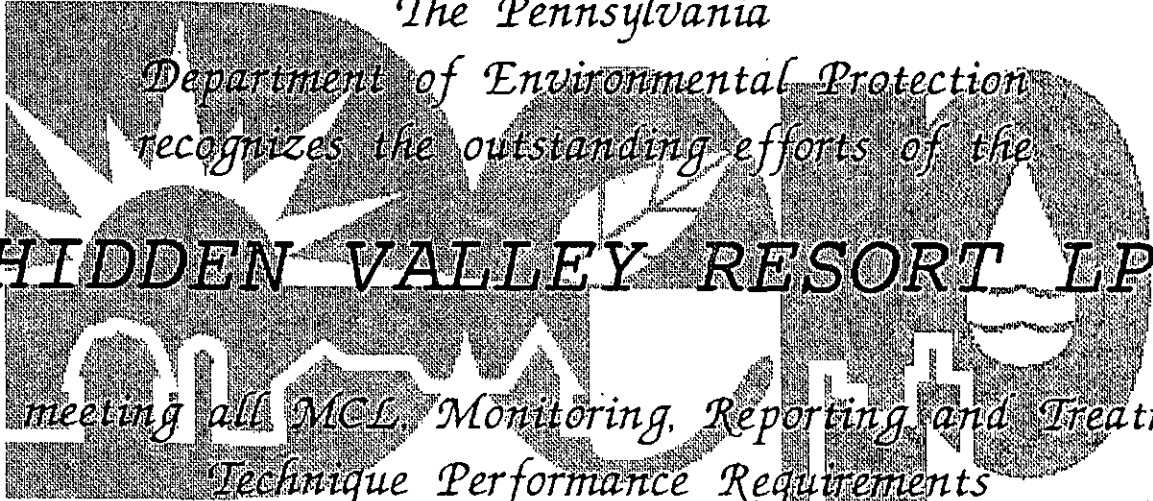
*For meeting all MCL, Monitoring, Reporting and Treatment  
Technique Performance Requirements  
under the Safe Drinking Water Program during 2000*

PWS ID# 4560049

A handwritten signature in black ink, appearing to read "Lawrence C. Tropea Jr.", is written over a horizontal line.


Lawrence C. Tropea Jr., P.E., DEE  
Deputy Secretary for Water Management

Certificate of  
**Recognition**



*The Pennsylvania  
Department of Environmental Protection  
recognizes the outstanding efforts of the*  
**HIDDEN VALLEY RESORT LP**  
*For meeting all MCL, Monitoring, Reporting and Treatment  
Technique Performance Requirements  
under the Safe Drinking Water Program during 1999*

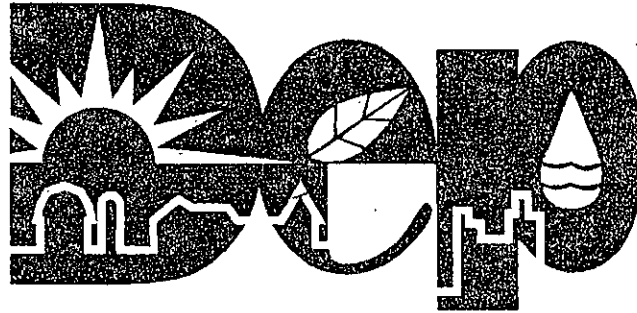
PWS ID# 4560049



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**Jeffrey A. Gordon, Acting Chief  
Division of Drinking Water Management  
Bureau of Water Supply Management**

# Commonwealth of Pennsylvania



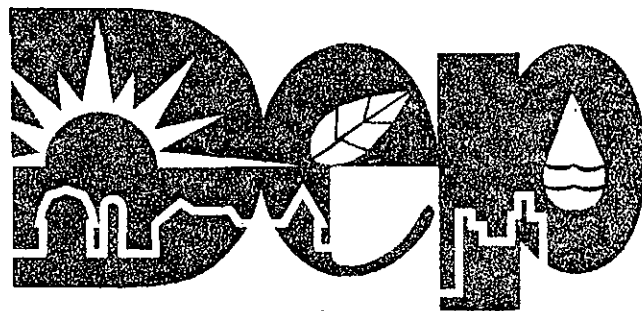
## Department of Environmental Protection Commends

*HIDDEN VALLEY RESORT LP*

**for meeting all MCL, Monitoring, and Treatment Technique Performance  
Requirements under the Safe Drinking Water Program during 1998**

Frederick A. Marrocco, Acting Director  
Bureau of Water Supply Management

# Commonwealth of Pennsylvania



## Department of Environmental Protection Commends

*HIDDEN VALLEY RESORT L P*

**for meeting all MCL, Monitoring, and Treatment Technique Performance  
Requirements under the Safe Drinking Water Program during 1997**

A handwritten signature in black ink that reads 'Frederick A. Marrocco'. The signature is written in a cursive style and is positioned above a horizontal line.

Frederick A. Marrocco, Chief  
Division of Drinking Water Management  
Bureau of Water Supply Management

## APPENDIX C

Hidden Valley Wasteload  
Management Report  
(Chapter 94) for 2002  
and  
Water System Inventory

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
BUREAU OF WATER SUPPLY MANAGEMENT

COMMUNITY WATER SYSTEM INVENTORY  
FOR

PWS Name: Hidden Valley Resort LP

ID#: 4560049

County: Somerset - 111      District: Ebensburg - 54      Region: Pittsburgh - 5

Location Address: 1 Gordon Craighead Drive

City: Hidden Valley, PA      Zip Code: 15502

Telephone #: (814) 443-8395

Municipality/Area Served: Part of Jefferson Township

Population Served: 750 (2/3 are part time) 1067 houses

Ownership Type: I

Primary Source Water: Groundwater - Well

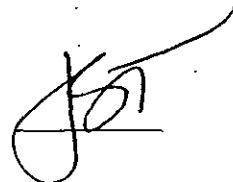
Hours to Complete Survey: 3

Inventory Completion Date: 2/15/95

Date of Last Inventory: 12/18/02

Investigator: Ben Williams  
Sanitarian

Supervisor Initials:



PUBLIC WATER SYSTEM INVENTORY  
PERSONNEL DATA

PWS ID#: 4560049

MAILING ADDRESS:

Responsible Official: John Scanlon Title: President  
Address: 1 Gordon Craighead Drive Telephone No.: (814) 445-8000 ext. 452  
City: Hidden Valley State: PA Zip Code: 15502

PLANT PERSONNEL

Name: Glenn Fodor Certification: Class C, Type 1, W7990  
Address: 1 Gordon Craighead Drive Title: Operator (814) 443-8395  
Hidden Valley, PA 15502  
Name: Brad Hoover Certification: Not Certified  
Address: 1 Gordon Craighead Drive Title: Assistant Operator  
Hidden Valley, PA 15502

OTHER RESPONSIBLE OFFICIALS

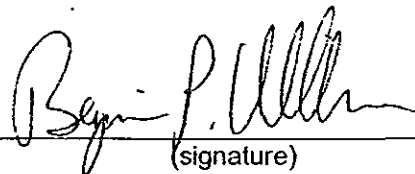
Name: John Scanlon Title: President  
Address: 1 Gordon Craighead Drive Telephone No.: (814) 445-8000, ext. 452  
Hidden Valley, PA 15502

KEY OFFICIAL AND CONSULTANT TO SEE REGARDING CHANGES, IMPROVEMENTS, ETC.

Name: John Scanlon Title: Managing Director  
Address: 1 Gordon Craighead Drive Telephone No.: (814) 445-6454, ext. 452  
Hidden Valley, PA 15502  
Name: EADS - (Neilan Engineers) Title: Consulting Engineers  
Scott Rugh  
Address: 1065 Tayman Avenue  
Somerset, PA 15501

Person Interviewed: Glenn Fodor

Investigator:

  
(signature)

Date:

1-15-03

PUBLIC WATER SYSTEM INVENTORY  
GENERAL DESCRIPTION

PWS ID#: 4560049

-----Describe briefly but completely this water system starting from each separate source to the distribution system. Give for each source the various treatment processes provided in order of occurrence. This description should be complete but simple and clear so as to be understandable by one unfamiliar with the system. Draw a flow diagram on the reverse side showing the flow pattern of all sources to the next major facility, i.e., treatment facility, storage tank, pump station. Attach a copy of a 7.5 minute, USGS Topographic map showing all sources of supply, treatment facilities, entry point locations and entry point ID numbers, and outline the area owned by the public water system. Indicate the availability of emergency power necessary to operate all portions of the supply which require electricity. In addition, list all current public water supply permits, including permit number, issue date, and a short summary of permitted facilities. If required CT levels cannot be maintained, also show the CT zones on the topographical or attached distribution system map.

Hidden Valley is served by one main well located near the Kooser State Park line and a back-up well between the chlorination building and the main well. Back-up well has high manganese & iron, and sequestering of the iron and manganese will be needed. Both sources will be sequestered when well #2 is being pumped.

Water is pumped from the well to the water treatment plant. Turbine pumps lift the water to the storage tank where it is gravity fed to the consumers. Treatment includes addition of sodium hydroxide, aqua mag, and gas  $Cl_2$ .

**PUBLIC WATER SYSTEM INVENTORY  
GENERAL DATA**

PWS ID#: 4560049

Total Number Connections: 1067      Number of meters: 1067      100% Metered  
 Production: Max: 200,000 (GPD<sup>1</sup>) 140 (GPM<sup>2</sup>)    Min: 42,000 (GPD<sup>1</sup>) 30 (GPM<sup>2</sup>)    Avg: 106 (GPD<sup>1</sup>) 76 (GPM<sup>2</sup>)  
 Design Capacity: 504,000 (GPD<sup>1</sup>) 350 (GPM<sup>2</sup>)      Total Storage Capacity: 254,500 (Gallons)  
 Hours Operated/Day: 10      Maximum Hourly Consumption:      (Gallons)  
 User Rate: Flat \$ 18.00 per 1,000 gallon.  
<sup>1</sup>GPD = Gallons Per Day      <sup>2</sup>GPM = Gallons Per Minute

**MUNICIPALITIES SERVED WATER**

Municipality	Code T/P	Population Served	Municipality	Code T/P	Population Served	Municipality	Code T/P	Population Served
Part of Jefferson (full time)	P	750						

**PERMANENT INTERCONNECTIONS WITH OTHER WATER SUPPLIES**

PWS ID #	Code	State	Source Code	Availability Code	Pumping Capacity GPD	Subsidiary Allocation Permits			
						Reg/Emeg	Date Issued	Date Exp	Amt GPD
None									

**TREATMENT PLANT SUMMARY**

Plant ID#	Plant Name or Location	Plant		Filt Type	Year Inst/Const	Capacity TGD	Treatment		
		Latitude	Longitude				ID#	Objective	Process
300	Water Plant	40°03'46"	79°14'57"	N	1982	504T	1	C	680
					1995	504T	2	D	401
					1997	504T	3	C	740
						*NOTE:	1	aqua-mag	
							2	gas Cl <sub>2</sub>	
							3	caustic (sodium hydroxide)	



PUBLIC WATER SYSTEM INVENTORY  
GROUND WATER SOURCES

PWS ID#: 4560049

Source ID#	Source Name	Well ID#	GUDI Y/N	SWIP Criteria	Surf Elev	Total Depth	Depth to Pump ft	Depth to Bedrock	Water Level Below Surface		San Sea I Y/N	Pill Adp Y/N
									Static	Pump		
1	Tramway Well #1	1			2420	178	68		39	60	Y	N
2	Tramway Well #2	2			2460	268			50	138	Y	N

Source ID#	Well ID#	Well Finish	Well Casing						Pump				Permit Data			
			Dep. (ft)	Type	Dia. inch	Thic. inch	Dep. Grou	Single Double	Type	Depth Intake pump	Cap GPD	HP	Reg/ Emer gency	Dates		
														Issued	Expire	Amend
1	1	0	38	S	8	¼	38	S	S		504T	15	R	3/96		
2	2	0	40	S	8	¼	40	S	S		288T	30	R	3/96		

Source ID#	Well ID#	Wellhead Protection								Aquifer				
		Zone I Radius & Area	Area Owned (acres)	Zone II Method	Ac res	WHPP Recd Y/N	WHPP Appr Y/N	VAP Waiver		Co de	Lith-ology	Depth to Top (ft)	Thick-ness (ft)	Con-fined Y/N
								Type	Cont					
01	01				2000									
02	02				2000									

PUBLIC WATER SUPPLY INVENTORY  
 CHEMICALS/DISINFECTION; RAPID MIXING; FLOCCULATION

PWS ID#: 4560049

**CHEMICAL TREATMENT & DISINFECTION PROCESSES**

Plant ID#	Treatment Objective	Treatment				10 hr		Operation	
		Treatment Process	Application Point	Chemical Used	Av Used lbs/day	Year Install	Auto-matic	Manual	
300	C	680	Incoming well line	aqua-mag	1	1995	X		
300	D	403	Before first Cl <sub>2</sub> contact tank	gas Cl <sub>2</sub>	2½	1982	X		
300	C	740	first Cl <sub>2</sub> contact	caustic	30	1997	X		

**RAPID MIXING - NA**

Plant ID#	Type of Unit				Detention Time (Sec.)	
	In-line Mixer (Static or Mechanical)	Vertical or Horizontal Shaft Mixer and HP	Air Agitation & Blower/ Compressor & HP	Does Plant Have True Rapid Mixer Y/N	Design	Actual

**FLOCCULATION - NA**

Plant ID#	Type of Mixing in Flocculation Unit		Detention Time (minutes)		Flocculation Unit Size (W x L x D or gallons)	Number of Units	Parallel or in Series
	Over & Under or Around End Baffles	Vertical or Horizontal Shaft Mixer and HP	Design	Actual			

PUBLIC WATER SYSTEM INVENTORY  
AERATION, SEDIMENTATION, FILTRATION

PWS ID#: 4560049

AERATION UNIT - NA

Treatment			Motor		Protected from Contamination	Can Unit be By-Passed
Plant ID#	Treatment Objective	Treatment Process	HP	Type		

SEDIMENTATION UNIT - NA

Sedimentation Unit						Detention Time Hours		Baffling		Surface Overflow Rate (gpm/ft <sup>2</sup> )		Water Depth (feet)	Last Sludge Rmv (date)
Pit ID#	Capacity (gal)	# of Unit	Size LxWxD	Solids Cont. Unit Y/N	Tube Settlers Y/N	Design	Actual	Intra-basin	Inlets and/or Outlet	Design	Actual		

FILTER UNITS/ION EXCHANGERS - NA

Filtration Units				Ion Exchange Resin or Filter Media			Filter Surface Area ft <sup>2</sup>	Filter Rate avg gpm/ft <sup>2</sup>	Filter Runs (hours)			Backwash	
Pit ID#	Treatment Objective	Treatment Process	# of Units	Type	Depth inches	Replace in (date)			Min	Max	Avg	Rate gpm/ft <sup>2</sup>	Time min

PUBLIC WATER SYSTEM INVENTORY  
ENTRY POINTS, PUMPING STATIONS, TREATED WATER STORAGE

PWS ID#: 4560049

ENTRY POINTS

Entry Points				Source Code	Availability Code	Freq of testing for Disinf.	Equip or Test Used	Filtered Y/N	Residual Normally Maintained (mg/l)		CT Levels	
ID#	Name	Latitude	Longitude						Free	Total	Current	Max Flow Rate & Low Temp
1	Water plant	40°03'46"	79°14'57"	G	P	Daily	DPD	N	.9	1.0	900	600

PUMPING STATIONS

Stations				# Pumps	Capacity TGD		Year Installed	Location		Use	
ID#	Name and Location	Year Construct	Type		Design	Max		Latitude	Longitude	Routine	Back-up
1	Vertical Turbine	8	A	2	150T	500T	1982	40°03'46"	79°14'57"	X	
	*Operate when well is pumping										

STORAGE FACILITY

Storage Facility		Storage Units				Storage Location		Protection			Storg.
ID#	Name	Year Const	Type	Material	Capacity TGD	Latitude	Longitude	Lined Y/N	Uncv Y/N	Fence Lock	Need TG
01	Clearwell	1984	C	Concrete	4500	40°03'46"	79°14'57"	N	N	Yes	--
02	Storage Tank	1984	G	Steel	250T	40°02'57"	79°15'19"	N	N	Yes	--
03	Chlorine Contact	1984	C	Concrete	3 - 1000g	40°03'46"	79°14'57"	N	N	Yes	--
					254,500 Total					Total	



**PUBLIC WATER SYSTEM INVENTORY  
REQUIRED/RECOMMENDED WATER SYSTEM NEEDS**

PWS ID#: 4560049

**WATER SOURCES**

Quantity	Additional Water Needs		
	Surface Water	Ground Water	Purchased Water
	GPD	GPD	GPD
	GPD	GPD	GPD

Comments:

**TRANSMISSION LINES**

Needs		Replacement Needs and New Lines				
Code	Number	Pipe Diameter	Grav./ Pump.	Length	Material	Design Flow
		inch		ft.		TGD
		inch		ft.		TGD
		inch		ft.		TGD

Comments:

**TREATMENT**

Plant ID#	Treatment Objectives	Treatment Process	Contaminant	Capacity
				TGD
				TGD

Comments:

**STORAGE**

Type of Storage	Capacity	Cover	Liner
	TGD		
	TGD		

**PUMPING STATIONS**

# Units	Purpose	Volume
		TG
		TG

Comments:

**DISTRIBUTION**

Needs		Pipe Replacement Needs and New Lines			Number Meters
Code	Type	Length	Material	Diameter	
		ft.		inch	
		ft.		inch	

Comments:

4560049

TILE

# SOMERSET WELL DRILLING

Rotary Well Drilling

Pump Sales and Service

Phone AC (814) 443-3008

Box 454, Somerset, Pa. 15501-0454

Hidden Valley, ~~Well # 1~~ WELL # 1

Date Drilled 9/7/83 Casing 38'-8" Total Depth 178'

Ft.		Formation	Water Streams:	
			Ft.	G.P.M.
0	- 15	Sand		
15	- 115	Brown Sandrock		
115	- 178	Gray Sand	53	30
			80	120
			125	150
			160	130
			Total G.P.M.	<u>430</u>

Well is grouted.

26 12 1983 10 00

4560049

# SOMERSET WELL DRILLING

Rotary Well Drilling  
Phone AC (814) 443-3008

Pump Sales and Service  
Box 454, Somerset, Pa. 15501-0454

Hidden Valley Well Log: WELL # 2

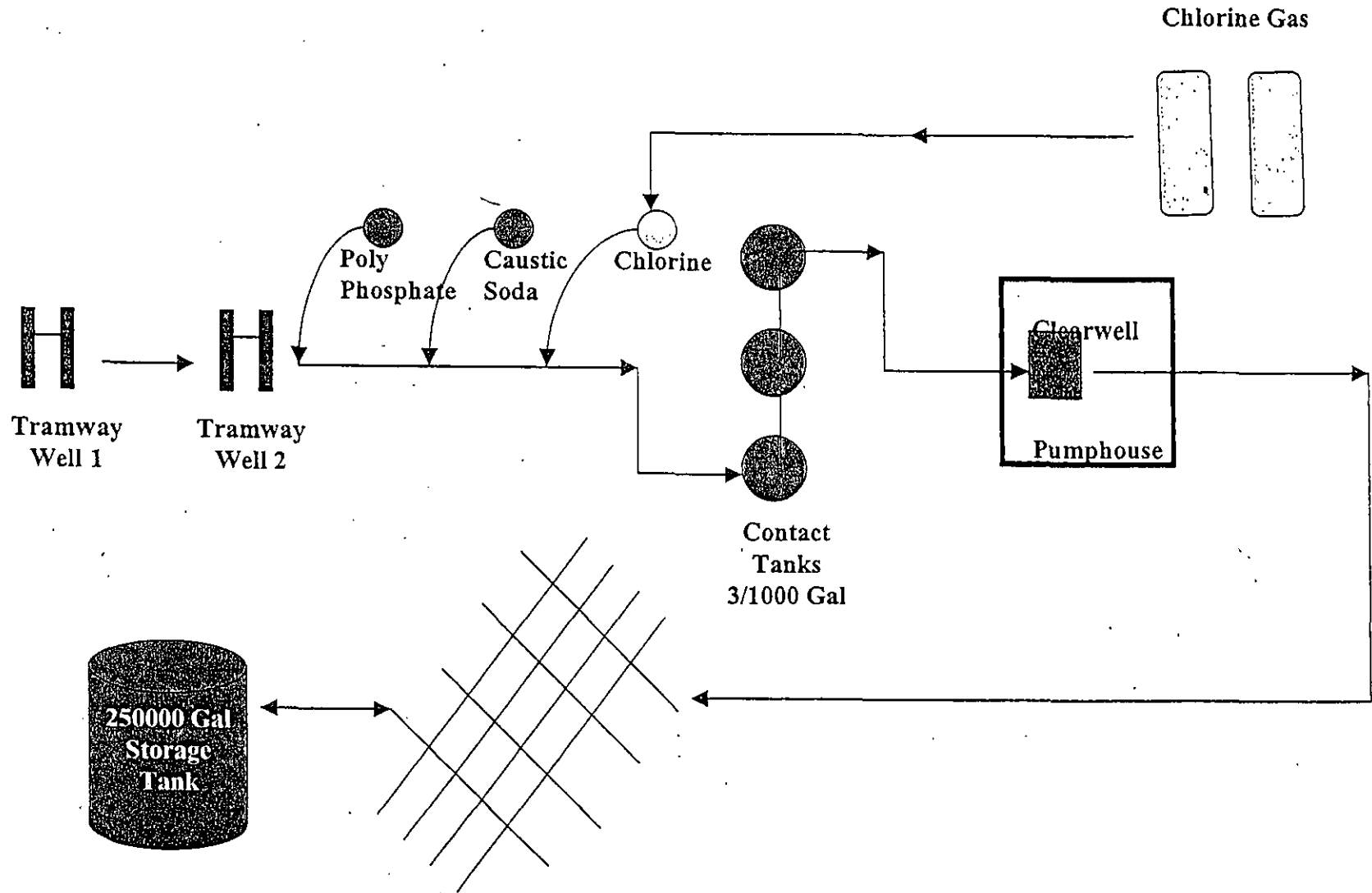
Date Drilled 11/7/83 Casing 30'-8" Total Depth 264'

Ft.:	Formation	Water Streams:	
0 - 263	Sandrock	Ft.	G.P.M.
263 - 264	Red Shale	40	4
		100	4
		107	4
		130	22
		134	30
		150	34
		170	50
		236	132
		Total G.P.M.	<u>280</u>

Well is Grouted.

# Hidden Valley Resort

PWSID# 4560049



# PROPRIETARY INFORMATION

Docket Number A-230101

Name of Document Map

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Date Document Received 2-12-2004

**DOCUMENT CONTAINS**

**PROPRIETARY INFORMATION**

**HIDDEN VALLEY RESORT  
SEWAGE TREATMENT PLANT  
JEFFERSON TOWNSHIP  
SOMERSET COUNTY**

**ANNUAL WASTELOAD MANAGEMENT REPORT  
FOR 2002  
DEP PERMIT NOS. 5682404, AMENDMENT NO. 1  
AND 5685407**

March 2003

Prepared By:

**HIDDEN VALLEY RESORT, L.P.  
One Craighead Drive  
Hidden Valley, Pennsylvania 15502**

**HIDDEN  VALLEY**  
FOUR SEASONS RESORT

March 27, 2003

Department of Environmental Protection  
Bureau of Water Quality Management  
Southwest Region  
400 Waterfront Drive  
Pittsburgh, PA 15222-4745

HIDDEN VALLEY RESORT  
ANNUAL WASTELOAD MANAGEMENT REPORT 2002  
(CHAPTER 94)

Enclosed are two copies of the above referenced report for your review.

Please contact me if you have any questions.

Sincerely,



Glenn P. Fodor  
Director, Property Engineering & Operations  
Hidden Valley Resort L.P.

Enclosures:

cc: John Scanlan, w/enc.  
James Kettler, w/enc.  
Jefferson Township, w/enc.

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RESORT HOMES + GOLF + TENNIS + WINTER SPORTS + LODGING + CONFERENCE CENTER

One Craighead Drive, Hidden Valley, Pennsylvania 15502 814-443-8000 FAX 814-443-1907

[www.hiddenvalleyresort.com](http://www.hiddenvalleyresort.com)



HIDDEN VALLEY RESORT  
SEWAGE TREATMENT PLANT  
JEFFERSON TOWNSHIP  
SOMERSET COUNTY

ANNUAL WASTELOAD MANAGEMENT REPORT  
FOR 2002  
DEP PERMIT NOS. 5682404, AS AMENDED (PLANT #1)  
AND 5685407 (PLANT #2)

A. INTRODUCTION

This report is prepared to meet the requirements of Section 94.12 of Chapter 94 of the Department of Environmental Protection Regulations for this sewage treatment facility.

The Hidden Valley Resort received Water Quality Management Permit No. 5682404 in June 1982 for the construction of a sewage treatment plant to replace the holding tanks that were used until that time. The plant was constructed and put into operation in November 1982.

The sewage treatment plant (No. 1) is an extended aeration activated sludge plant with a permitted capacity of 100,000 gallons per day. Stream discharge is not permitted and the chlorinated effluent is pumped to a three million gallon storage lagoon before application either on a 20-acre spray irrigation field or in diluted make-up water for snow making on the ski slopes.

Because this is a resort community, the flow to the treatment plants varies greatly with the transient population. Low flows are seen on weekdays and in the summer, while peak flows are experienced on the winter weekends.

Hidden Valley Resort is in a long-term building program with plans to build additional townhouses and condominiums each year through the five-year wasteload projections shown in the report. Water Quality Management Permit #5685407 has been issued for a 60,000 GPD expansion of the sewage treatment facilities to meet the increasing wasteload.

To accommodate the wide variations in flow, two 125,000-gallon equalization tanks were permitted (#5686407 and #5688407) and constructed in 1986 and 1988. This gives a total of 330,000 gallons in equalization capacity to control flow into the plant. In addition, a March 1989 Engineer's Report was prepared to address adequate treatment of peak flows. The report recommended the addition of a primary clarifier and chemical feeders for pH control in the aeration tanks as well as construction of the first phase (30,000 gpd capacity) of the facultative treatment lagoon called Plant No. 2. The modifications to the treatment plant were put on line in November 1989. The construction of the lagoon treatment facility was completed in December 1989. Filling the 1 million gallon lagoon began in late December with the first effluent discharge in

January 1990. Long-range sewage treatment is addressed in Hidden Valley's 1984 Planning Module for the entire development totaling 400,000 GPD. A Planning Module for an interim spray field capable of renovating 50,000 GPD of additional flow was approved. This gives a total capability for 210,000 GPD flow.

A Planning Module (dated January 23, 1992) was approved March 3, 1993. This revision to the Jefferson Township Sewage Facilities Plan provides for a treatment capacity of 460,000 GPD to serve the ultimate flow from Hidden Valley, Kooser State Park and Bakersville. This plan includes a tertiary treatment system with stream discharge and water reuse for snowmaking and irrigation of the golf course weather permitting. The existing spray field will be abandoned when the tertiary treatment plant is constructed. The time schedule for this construction has yet to be determined.

**B. LOADING GRAPHS**

The hydraulic loading graph shows the plant operating records from January 2002 thru December 2002. Flows for each plant are continuously recorded and totaled individually at chlorine contact tanks.

The combined average daily hydraulic loading for Plants 1 and 2 for 2002 was 72,000 gallons per day. The highest average daily flow for three consecutive months out of the year was 81,600 gallons per day during January, February and March. This three-month peak flow is 1.13 times the annual average.

The projection of the loading graph is based upon current plans to add a total of 20 townhouses, condominium and single-family units and increase commercial flow by 5% per year through the five-year project period. Of these 20 units per year, 10 units and 10 units are projected to contribute flow to Treatment Plant No. 1 and Treatment Plant No. 2 respectively. For Plant No. 1, which also handles commercial flow, the additional flow added each year is 1,400 gallons per day average and 1,700 gallons per day maximum three-month average. For Plant No. 2, the additional flow added each year is 500 gallons per day average flow and 750 gallons per day maximum three-month average flow. The computations for these projections are attached in the Appendix.

The combined average daily organic load of BOD<sub>5</sub> to both plants in 2002 was 65 pounds per day. The maximum loading during a consecutive three-month period was 82 pounds per day in July, August, and September 2002. The peak is 1.26 times the average. For Plant No. 1, the organic loading projections are based on adding an average of 1 pound per day of BOD<sub>5</sub> and 2 pounds per day of BOD<sub>5</sub> for the maximum three-month average each year of the projection. For Plant No. 2, the organic loading projections are based on adding an average of 1 pound per day and 2 pounds per day maximum three month loading each year of the projection. The computations for this projection are attached in the Appendix.

Last year a total of 9 new residences were constructed. Using the same basis for residential and commercial flow projections this should have added 1,050 GPD of flow. The actual flows were somewhat lower than the projections from 2000, however. Because this is a resort and second home community, the actual flows vary with use and the amount of business. Hidden Valley's overall operating strategy is to be prepared for peak flows. The current treatment capacity is 130,000 gallons per day, which based on the loading projections is adequate through 2007.

#### C. CONDITION OF THE SEWER SYSTEM

The sewage treatment facility is in excellent condition, being constructed in 1982. Its main components are the equalization tanks, primary clarifier (1989), extended aeration plant, effluent pumps, effluent lagoon and spray field. The 80,000-gallon capacity holding tanks used for flow equalization are the only part of the system that were in place before 1982.

The sewage collection system was started in the early 1970's with extensions to serve the expanding resort community. The sewage collection system has been expanded under the Water Quality Management Permit listed on the attached summary.

Fifteen years ago, the sewer system was suspected to be subject to an unacceptable amount of inflow/infiltration. The result of an extensive television inspection, replacement and repair program is that the amount of inflow/infiltration has been reduced to an acceptable amount. The management strategy and summary of the corrective actions taken is discussed in this report under sewer system maintenance and rehabilitation.

D. SEWAGE TREATMENT PLANT OPERATIONAL STRATEGY AND EXPANSION PLANS

The sewage treatment plant serving Hidden Valley has a number of unusual operating conditions because of the flow variations from the transient resort population. Peak flows are seen on winter weekends, with low flow conditions during the week and in the spring and fall. The 330,000-gallon volume equalization tanks are an integral part of the treatment system to accommodate these flow variations.

A Planning Module for Hidden Valley's planned future development was filed in January 1992 to address the need for expanded sewage treatment facilities. The planning module proposes a phased expansion to accommodate a 20-year projected expansion to 460,000 GPD design treatment capacity. The first phase of the expansion is the 60,000 GPD aerated lagoon previously mentioned.

The flow projections for the 5-year estimate show no need to expand capacity before the year 2008. While the projected averages show reserve capacity, the shorter peak holiday and weekend flows are approaching and in some cases exceeding the hydraulic capacity of the plant. The flows during the Christmas 1988 holiday approached 130,000 gallons per day and were routed thru the plant at 70,000 gallons per day. This flow rate was established to prevent an upset of the activated sludge process. The peak flows lasted for 10 days and required Hidden Valley to haul raw sewage to the Somerset Borough Sewage Treatment Plant. A total of 583,000 gallons were hauled. These short-term peaks must be closely monitored to determine when the treatment plant should be enlarged.

Hauling solved the immediate problem in an environmentally sound but very expensive manner. From an economic perspective, Hidden Valley decided to invest in additional treatment equipment. The additions were a primary clarifier at the existing treatment plant and construction of a 30,000 GPD lagoon treatment plant to treat sewage from dwellings in the Gross Run basin. Since these expansions were made, all peak flows have been routed through the two plants. The two plants are expected to treat peak flows through 2007. Based on the projections contained herein, however, it appears the hydraulic capacity of Plant No. 1 will need to be increased after the year 2008 to accommodate maximum three-month average flows. Although the projections of maximum three-month average flow contributing to Plant No. 2 for the 5-year planning period do not exceed the plant capacity, projecting further into the future reveals that another lagoon cell will be needed after the year 2011 to expand treatment capacity of Plant No. 2 from 30,000 gpd to 60,000 gpd.

Currently, the spray field irrigation system and effluent storage lagoon are permitted for 100,000 GPD. To evaluate the current reserve capacity of this system, the summer maximum three-month average flow for both plants must be considered. In 2002, this amounted to a combined three-month average of 75,900 GPD for the months of May, June and July. Using the projection method described in Section B of this report, the current spray field and effluent storage lagoon will be adequate through the year 2008.

The next planned expansion is the interim spray field and storage lagoon expansion. Water Quality Permit No. 5685407 has been issued for this work.

E. SEWER EXPANSION

During the 2002 calendar year the following units were constructed:

One (1) Hidden Valley Estates Phase 1  
One (1) Hidden Valley Estates Phase 4B  
Three (3) Pines Phase 2  
Four(4) Stonewood Phase 6

Total: Nine (9) New residences

F. INDUSTRIAL WASTES

The Hidden Valley sewer system receives no industrial wastes.

G. SEWER SYSTEM MAINTENANCE, MONITORING, AND REHABILITATION

The sewer system is operated by two full-time employees of Hidden Valley. Both of the operators, Mr. Glenn Fodor, and Mr. Brad Hoover, are certified. The operators are responsible for the treatment plant, collection sewers, effluent pumps, spray field and supplying effluent for snowmaking. The system is being operated in an efficient and professional manner.

The sewer system had been plagued by excess inflow/infiltration as previously mentioned. A program to measure flows, identify problem areas, televise and rehabilitate the sewer system was initiated in January 1984 and completed in 1985.

Flow measurements were taken to identify areas in the sewer system with excess inflow/infiltration. As a result of the flow monitoring 3,500 feet of sewer was television inspected. From this inspection 5,600 feet of sewer were replaced in 1985 and 1986. In addition repairs were made to a number of manholes and pipe joints.

A semi-annual manhole inspection is made as part of the regular maintenance program. The program has greatly reduced the amount of inflow/infiltration in the system. Wet weather flows show that the inflow/infiltration has been reduced to an acceptable amount.

New sewer construction is being inspected, and air tested before being accepted by Hidden Valley. This approach has reduced problems with the new sewers being constructed.

Routine sewer system maintenance is performed by the full time employees of Hidden Valley using an electric eel. When needed, outside contractors have been called in to flush sewer lines with high pressure sewer jets.

Records for operation of the sewage treatment plant are kept by Hidden Valley's employees, who also operate a water lab. Plant flows are recorded daily. Daily samples are taken and analyzed for the following: mixed liquor settleability, pH, chlorine residual in the effluent, aeration tank dissolved oxygen and settleable solids. Weekly samples are taken and analyzed for mixed liquor suspended solids, the plant influent and effluent is analyzed for BOD, and suspended solids. And the plant effluent is also analyzed for fecal coliform bacteria. Hidden Valley's lab performs the chlorine residual, pH, BOD, dissolved oxygen, and suspended solids analysis. Sewer plant operation records are kept by Hidden Valley operators and used to file monthly discharge monitoring reports with the Department of Environmental Protection as well as maintain control of the treatment process. Additionally records are kept of the quality of effluent disposed of on the Hidden Valley woodland spray field and in the wintertime on the ski slopes for snowmaking. Monitoring wells and a spring adjacent to the spray field are sampled quarterly and analyzed for monitoring report purposes.

#### H. SEWAGE PUMP STATIONS

Five grinder pump stations are maintained by Hidden Valley's plant operators in the sewage collection system. Grinder stations were installed in 1985 at the Westridge Townhouses and ski area maintenance building, Highlands Townhouse in 1987, and in 1989 at the Fairways Lots. In 1994, a grinder station was installed in the Stonewood Lots. Each station is checked daily to be sure that it is operating properly. The stations are equipped with temporary storage volume for emergencies, as well as an alarm light and horn that are activated by high water level in the pump station or a power outage. The operators have an emergency response plan that enables them to operate these stations during an extended power outage. A portable generator is available which will be used to run the grinder pumps during a power outage. Each pump station is equipped with duplicate grinder pumps to provide one back-up pump in the case of mechanical pump failure. The plant effluent is pumped to a storage lagoon for eventual land application. Duplicate effluent pumps are maintained according to the preventative maintenance schedule, and are in excellent condition.

Respectfully Submitted,



Glenn P. Fodor  
Director, Property Engineering & Operations  
Hidden Valley Resort, L.P.

## LOADING PROJECTIONS

Base the projections on 20 units constructed per year and 5% commercial flow increase. Look at each treatment plant individually and assume 10 units are projected contributing to STP No. 1 and 10 units are projected contributing to STP No. 2.

### STP No. 1

a. Hydraulic Loading Projections

Ave. Flow Increase

$$\begin{array}{rcl} 50 \text{ GPD/Unit} \times 10 \text{ Units} & = & 500 \text{ GPD} \\ 16,344 \text{ GPD} \times 0.05 & = & \underline{850} \\ & & 1,350 \\ & & \text{SAY } 1,400 \text{ GPD} \end{array}$$

Peak Flow Increase

$$\begin{array}{rcl} 75 \text{ GPD/Unit} \times 10 \text{ Units} & = & 750 \text{ GPD} \\ 18,700 \text{ GPD} \times 0.05 & = & \underline{935} \\ & & 1,685 \\ & & \text{SAY } 1,700 \text{ GPD} \end{array}$$

b. Organic Loading Projections

Average

$$10 \text{ Units} \times 0.10 \# \text{ BOD}_5/\text{Day} = 1.0, \text{ say } 1.0 \# \text{ BOD}_5/\text{Day}$$

Peak

$$1 \# \text{ BOD}_5/\text{Day} \times 1.2 \text{ (Peak Factor)} = 1.2, \text{ say } 2 \# \text{ BOD}_5/\text{Day}$$

### STP No. 2

a. Hydraulic Loading Projections

Average Flow Increase

$$\begin{array}{rcl} 50 \text{ GPD/Unit} \times 10 \text{ Units} & = & 500 \text{ GPD} \\ & & 500 \text{ GPD} \end{array}$$

Peak Flow Increase

$$\begin{array}{rcl} 75 \text{ GPD/Unit} \times 10 \text{ Units} & = & 750 \text{ GPD} \\ & & \text{SAY } 1,000 \text{ GPD} \end{array}$$

b. Organic Loading Projections

Average

$$10 \text{ Units} \times 0.10 \# \text{ BOD}_5/\text{Day} = 1.0 \# \text{ BOD}_5/\text{Day, Say } 1.0 \# \text{ BOD}/\text{DAY}$$

Peak

$$1 \# \text{ BOD}_5/\text{Day} \times 1.2 \text{ (Peak Factor)} = 1.2, \text{ say } 2 \# \text{ BOD}_5/\text{Day}$$

Verify revised organic load design for 100,000 GPD treatment plant with addition of clarifier.

Original Design, extended aeration plant. Influent  $\text{BOD}_5 = 200 \text{ mg/l}$

Original Design

$$200 \text{ mg/l} \times 0.10 \text{ MGD} \times 8.34 \#/\text{Gal.} = 167 \# \text{ BOD}/\text{Day}$$

A primary clarifier was added to improve the overall plant efficiency and handle peak organic loading. The primary clarifier is designed to remove 35% of  $\text{BOD}_5$ .

$$\text{New Design} = \frac{167 \# \text{ BOD}/\text{DAY}}{(1-0.35)} = 257 \# \text{ BOD}_5/\text{Day}$$

### SPRAY FIELD CAPACITY PROJECTION

The current spray field irrigation system and effluent storage lagoon are permitted for 100,000 gpd. To evaluate the current reserve capacity of this system, the summer maximum three-month average flow for both plants must be considered. For STP No. 1, the yearly projected increase is 1,700 gpd, while at STP No. 2, it is 1,000 gpd.

From the projections, the current spray field and effluent storage lagoon will be adequate through the year 2007.

<u>Year</u>	<u>STP No. 1 - Summer Max. 3-mo. ave. flow(gpd)</u>	<u>STP No. 2 - Summer Max. 3-mo. ave. flow(gpd)</u>	<u>Combined Total (gpd)</u>
1997	62,700	13,500	81,200
1998	71,500	14,200	85,700
1999	66,500	11,200	77,700
2000	63,100	15,800	78,900
2001	49,700	15,000	64,700
2002	61,000	14,900	75,900
2003	62,700	15,900	78,600
2004	64,400	16,900	81,300
2005	66,100	17,900	84,000
2006	67,800	18,900	86,700
2007	69,500	19,900	89,400

LOADING GRAPHS

COMBINED DATA FOR HIDDEN VALLEY SEWAGE TREATMENT PLANTS NO.1 & NO.2

YEAR	YEARLY AVE FLOW (MGD)	MONTH PEAK FLOW (MGD)	PERMIT CAP MGD	ORGANIC LOAD #BOD/DAY	PEAK ORG LOAD #BOD/DAY
1988	0.040	0.056	0.10	65	85
1989	0.044	0.065	0.10	83	128
1990	0.043	0.055	0.13	83	112
1991	0.041	0.063	0.13	67	96
1992	0.040	0.064	0.13	73	100
1993	0.061	0.081	0.13	108	146
1994	0.072	0.101	0.13	113	145
1995	0.071	0.095	0.13	114	138
1996	0.077	0.113	0.13	115	143
1997	0.079	0.088	0.13	117	139
1998	0.080	0.110	0.13	112	134
1999	0.080	0.103	0.13	83	100
2000	0.073	0.093	0.13	0	99
2001	0.067	0.078	0.13	68	99
2002	0.072	0.082	0.13	65	82
2003	0.074	0.085	0.13	67	84
2004	0.076	0.087	0.13	69	86
2005	0.078	0.090	0.13	71	90
2006	0.080	0.093	0.13	73	92
2007	0.082	0.096	0.13	75	94

DATA FOR HIDDEN VALLEY SEWAGE TREATMENT PLANT NO. 1

YEAR	YEARLY AVE FLOW (MGD)	MONTH PEAK FLOW (MGD)	PERMIT CAP MGD	ORGANIC LOAD #BOD/DAY	PEAK ORG LOAD #BOD/DAY
1988	0.040	0.056	0.10	65	85
1989	0.044	0.065	0.10	83	128
1990	0.034	0.046	0.10	75	104
1991	0.033	0.052	0.10	55	80
1992	0.028	0.050	0.10	58	91
1993	0.051	0.068	0.10	91	126
1994	0.059	0.086	0.10	99	128
1995	0.060	0.081	0.10	96	120
1996	0.064	0.097	0.10	97	123
1997	0.066	0.074	0.10	100	117
1998	0.067	0.091	0.10	99	115
1999	0.067	0.084	0.10	69	91
2000	0.059	0.077	0.10	0	72
2001	0.050	0.054	0.10	50	69
2002	0.087	0.064	0.10	47	57
2003	0.058	0.066	0.10	48	58
2004	0.060	0.067	0.10	49	59
2005	0.061	0.069	0.10	50	61
2006	0.063	0.071	0.10	51	62
2007	0.064	0.073	0.10	52	63

DATA FOR HIDDEN VALLEY SEWAGE TREATMENT PLANT NO. 2

YEAR	YEARLY AVG FLOW (MGD)	MONTH PEAK FLOW (MGD)	PERMIT CAP MGD	ORGANIC LOAD #BOD/DAY	PEAK ORG LOAD #BOD/DAY
1990	0.009	0.010	0.03	8	8
1991	0.008	0.010	0.03	12	16
1992	0.120	0.015	0.03	15	9
1993	0.010	0.013	0.03	17	20
1994	0.012	0.015	0.03	14	17
1995	0.011	0.014	0.03	18	23
1996	0.014	0.016	0.03	18	20
1997	0.013	0.014	0.03	17	22
1998	0.014	0.018	0.03	13	19
1999	0.013	0.019	0.03	14	9
2000	0.014	0.016	0.03	0	27
2001	0.017	0.024	0.03	18	30
2002	0.015	0.018	0.03	18	25
2003	0.016	0.019	0.03	19	26
2004	0.016	0.020	0.03	20	27
2005	0.017	0.021	0.03	21	29
2006	0.017	0.022	0.03	22	30
2007	0.018	0.023	0.03	23	31

**HIDDEN VALLEY RESORT L.P.**  
**CONSTRUCTED AS OF DECEMBER 31, 2002**  
**WATER QUALITY MANAGEMENT PERMIT SUMMARY**

DATE	PERMIT # PROJECT	UNITS APPROVED			UNITS CONSTRUCTED		
		TOWN	CONDO	SFD	TOWN	CONDO	SFD
1981	5671408						
	Existing Permits to Holding Tanks						
	5673409						
	Hidden Valley Estates Phase 1 Lots 1 - 43			43			39
	Phase 3A Lots 44 - 54			11			9
	567401						
	Phase 3B Hidden Valley West	6		31 34	6		24 27
	5679403						
	Lakeview	38			38		
	Valleyview	24			24		
	5681402						
	Heights Phase 1	23			23		
	5681403						
	4 Seasons Phase 1 and 2		48			48	
	5682404						
	S.T.P. Construction 4 Seasons Phase 3 and 4		40			40	
7/30/83	5683407						
	Heights Phase 2	44			44		
	Heights Phase 3	10			9		
7/5/84	5683412						
	Highland T.H. Phase 1 1501 - 1507	7			5		
	Highland T.H. Phase 2 1508 - 1520	13			13		
	Highland Condos 1101 - 1276	5	147		5	144	
	5684405						
	Highland T.H. Phase 3 1521 - 1524	4			4		
	Highland T.H. Phase 4 1452 - 1500	49			49		

DATE	PERMIT # PROJECT	UNITS APPROVED			UNITS CONSTRUCTED		
		TOWN	CONDO	SFD	TOWN	CONDO	SFD
7/5/84	5684407						
	Westridge Phase 1 1301 - 1310	10			10		
	Westridge Phase 2 1311 - 1327	17			4		
	Recreation Center			5			5
6/10/85	5685402						
	Highland T.H. Phase 5 1525 - 1539	15			15		
	Highland T.H. Phase 6A 1550 - 1565	16			16		
	Highland T.H. Phase 6B 1567 - 1576	10			10		
	Highland T.H. Phase 9 1701 - 1719	19			19		
	Powder Ridge Phase 1 2701 - 2717			17			17
8/6/85	5685405						
	Powder Ridge Phase 2 2739 - 2742			4			4
2/20/86	5685408						
	Alpine Woods 4501 - 4534	34			34		
4/1/86	5685407						
	Phase 1 Expansion .06 MGD						
6/27/86	5686405						
	Highland T.H. Phase 8 1577 - 1590	14			14		
9/4/86	5686407						
	Equalization Tank Addition						
4/7/87	5687402						
	Fairways Phase 1 1724 - 1730			7			7
	Fairways Phase 2 Lots 1 - 14			14			13
	Fairways Phase 3 1731 - 1736			6			6
	Fairways Phase 4 1720 - 1723			4			4
	Snowfield Phase 1 1616 - 1630	15			15		
	Snowfield Phase 2 1601 - 1615	15			15		
1/20/88	5687408						
	Mountain Homes Phase 3 1767 - 1769			3			3
	Forest Homes Phase 3 1932 - 1939	8			8		
	Forest Homes Phase 4 1964 - 1967	4			4		
	Forest Homes Phase 5 1940 - 1963	16			16		
	Eagles Ridge Phase 1 1801 - 1820	20			20		
	Eagles Ridge Phase 2 1821 - 1840	20			20		
	Eagles Ridge Phase 3 1841 - 1860	20			20		
	Eagles Ridge Phase 4 1861 - 1876	16			16		

DATE	PERMIT # PROJECT	UNITS APPROVED			UNITS CONSTRUCTED		
		TOWN	CONDO	SFD	TOWN	CONDO	SFD
6/6/88	5688405						
	Forest Homes Phase 1 1901 - 1923	23			23		
	Forest Homes Phase 2 1924 - 1931	8			8		
	South Ridge Villas Phase 1 2021 - 2232		36			0	
	Stonewood Lot 12			1			1
	Stonewood Phase 6 Lots 21 - 36			15			6
8/23/88	5688407						
	Equalization Tank Addition						
	Hidden Valley Estates Phase 4A Lot 55			1			0
	Hidden Valley Estates Phase 4B Lots 56-63			8	0		5
	Pines Phase 1 Lots 1 - 6			6			6
	Pines Phase 2 Lots 7 - 16			10			8
	Pines Phase 3 Lots 17 - 27			11			0
	Mountain Homes Phase 1 1751 - 1759			9			9
	Mountain Homes Phase 2 1760 - 1766			7			7
	Summit Village 5001 - 5330		70			70	
	Summit Village Phase 1A 5021 - 5124		8			8	
	Summit Village Phase 1B 5025 - 5228		12			12	
	Summit Village Phase 1C 5033 - 5136		8			8	
	Summit Village Phase 1D 5029 - 5232		12			12	
	Summit Village Phase 1E 5037 - 5138		4			4	
	South Ridge Villas Phase 2 2005 - 2212		82			22	
8/25/89	5682404						
	Amendment No. 1 S.T.P.						
	5689406						
	The Barn			12			0
10/25/89	5689409						
	Greentee Village			49			0
1/26/90	5687407*						
	Stonewood Phase 1 Lots 1 - 7			7			7
	Stonewood Phase 2 Lots 8 - 13			6			5
	Stonewood Phase 3 Lots 14 - 18			5			2
	Stonewood Phase 3A Lot 20			1			0
	Stonewood Phase 3B Lot 19			1			0
	Stonewood Phase 4 Lots 41 - 44			4			2
	Stonewood Phase 5 Lots 37 - 40			4			1
8/12/94	5694401						
	Pump Station and Sanitary Sewers						
	Bobcat Ledge*		36		0		
	TOTALS	523	503	336	507	368	217
	TOTAL PERMITTED			1362			
	TOTAL CONSTRUCTED						1092

\* Planning Module for Sewer Extension - No Permit Required

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 84	0.0330	68.00
February 84	0.0440	50.00
March 84	0.0320	18.00
April 84	0.0278	28.00
May 84	0.0232	50.00
June 84	0.0190	55.00
July 84	0.0250	67.00
August 84	0.0265	51.00
September 84	0.0240	54.00
October 84	0.0280	47.00
November 84	0.0310	56.00
December 84	0.0310	70.00
January 85	0.0340	94.70
February 85	0.0390	63.50
March 85	0.0340	62.00
April 85	0.0240	42.50
May 85	0.0260	42.00
June 85	0.0240	64.60
July 85	0.0350	57.30
August 85	0.0289	39.30
September 85	0.0238	45.00
October 85	0.0243	65.80
November 85	0.0495	56.30
December 85	0.0350	87.70
January 86	0.0536	95.00
February 86	0.0699	54.00
March 86	0.0360	99.00
April 86	0.0194	30.00
May 86	0.0177	38.00
June 86	0.0220	35.00
July 86	0.0307	57.00
August 86	0.0236	66.00
September 86	0.0217	43.00
October 86	0.0254	70.00
November 86	0.0240	33.00
December 86	0.0280	39.00

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 87	0.0548	79.00
February 87	0.0469	225.00
March 87	0.0322	43.00
April 87	0.0223	34.00
May 87	0.0173	51.00
June 87	0.0227	39.00
July 87	0.0327	57.00
August 87	0.0329	61.00
September 87	0.0290	71.00
October 87	0.0239	52.00
November 87	0.0230	89.00
December 87	0.0355	83.00
January 88	0.0579	85.00
February 88	0.0622	90.00
March 88	0.0476	42.00
April 88	0.0232	38.00
May 88	0.0295	37.00
June 88	0.0296	56.00
July 88	0.0384	34.00
August 88	0.0410	52.00
September 88	0.0389	91.00
October 88	0.0339	79.00
November 88	0.0343	85.00
December 88	0.0449	95.00
January 89	0.0675	158.60
February 89	0.0743	137.70
March 89	0.0542	86.70
April 89	0.0294	63.50
May 89	0.0349	63.20
June 89	0.0402	81.70
July 89	0.0400	60.40
August 89	0.0435	57.60
September 89	0.0363	100.80
October 89	0.0386	60.00
November 89	0.0272	55.60
December 89	0.0380	70.70

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 90	0.0605	104.40
February 90	0.0529	89.60
March 90	0.0239	60.60
April 90	0.0202	63.60
May 90	0.0266	114.70
June 90	0.0278	102.20
July 90	0.0363	94.80
August 90	0.0328	79.10
September 90	0.0326	48.40
October 90	0.0289	40.30
November 90	0.0179	45.60
December 90	0.0415	62.00
January 91	0.0576	107.10
February 91	0.0555	69.90
March 91	0.0284	30.80
April 91	0.0151	17.00
May 91	0.0210	41.50
June 91	0.0258	45.80
July 91	0.0363	79.90
August 91	0.0363	43.60
September 91	0.0283	68.20
October 91	0.0230	50.40
November 91	0.0255	42.10
December 91	0.0430	64.40
January 92	0.0535	96.80
February 92	0.0541	112.30
March 92	0.0313	61.10
April 92	0.0198	32.70
May 92	0.0138	28.50
June 92	0.0173	37.70
July 92	0.0222	61.10
August 92	0.0262	48.10
September 92	0.0205	38.60
October 92	0.0159	41.90
November 92	0.0232	87.20
December 92	0.0357	46.40

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 93	0.0568	130.98
February 93	0.0722	135.48
March 93	0.0738	112.02
April 93	0.0509	83.63
May 93	0.0338	89.92
June 93	0.0420	75.31
July 93	0.0460	75.96
August 93	0.0519	86.24
September 93	0.0401	60.53
October 93	0.0420	102.98
November 93	0.0428	57.47
December 93	0.0590	87.00
January 94	0.0800	136.78
February 94	0.0870	163.04
March 94	0.0905	84.69
April 94	0.0612	86.77
May 94	0.0412	93.36
June 94	0.0434	96.35
July 94	0.0543	137.76
August 94	0.0677	87.06
September 94	0.0364	85.37
October 94	0.0424	66.65
November 94	0.0460	51.29
December 94	0.0632	96.98
January 95	0.0930	109.75
February 95	0.0871	153.09
March 95	0.0600	64.05
April 95	0.0351	72.96
May 95	0.0377	80.41
June 95	0.0472	94.40
July 95	0.0608	110.41
August 95	0.0716	101.99
September 95	0.0613	95.98
October 95	0.0498	76.63
November 95	0.0489	73.51
December 95	0.0691	119.00

Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 96	0.1245	122.04
February 96	0.0927	156.94
March 96	0.0732	90.96
April 96	0.0430	71.37
May 96	0.0485	68.76
June 96	0.0456	59.71
July 96	0.0670	77.67
August 96	0.0622	1087.27
September 96	0.0580	106.9
October 96	0.0498	79.33
November 96	0.0422	58.78
December 96	0.0574	84.25
January 97	0.0652	121.26
February 97	0.0923	170.12
March 97	0.0658	58.17
April 97	0.0445	59.38
May 97	0.0565	65.97
June 97	0.0638	101.1
July 97	0.0664	129.58
August 97	0.0756	145.65
September 97	0.0611	85.1
October 97	0.0613	78.73
November 97	0.0614	75.28
December 97	0.0742	104.58
January 98	0.1061	146.75
February 98	0.0899	89.22
March 98	0.0776	109.37
April 98	0.0558	90.75
May 98	0.0584	122.74
June 98	0.0709	115.3
July 98	0.0689	84.47
August 98	0.0746	108.26
September 98	0.0550	105.95
October 98	0.0504	96.16
November 98	0.0414	43.5
December 98	0.0522	89.68

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE	AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 99	0.1055	114.38
February 99	0.0809	69.49
March 99	0.0646	87.82
April 99	0.0700	106.25
May 99	0.0467	34.66
June 99	0.0555	57.86
July 99	0.0668	86.91
August 99	0.0717	86.11
September 99	0.0610	35.61
October 99	0.0572	73.47
November 99	0.0552	23.94
December 99	0.0643	47.19
January 00	0.0809	81.60
February 00	0.0912	109.53
March 00	0.0575	23.98
April 00	0.0589	46.18
May 00	0.0569	37.08
June 00	0.0630	50.44
July 00	0.0628	60.23
August 00	0.0636	44.56
September 00	0.0516	24.53
October 00	0.0462	8.86
November 00	0.0370	42.89
December 00	0.0393	48.18
January 01	0.0577	76.99
February 01	0.0584	76.95
March 01	0.0455	54.26
April 01	0.0555	33.79
May 01	0.0389	30.82
June 01	0.0441	49.65
July 01	0.0459	40.58
August 01	0.0570	80.81
September 01	0.0463	39.77
October 01	0.0413	45.74
November 01	0.0468	55.52
December 01	0.0591	38.45

### Hidden Valley Sewage Treatment Plant No. 1 Records

DATE		AVE MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January	02	0.0758	65.75
February	02	0.0592	46.90
March	02	0.0568	32.21
April	02	0.0554	16.63
May	02	0.0707	28.89
June	02	0.0549	52.65
July	02	0.0509	53.49
August	02	0.0557	57.14
September	02	0.0455	61.09
October	02	0.0439	48.69
November	02	0.0484	38.34
December	02	0.0652	62.53

Hidden Valley Sewage Treatment Plant No. 2 Records

DATE	AVG. MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 90	0.0130	6.80
February 90	0.0094	5.50
March 90	0.0056	6.50
April 90	0.0084	3.40
May 90	0.0091	7.00
June 90	0.0070	6.80
July 90	0.0112	10.60
August 90	0.0071	8.90
September 90	0.0106	8.30
October 90	0.0111	4.60
November 90	0.0067	9.30
December 90	0.0119	13.00
January 91	0.0108	16.70
February 91	0.0105	11.70
March 91	0.0069	11.50
April 91	0.0055	7.60
May 91	0.0073	5.60
June 91	0.0070	12.90
July 91	0.0097	15.50
August 91	0.0082	17.00
September 91	0.0066	14.10
October 91	0.0040	0.60
November 91	0.0053	28.60
December 91	0.0094	3.40
January 92	0.0115	7.80
February 92	0.0208	9.20
March 92	0.0140	9.80
April 92	0.0103	8.80
May 92	0.0076	12.40
June 92	0.0099	8.00
July 92	0.0138	40.40
August 92	0.0147	21.80
September 92	0.0109	20.80
October 92	0.0094	6.50
November 92	0.0110	8.30
December 92	0.0133	27.70

### Hidden Valley Sewage Treatment Plant No. 2 Records

DATE	AVG. MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 93	0.0160	6.54
February 93	0.0092	25.63
March 93	0.0125	18.14
April 93	0.0084	3.50
May 93	0.0063	14.24
June 93	0.0077	9.92
July 93	0.0114	29.76
August 93	0.0121	5.85
September 93	0.0088	43.08
October 93	0.0089	18.78
November 93	0.0088	8.62
December 93	0.0117	20.15
January 94	0.0129	16.24
February 94	0.0150	18.83
March 94	0.0180	15.01
April 94	0.0123	11.80
May 94	0.0112	14.38
June 94	0.0096	9.89
July 94	0.0137	14.40
August 94	0.0151	13.85
September 94	0.0105	11.52
October 94	0.0081	12.43
November 94	0.0083	12.46
December 94	0.0126	12.08
January 95	0.0150	22.52
February 95	0.0129	18.83
March 95	0.0098	3.39
April 95	0.0072	5.49
May 95	0.0100	18.68
June 95	0.0102	14.87
July 95	0.0130	29.38
August 95	0.0105	10.20
September 95	0.0121	30.78
October 95	0.0088	19.99
November 95	0.0112	11.21
December 95	0.0142	26.47

### Hidden Valley Sewage Treatment Plant No. 2 Records

DATE	AVG. MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 96	0.0182	28.54
February 96	0.0169	16.77
March 96	0.0124	15.00
April 96	0.0091	28.23
May 96	0.0133	10.87
June 96	0.0116	10.06
July 96	0.0153	48.49
August 96	0.0140	18.33
September 96	0.0188	10.03
October 96	0.0104	11.45
November 96	0.0082	6.07
December 96	0.0149	17.27
January 97	0.0115	15.63
February 97	0.0172	25.68
March 97	0.0121	25.33
April 97	0.0086	12.55
May 97	0.0167	17.27
June 97	0.0119	16.57
July 97	0.0133	9.98
August 97	0.0133	11.54
September 97	0.0138	15.42
October 97	0.0094	15.68
November 97	0.0138	13.47
December 97	0.0142	21.08
January 98	0.0181	27.02
February 98	0.0216	22.70
March 98	0.0154	7.96
April 98	0.0110	30.37
May 98	0.0127	17.58
June 98	0.0137	5.14
July 98	0.0159	6.10
August 98	0.0131	7.21
September 98	0.0111	8.15
October 98	0.0079	14.56
November 98	0.0069	2.93
December 98	0.0149	4.35

### Hidden Valley Sewage Treatment Plant No. 2 Records

DATE	AVG. MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
January 99	0.0269	10.10
February 99	0.0147	6.50
March 99	0.0150	10.88
April 99	0.0134	7.26
May 99	0.0106	6.54
June 99	0.0085	25.95
July 99	0.0121	20.89
August 99	0.0110	17.34
September 99	0.0106	9.55
October 99	0.0091	31.65
November 99	0.0110	4.22
December 99	0.0107	11.69
January 00	0.0135	33.43
February 00	0.0196	40.77
March 00	0.0096	1.60
April 00	0.0121	11.81
May 00	0.0108	5.13
June 00	0.0139	18.55
July 00	0.0179	18.21
August 00	0.0157	35.09
September 00	0.0139	27.79
October 00	0.0110	3.03
November 00	0.0131	11.14
December 00	0.0193	4.83
January 01	0.0218	16.73
February 01	0.0289	10.36
March 01	0.0211	26.40
April 01	0.0179	22.69
May 01	0.0133	27.29
June 01	0.0147	39.71
July 01	0.0164	14.50
August 01	0.0138	9.78
September 01	0.0137	26.85
October 01	0.0115	16.98
November 01	0.0130	1.84
December 01	0.0151	5.29

### Hidden Valley Sewage Treatment Plant No. 2 Records

DATE		AVG. MONTHLY FLOW (MGD)	ORGANIC LOAD #BOD 5/DAY
March	02	0.0142	15.16
April	02	0.0120	5.00
May	02	0.0139	15.42
June	02	0.0116	8.90
July	02	0.0142	33.52
August	02	0.0161	22.16
September	02	0.0145	19.83
October	02	0.0131	3.93
November	02	0.0144	8.77
December	02	0.0184	47.57

**EXHIBIT 7**

1065

U.S. Return of Partnership Income

OMB No. 1545-0099

Form Department of the Treasury Internal Revenue Service

For calendar year 2002, or tax year beginning and ending EXTENSION GRANTED TO 10/15/03

2002

Form header section containing: A Principal business activity (RESORT OP/LAND DEVELOP), B Principal product or service (RECREATIONAL SVCS/SALE), C Business code number (713900), D Employer identification number (25-1752112), E Date business started (01/01/1995), F Total assets (\$13,327,795), G Check applicable boxes, H Check accounting method, I Number of Schedules K-1.

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Main table with 22 rows for Income and Deductions. Includes columns for line numbers and amounts. Total income (line 8) is 1,582,966. Total deductions (line 21) is 3,793,914. Ordinary income (line 22) is -2,210,948.

Signature and preparer information section. Includes 'Sign Here' area with a signature, 'Prepared by' section with name ALPERN ROSENTHAL, address 332 FIFTH AVE STE 400 PITTSBURGH, PA 15222-2413, and SSN/PIN P00035132.

Form **8453-P**

**U.S. Partnership Declaration and Signature for Electronic Filing**

OMB No. 1545-0970

Department of the Treasury  
Internal Revenue Service

For calendar year 2002, or fiscal year beginning \_\_\_\_\_, 2002, and ending \_\_\_\_\_  
▶ See instructions.

**2002**

Name of partnership  
**HIDDEN VALLEY RESORT, L.P.**

Employer identification number  
**25-1752112**

**Part I Partnership Return Information**

1	Gross receipts or sales less returns and allowances (Form 1065, line 1c)	1	8,030,869.
2	Gross profit (Form 1065, line 3)	2	1,582,966.
3	Ordinary income (loss) from trade or business activities (Form 1065, line 22)	3	-2,210,948.
4	Net income (loss) from rental real estate activities (Form 1065, Schedule K, line 2)	4	
5	Net income (loss) from other rental activities (Form 1065, Schedule K, line 3c)	5	

**Part II Transmitter Information**

8 Transmitter's name

**CCH INCORPORATED**

**Part III Declaration of General Partner or Limited Liability Company Member**

Sign Here

Under penalties of perjury, I declare that the above amounts (or the amounts on the attached listing) agree with the amounts shown on the corresponding lines of the electronic portion of the 2002 U.S. Return(s) of Partnership Income. I have also examined a copy of the return(s) being filed electronically with the Internal Revenue Service, and all accompanying schedules and statements. To the best of my knowledge and belief, they are true, correct, and complete. If I am not the transmitter, I consent that the return(s), including this declaration and accompanying schedules and statements, be sent to the Internal Revenue Service by the return transmitter. I also consent to the IRS' sending the transmitter an acknowledgment of receipt of transmission and an indication of whether or not the return is accepted, and, if rejected, the reason(s) for the rejection.

**COPY**

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

**Part IV Declaration of Paid Preparer See instructions.**

Paid Preparer's Use Only

Under penalties of perjury, I declare that I have examined the above partnership return(s) and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <b>P00035132</b>
Firm's name (or yours if self-employed), address, and ZIP code	<b>ALPERN ROSENTHAL 332 FIFTH AVE., STE 400 PITTSBURGH, PA 15222-2413</b>		EIN ▶ <b>25-1724342</b> <b>(412) 281-2501</b>
			Phone no.

JWA For Paperwork Reduction Act Notice, see instructions.

Form **8453-P** (2002)

Application for Automatic Extension of Time  
To File U.S. Return for a Partnership, REMIC,  
or for Certain Trusts

▶ File a separate application for each return.

Please type  
or print.

Name  
HIDDEN VALLEY RESORT, L.P. Employer identification number  
25-1752112

File by the due  
date for filing  
the return for  
which an  
extension is  
requested.

Number, street, and room or suite no. If a P.O. box, see instructions.  
1 CRAIGHEAD DRIVE  
City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.  
HIDDEN VALLEY, PA 15502

1 I request an automatic 3-month extension of time to file (check only one):

Form 1041  Form 1041-QFT  Form 1065  Form 1065-B  Form 1066

2 If the entity does not have an office or place of business in the United States, check this box

3 For calendar year 2002, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:

Initial return  Final return  Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) \$ \_\_\_\_\_

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- \$ \_\_\_\_\_

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) \$ \_\_\_\_\_ 0.

Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.

ALPERN ROSENTHAL  
332 FIFTH AVE., PGH., PA 15222

Application for Additional Extension of Time to File  
 U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

► File a separate application for each return.

Please type or print.  File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.	Name <b>HIDDEN VALLEY RESORT, L.P.</b>	Employer identification number  <b>25-1752112</b>
	Number, street, and room or suite no. If a P.O. box, see instructions  <b>1 CRAIGHEAD DRIVE</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.  <b>HIDDEN VALLEY, PA 15502</b>	

- 1 I request an additional extension of time until OCTOBER 15, 2003, to file (check only one):  
 Form 1041     Form 1041-QFT     Form 1065     Form 1065-B     Form 1066
- 2 If the entity does not have an office or place of business in the United States, check this box
- 3 a For calendar year 2002, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_  
 b If this tax year is for less than 12 months, check reason:     Initial return     Final return     Change in accounting period
- 4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.  
**ADDITIONAL TIME IS REQUIRED TO GATHER INFORMATION NECESSARY TO PREPARE AND FILE A COMPLETE AND ACCURATE RETURN.**

INTERNAL REVENUE SERVICE  
 109 RECEIVED

**JUL 10 2003**

BATCHING UNIT  
 COVINGTON, KY

- 5 Has the entity filed Form 8736 to request an extension of time to file for this tax year?     Yes     No  
 If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ► James J. Gl...    **ALPERN ROSENTHAL**    Date ► 7-1-03  
332 FIFTH AVE., PCH., PA 15222

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS.

- We HAVE approved this application. Please attach this form to the entity's return.  
 We HAVE NOT approved this application.  
 However, we have granted a 10-day grace period to \_\_\_\_\_. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.  
 We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.  
 We cannot consider this application because it was filed after the due date of the return for which an extension was requested.  
 Other: \_\_\_\_\_

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

Director

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name <b>JAMES CUNNINGHAM</b> <b>ALPERN ROSENTHAL</b>	
	Number, street, and room or suite no. (If a P.O. box, see instructions.) <b>332 FIFTH AVE., STE 400</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. <b>PITTSBURGH, PA 15222-2413</b>	

**Schedule A Cost of Goods Sold** (see page 19 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	1,544,143.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	SEE STATEMENT 3 4,903,760.
6	Total. Add lines 1 through 5	6	6,447,903.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	6,447,903.

9 a Check all methods used for valuing closing inventory:

(i)  Cost as described in Regulations section 1.471-3

(ii)  Lower of cost or market as described in Regulations section 1.471-4

(iii)  Other (specify method used and attach explanation) ▶

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?  Yes  No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No
- If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input checked="" type="checkbox"/> Domestic limited partnership		
c <input type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		X
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5 Does this partnership meet all three of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; and		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item J on Schedule K-1		X
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9 At any time during calendar year 2002, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 8 of the instructions		X
12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

**Designation of Tax Matters Partner** (see page 21 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ KETTLER BROTHERS AT HIDDEN VALLEY Identifying number of TMP ▶ 25-1752111

Address of designated TMP ▶ 1 CRAIGHEAD DRIVE  
HIDDEN VALLEY, PA 15502

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

		(a) Distributive share items	(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1 -2,210,948.
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a	Gross income from other rental activities	3a
	3b	Expenses from other rental activities (attach schedule)	3b
	3c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4	Portfolio income (loss): a Interest income <b>SEE STATEMENT 4</b>	4a 1,835.
		b Ordinary dividends	4b
		c Royalty income	4c
		d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d
		e (1) Net long-term capital gain (loss) (attach Schedule D (Form 1065))	4e(1)
		(2) 28% rate gain (loss) (3) Qualified 5-year gain	
	f Other portfolio income (loss) (attach schedule)	4f	
	5 Guaranteed payments to partners	5	
	6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	
	7 Other income (loss) (attach schedule) <b>SEE STATEMENT 5</b>	7 17,088,027.	
Deductions	8	Charitable contributions (attach schedule) <b>SEE STATEMENT 6</b>	8 3,000.
	9	Section 179 expense deduction (attach Form 4562)	9
	10	Deductions related to portfolio income (itemize)	10
	11	Other deductions (attach schedule)	11
Credits	12a	Low-income housing credit:	
		(1) From partnerships to which section 42(j)(5) applies	12a(1)
		(2) Other than on line 12a(1)	12a(2)
	12b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b
	12c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c
	12d	Credits related to other rental activities	12d
	13	Other credits	13
Investment Interest	14a	Interest expense on investment debts	14a
	14b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1) 1,835.
	14b(2)	(2) Investment expenses included on line 10 above	14b(2)
Self-Employment	15a	Net earnings (loss) from self-employment	15a 0.
	15b	Gross farming or fishing income	15b
	15c	Gross nonfarm income	15c
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a 112,449.
	16b	Adjusted gain or loss	16b
	16c	Depletion (other than oil and gas)	16c
	16d(1)	(1) Gross income from oil, gas, and geothermal properties	16d(1)
	16d(2)	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)
	16e	Other adjustments and tax preference items (attach schedule)	16e
Foreign Taxes	17a	Name of foreign country or U.S. possession	
	17b	Gross income from all sources	17b
	17c	Gross income sourced at partner level	17c
	17d(3)	Foreign gross income sourced at partnership level: (1) Passive (2) Listed categories (attach sch.) (3) General limitation	17d(3)
	17e(2)	Deductions allocated and apportioned at partner level: (1) Interest expense (2) Other	17e(2)
	17f(3)	Deductions allocated and apportioned at partnership level to foreign source income: (1) Passive (2) Listed categories (attach sch.) (3) General limitation	17f(3)
	17g	Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17g
	17h	Reduction in taxes available for credit (attach schedule)	17h
Other	18a	Section 59(e)(2) expenditures: a Type b Amount	18a
	19	Tax-exempt interest income	19
	20	Other tax-exempt income	20
	21	Nondeductible expenses <b>SEE STATEMENT 7</b>	21 2,943.
	22	Distributions of money (cash and marketable securities)	22
	23	Distributions of property other than money	23
	24	Other items and amounts required to be reported separately to partners (attach schedule)	

**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Sch K, lines 8 through 11, 14a, 17g, and 18b						1	14,875,914.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners	148,759.						
b Limited partners		14,727,155.					

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		226,854.		360,523.
2a Trade notes and accounts receivable	428,703.		418,652.	
b Less allowance for bad debts		428,703.		418,652.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STATEMENT 8	3,792,531.		3,475,056.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	18,107,953.		18,265,410.	
b Less accumulated depreciation	9,362,212.	8,745,741.	10,030,009.	8,235,401.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		838,163.		838,163.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		14,031,992.		13,327,795.
Liabilities and Capital				
15 Accounts payable		1,790,089.		1,488,354.
16 Mortgages, notes, bonds payable in less than 1 year		14,098,270.		1,698,564.
17 Other current liabilities (attach schedule)	STATEMENT 9	6,942,377.		2,143,456.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		271,438.		272,040.
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		-9,070,182.		7,725,381.
22 Total liabilities and capital		14,031,992.		13,327,795.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1 Net income (loss) per books	15,643,063.	8 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
		STMT 11	310,000.
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a Depreciation \$	452,956.
a Depreciation \$		STMT 12	22,784.
b Travel and entertainment \$	2,943.	8 Add lines 6 and 7	785,740.
STMT 10	15,648.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	14,875,914.
5 Add lines 1 through 4	15,661,654.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	-9,070,182.	6 Distributions: a Cash	
2 Capital contributed during year		b Property	
a Cash	1,152,500.	7 Other decreases (itemize):	
b Property			
3 Net income (loss) per books	15,643,063.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	7,725,381.
5 Add lines 1 through 4	7,725,381.		

**Depreciation and Amortization**  
(Including Information on Listed Property) **OTHER**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

**HIDDEN VALLEY RESORT, L.P.**

**25-1752112**

**Part I Election To Expense Certain Tangible Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	139,764.
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
		139,764.	0.
7	Listed property. Enter amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	10,567.
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	1,066,636.
18	If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		114,374.	7.0	MQ	200DB	6,859.
d 10-year property						
e 15-year property		14,823.	15.0	MQ	200DB	822.
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	05/02	17,193.	39 yrs.	MM	S/L	350.
	/			MM	S/L	

**Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	8,969.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,094,203.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Part V** Listed Property (include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)  
 Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)**

24a Do you have evidence to support the business/investment use claimed?  Yes  No 24b If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use								25	
26 Property used more than 50% in a qualified business use:									
VEHICLES	05.31.01	100.00 %	77,904.	77,904.	5.0	DDB200/H	8,969.		
		%							
		%							
27 Property used 50% or less in a qualified business use:									
		%				S/L			
		%				S/L			
		%				S/L			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28	8,969.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29	

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI: Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2002 tax year:						
43 Amortization of costs that began before your 2002 tax year					43	26,550.
44 Total. Add amounts in column (f). See instructions for where to report					44	26,550.

## Depreciation and Amortization Attachment

26 Property used more than 50% in a qualified business use:

(a) Type of property	(b) Placed in service	(c) Bus use %	(d) Cost or other Basis	(e) Basis for depreciation	(f) Recov period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected 179 cost
1988 Ford	05/31/01	100	5944.50	5944.50	05 00	MF200	1902.24	0.00
1994 Plymo	10/01/01	100	2735.00	2735.00	05 00	MF200	875.20	0.00
1995 GMC P	12/01/01	100	8255.50	8255.50	05 00	MF200	2641.76	0.00
1996 JEEP	09/26/96	100	27309.42	27309.42	05 00	MF200	1775.00	0.00
723 1985 G	01/01/95	100	100.00	100.00	05 00	MF200	0.00	0.00
736 1985 D	01/01/95	100	100.00	100.00	05 00	MF200	0.00	0.00
741 1988 F	01/01/95	100	200.00	200.00	05 00	MF200	0.00	0.00
754 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
755 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
756 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
762 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
764 1988 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
765 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
766 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
771 1994 C	01/01/95	100	2500.00	2500.00	05 00	MF200	0.00	0.00
777-1996 J	09/26/96	100	27309.42	27309.42	05 00	MF200	1775.00	0.00
			<u>77903.84</u>	<u>77903.84</u>			<u>8969.20</u>	<u>0.00</u>

FORM 1065	TAX EXPENSE	STATEMENT 1
DESCRIPTION		AMOUNT
PAYROLL TAXES		296,791.
SALES & USE TAX		8,324.
TOTAL TO FORM 1065, LINE 14		305,115.

FORM 1065	OTHER DEDUCTIONS	STATEMENT 2
DESCRIPTION		AMOUNT
EMPLOYEE GROUP INSURANCE		-52,145.
DISCOUNTS AND PROMOTIONS		42,077.
PROFESSIONAL SERVICES		218,908.
ADVERTISING		372,421.
DUES & SUBSCRIPTIONS		2,160.
EDUCATIONAL TRAINING		693.
UNIFORMS		4,811.
TRAVEL EXPENSES		14,635.
MISCELLANEOUS EXPENSE		22,538.
MEALS AND ENTERTAINMENT		2,943.
AMORTIZATION EXPENSE		26,550.
TOTAL TO FORM 1065, LINE 20		655,591.

SCHEDULE A	OTHER COSTS	STATEMENT 3
DESCRIPTION		AMOUNT
RESORT OPERATION COST		2,764,007.
REPAIR AND MAINTENANCE		326,832.
UTILITIES		889,380.
GENERAL INSURANCE EXPENSE		241,117.
SUPPLIES		205,467.
LICENSES & PERMITS		157,320.
PROPERTY TAXES		319,637.
TOTAL TO FORM 1065, PAGE 2, LINE 5		4,903,760.

SCHEDULE K	INTEREST INCOME	STATEMENT	4
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DESCRIPTION	U.S. BONDS	OTHER
PORTFOLIO - INTEREST INCOME		1,835.
TOTAL TO SCHEDULE K, LINE 4A		1,835.

SCHEDULE K	OTHER INCOME (LOSS)	STATEMENT	5
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DESCRIPTION	AMOUNT
DEBT FORGIVENESS INCOME	17,088,027.
TOTAL TO SCHEDULE K, LINE 7	17,088,027.

SCHEDULE K	CHARITABLE CONTRIBUTIONS	STATEMENT	6
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DESCRIPTION	50% LIMIT	30% LIMIT	20% LIMIT
CASH CHARITABLE CONTRIBUTIONS (50%)	3,000.		
TOTALS TO SCHEDULE K, LINE 8	3,000.		

SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT	7
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DESCRIPTION	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	2,943.
TOTAL TO SCHEDULE K, LINE 21	2,943.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ESCROW FUNDS	37,053.	37,142.	
PREPAID EXPENSES	246,566.	278,665.	
LAND DEVELOPMENT COSTS	3,508,912.	3,159,249.	
TOTAL TO SCHEDULE L, LINE 6	3,792,531.	3,475,056.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
ACCRUED EXPENSES	445,366.	238,300.	
DEFERRED REVENUE	752,155.	783,017.	
WARRANTY RESERVE	2,853.	8,813.	
DEPOSITS-ROOMS	106,543.	105,580.	
GIFT CERTIFICATES	2,862.	5,261.	
ACCRUED PAYROLL TAXES	142,316.	135,786.	
ACCRUED SALES TAX	2,134.	4,991.	
ACCRUED INTEREST	4,977,354.	140,688.	
ACCRUED REAL ESTATE TAXES	510,794.	721,020.	
TOTAL TO SCHEDULE L, LINE 17	6,942,377.	2,143,456.	

SCHEDULE M-1	EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN	STATEMENT	10
DESCRIPTION	AMOUNT		
ACCRUED INTEREST	9,688.		
WARRANTY RESERVE	5,960.		
TOTAL TO SCHEDULE M-1, LINE 4	15,648.		

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**SCHEDULE M-1 INCOME RECORDED ON BOOKS NOT INCLUDED ON RETURN STATEMENT 11**

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<u>DESCRIPTION</u>	<u>AMOUNT</u>
DECREASE IN BOOK SETTLEMENT ACCRUAL	310,000.
TOTAL TO SCHEDULE M-1, LINE 6	310,000.

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**SCHEDULE M-1 DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK STATEMENT 12**

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<u>DESCRIPTION</u>	<u>AMOUNT</u>
SECTION 263A ADJUSTMENT	17,655.
BAD DEBT EXPENSE	5,129.
TOTAL TO SCHEDULE M-1, LINE 7	22,784.

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**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

For calendar year 2002 or tax year

OMB No. 1545-0099

**2002**

beginning 25-1752111 and ending \_\_\_\_\_  
 Partner's identifying number **25-1752111** Partnership's identifying number **25-1752112**  
 Partner's name, address, and ZIP code Partnership's name, address, and ZIP code

**KETTLER BROTHERS AT HIDDEN VALLEY**  
**1 CRAIGHEAD DRIVE**  
**HIDDEN VALLEY, PA 15502**

**HIDDEN VALLEY RESORT, L.P.**  
**1 CRAIGHEAD DRIVE**  
**HIDDEN VALLEY, PA 15502**

**A** This partner is a  general partner  limited partner  
 limited liability company member  
**B** What type of entity is this partner? **S CORPORATION**  
**C** Is this partner a  domestic or a  foreign partner?  
**D** Enter partner's percentage of:  
 Profit sharing \_\_\_\_\_ % **1.0000000%**  
 Loss sharing \_\_\_\_\_ % **1.0000000%**  
 Ownership of capital \_\_\_\_\_ % **1.0000000%**

**F** Partner's share of liabilities:  
 Nonrecourse ..... \$ \_\_\_\_\_  
 Qualified nonrecourse financing ..... \$ **2,579.**  
 Other ..... \$ **3,491,122.**

**E** IRS Center where partnership filed return: **OGDEN, UT** **I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-104,132.	-	156,431.		52,299.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities ..... 1	-22,109.	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (f) Sch. D, line 12, col. (g)  Line 5 of worksheet for Sch. D, line 29 Enter on applicable line of your return.  See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).  Enter on applicable line of your return.
	2 Net income (loss) from rental real estate activities ..... 2		
	3 Net income (loss) from other rental activities ..... 3		
	4 Portfolio income (loss):		
	a Interest ..... 4a	18.	
	b Ordinary dividends ..... 4b		
	c Royalties ..... 4c		
	d Net short-term capital gain (loss) ..... 4d		
	e (1) Net long-term capital gain (loss) ..... 4e(1)		
	(2) 28% rate gain (loss) ..... 4e(2)		
	(3) Qualified 5-year gain ..... 4e(3)		
f Other portfolio income (loss) (attach schedule) ..... 4f			
5 Guaranteed payments to partner ..... 5			
6 Net section 1231 gain (loss) (other than due to casualty or theft) ..... 6			
7 Other income (loss) (attach schedule) <b>SEE STATEMENT</b> ..... 7	170,880.		
Deductions	8 Charitable contributions (attach schedule) <b>SEE STATEMENT</b> ..... 8	30.	Sch. A, line 15 or 16  See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	9 Section 179 expense deduction ..... 9		
	10 Deductions related to portfolio income (attach schedule) ..... 10		
	11 Other deductions (attach schedule) ..... 11		
	12 a Low-income housing credit:		
(1) From section 42(j)(5) partnerships ..... 12a(1)		Form 8586, line 5  See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
(2) Other than on line 12a(1) ..... 12a(2)			
b Qualified rehabilitation expenditures related to rental real estate activities ..... 12b			
c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... 12c			
d Credits related to other rental activities ..... 12d			
13 Other credits ..... 13			

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a	Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f	14b(1) 18.	
		(2) Investment expenses included on line 10	14b(2)	
Self-employment	15 a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a 1,124.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	16(d)1	
		(2) Deductions allocable to oil, gas, and geothermal properties	16(d)2	
e	Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a	Name of foreign country or U.S. possession		Form 1116, Part I
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
		(1) Passive	17d(1)	
		(2) Listed categories (attach schedule)	17d(2)	
		(3) General limitation	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
		(1) Interest expense	17e(1)	
		(2) Other	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive	17f(1)		
	(2) Listed categories (attach schedule)	17f(2)		
	(3) General limitation	17f(3)		
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II	
h	Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12	
Other	18	Section 59(a)(2) expenditures: a Type		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b	Amount	18b	
	19	Tax-exempt interest income	19	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	20	Other tax-exempt income	20	
	21	Nondeductible expenses SEE STATEMENT	21 29.	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	Form 8611, line 8
	24	Recapture of low-income housing credit:		
a	From section 42(i)(5) partnerships	24a		
b	Other than on line 24a	24b		
Supplemental Information	25	Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

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**SCHEDULE K-1 CHARITABLE CONTRIBUTIONS**


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DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
CHARITABLE CONTRIBUTIONS - SUBJECT TO 50 PERCENT LIMIT	30.	ENTER ON SCH A (1040 FILERS) OR APPLICABLE LINE OF RETURN
TOTAL TO SCHEDULE K-1, LINE 8	30.	

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**SCHEDULE K-1 OTHER INCOME (LOSS)**


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DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
DEBT FORGIVENESS INCOME	170,880.	
TOTAL TO SCHEDULE K-1, LINE 7	170,880.	

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**SCHEDULE K-1 NONDEDUCTIBLE EXPENSES**


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DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	29.	NONDEDUCTIBLE PORTION
TOTAL TO SCHEDULE K-1, LINE 21	29.	

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**SCHEDULE K-1 COLUMN C RECONCILIATION**


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DESCRIPTION	AMOUNT
ORDINARY INCOME (LOSS)	-22,109.
INTEREST INCOME	18.
OTHER INCOME (LOSS)	170,880.
CHARITABLE CONTRIBUTIONS	-30.
DEPRECIATION ON RETURN AND NOT ON BOOKS	4,530.
NONDEDUCTIBLE EXPENSES	-29.
DECREASE IN BOOK SETTLEMENT ACCRUAL	3,100.
SECTION 263A ADJUSTMENT	177.
ACCRUED INTEREST	-97.
BAD DEBT EXPENSE	51.
WARRANTY RESERVE	-60.
TOTAL TO SCHEDULE K-1, ITEM J, COLUMN C	156,431.

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**SCHEDULE K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

For calendar year 2002 or tax year

OMB No. 1545-0099

**2002**

beginning

, and ending

Partner's identifying number

Partner's identifying number **25-1752112**

Partner's name, address, and ZIP code

Partnership's name, address, and ZIP code

**JAMES KETTLER**  
9426 STEWARTOWN ROAD  
GAITHERSBURG, MD 20879

**HIDDEN VALLEY RESORT, L.P.**  
1 CRAIGHEAD DRIVE  
HIDDEN VALLEY, PA 15502

**A** This partner is a  general partner  limited partner  
 limited liability company member

**B** What type of entity is this partner? **INDIVIDUAL**

**C** Is this partner a  domestic or a  foreign partner?

**D** Enter partner's percentage of:  
 (i) Before change or termination (ii) End of year  
 Profit sharing ..... % **99.0000000%**  
 Loss sharing ..... % **99.0000000%**  
 Ownership of capital ..... % **99.0000000%**

**F** Partner's share of liabilities:  
 Nonrecourse ..... \$  
 Qualified nonrecourse financing ..... \$ **255,313.**  
 Other ..... \$ **1,853,399.**

**G** Tax shelter registration number

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)

**E** IRS Center where partnership filed return: **OGDEN, UT**

**I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-8,966,050.	1,152,500.	15,486,632.		7,673,082.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities ..... 1	-2,188,839.	} See page 5 of Partner's Instructions for Schedule K-1 (Form 1065).	
	2 Net income (loss) from rental real estate activities ..... 2			
	3 Net income (loss) from other rental activities ..... 3			
	4 Portfolio income (loss):			
	a Interest ..... 4a	1,817.		Sch. 8, Part I, line 1
	b Ordinary dividends ..... 4b			Sch. B, Part II, line 5
	c Royalties ..... 4c			Sch. E, Part I, line 4
	d Net short-term capital gain (loss) ..... 4d		Sch. D, line 5, col. (f)	
	e (1) Net long-term capital gain (loss) ..... 4e(1)		Sch. D, line 12, col. (f)	
	(2) 28% rate gain (loss) ..... 4e(2)		Sch. D, line 12, col. (g)	
	(3) Qualified 5-year gain ..... 4e(3)		Line 5 of worksheet for Sch. D, line 29	
f Other portfolio income (loss) (attach schedule) ..... 4f		Enter on applicable line of your return.		
5 Guaranteed payments to partner ..... 5		} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).		
6 Net section 1231 gain (loss) (other than due to casualty or theft) ..... 6				
7 Other income (loss) (attach schedule) <b>SEE STATEMENT</b> ..... 7	16,917,147.	Enter on applicable line of your return.		
Deductions	8 Charitable contributions (attach schedule) <b>SEE STATEMENT</b> ..... 8	2,970.	Sch. A, line 15 or 16	
	9 Section 179 expense deduction ..... 9		} See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
	10 Deductions related to portfolio income (attach schedule) ..... 10			
	11 Other deductions (attach schedule) ..... 11			
	Credits	12 a Low-income housing credit:		} Form 8586, line 5
(1) From section 42(j)(5) partnerships ..... 12a(1)				
(2) Other than on line 12a(1) ..... 12a(2)				
b Qualified rehabilitation expenditures related to rental real estate activities ..... 12b			} See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... 12c				
d Credits related to other rental activities ..... 12d				
13 Other credits ..... 13				

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a	Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f	14b(1) 1,817.	
	(2)	Investment expenses included on line 10	14b(2)	
Self-employment	15 a	Net earnings (loss) from self-employment	15a 0.	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a 111,325.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d (1)	Gross income from oil, gas, and geothermal properties	16(d)1	
	(2)	Deductions allocable to oil, gas, and geothermal properties	16(d)2	
e	Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a	Name of foreign country or U.S. possession		Form 1116, Part I
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
	(1)	Passive	17d(1)	
	(2)	Listed categories (attach schedule)	17d(2)	
	(3)	General limitation	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
	(1)	Interest expense	17e(1)	
	(2)	Other	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income:		
(1)	Passive	17f(1)		
(2)	Listed categories (attach schedule)	17f(2)		
(3)	General limitation	17f(3)		
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II	
h	Reduction in taxes available for credit (attach schedule)	17h	Form 1116, line 12	
Other	18	Section 59(e)(2) expenditures: a Type		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b	Amount	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses SEE STATEMENT	21 2,914.	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
24	Recapture of low-income housing credit:		Form 8611, line 8	
a	From section 42(j)(5) partnerships	24a		
b	Other than on line 24a	24b		
Supplemental Information	25	Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

## SCHEDULE K-1

## CHARITABLE CONTRIBUTIONS

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
CHARITABLE CONTRIBUTIONS - SUBJECT TO 50 PERCENT LIMIT	2,970.	ENTER ON SCH A (1040 FILERS) OR APPLICABLE LINE OF RETURN
TOTAL TO SCHEDULE K-1, LINE 8.	2,970.	

## SCHEDULE K-1

## OTHER INCOME (LOSS)

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
DEBT FORGIVENESS INCOME	16,917,147.	
TOTAL TO SCHEDULE K-1, LINE 7	16,917,147.	

## SCHEDULE K-1

## FOOTNOTES

PLEASE CONSULT YOUR TAX ADVISOR REGARDING THE  
TREATMENT OF THE DEBT FORGIVENESS INCOME REPORTED ON LINE 7  
AND COMPLETION OF FORM 982.

## SCHEDULE K-1

## NONDEDUCTIBLE EXPENSES

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	2,914.	NONDEDUCTIBLE PORTION
TOTAL TO SCHEDULE K-1, LINE 21	2,914.	

## SCHEDULE K-1

## COLUMN C RECONCILIATION

DESCRIPTION	AMOUNT
ORDINARY INCOME (LOSS)	-2,188,839.
INTEREST INCOME	1,817.
OTHER INCOME (LOSS)	16,917,147.
CHARITABLE CONTRIBUTIONS	-2,970.
DEPRECIATION ON RETURN AND NOT ON BOOKS	448,426.
NONDEDUCTIBLE EXPENSES	-2,914.
DECREASE IN BOOK SETTLEMENT ACCRUAL	306,900.
SECTION 263A ADJUSTMENT	17,478.
ACCRUED INTEREST	-9,591.
BAD DEBT EXPENSE	5,078.
WARRANTY RESERVE	-5,900.
TOTAL TO SCHEDULE K-1, ITEM J, COLUMN C	15,486,632.

**U.S. Return of Partnership Income**

**2001**

For calendar year 2001, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**EXTENSION GRANTED TO 10/15/02**

<b>A</b> Principal business activity <b>RESORT OP/LAND DEVELOP</b>	Use the IRS label. Otherwise, print or type.	Name of partnership <b>HIDDEN VALLEY RESORT, L.P.</b>	<b>D</b> Employer identification number <b>25-1752112</b>
<b>B</b> Principal product or service <b>RECREATIONAL SVCS/SALE</b>		Number, street, and room or suite no. If a P.O. box, see page 13 of the instructions. <b>1 CRAIGHEAD DRIVE</b>	<b>E</b> Date business started <b>01/01/1995</b>
<b>C</b> Business code number <b>713900</b>		City or town, state, and ZIP code <b>HIDDEN VALLEY, PA 15502</b>	<b>F</b> Total assets <b>\$14,031,992.</b>

**G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return

**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) \_\_\_\_\_

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year **2**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	<b>1 a</b> Gross receipts or sales	<b>1a</b>	<b>7,675,928.</b>	
	<b>b</b> Less returns and allowances	<b>1b</b>		<b>1c 7,675,928.</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)	<b>2</b>	<b>5,604,037.</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>	<b>2,071,891.</b>	
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	<b>4</b>		
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))	<b>5</b>		
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 18	<b>6</b>	<b>1,100.</b>	
	<b>7</b> Other income (loss) (attach schedule)	<b>7</b>	<b>SEE STATEMENT 1</b>	<b>940.</b>
<b>8</b> Total income (loss). Combine lines 3 through 7	<b>8</b>		<b>2,073,931.</b>	
Deductions (see instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)	<b>9</b>	<b>640,358.</b>	
	<b>10</b> Guaranteed payments to partners	<b>10</b>		
	<b>11</b> Repairs and maintenance	<b>11</b>		
	<b>12</b> Bad debts	<b>12</b>	<b>636.</b>	
	<b>13</b> Rent	<b>13</b>		
	<b>14</b> Taxes and licenses	<b>14</b>	<b>SEE STATEMENT 2</b>	<b>362,986.</b>
	<b>15</b> Interest	<b>15</b>	<b>1,124,370.</b>	
	<b>16 a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	<b>1,399,965.</b>	
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>		<b>16c 1,399,965.</b>
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)	<b>17</b>		
	<b>18</b> Retirement plans, etc.	<b>18</b>		
	<b>19</b> Employee benefit programs	<b>19</b>		
	<b>20</b> Other deductions (attach schedule)	<b>20</b>	<b>SEE STATEMENT 3</b>	<b>634,826.</b>
<b>21</b> Total deductions. Add the amounts shown in the far right column for lines 9 through 20	<b>21</b>		<b>4,163,141.</b>	
<b>22</b> Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8	<b>22</b>		<b>-2,089,210.</b>	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

**Sign Here**

**COPY**

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see Instr. 7)  Yes  No

**Prepared by** **ALPERN ROSENTHAL** **CPA** **7-24-02** **P00035132**

**Preparer's Use Only** Firm's name (or yours if self-employed), address, and ZIP code **332 FIFTH AVENUE, SUITE 400 PITTSBURGH, PA 15222-2413** EIN **25-1724342** Phone no. **(412)281-2501**

**Schedule A Cost of Goods Sold** (see page 18 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	1,587,449.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	SEE STATEMENT 4 4,016,588.
6	Total. Add lines 1 through 5	6	5,604,037.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	5,604,037.

9 a Check all methods used for valuing closing inventory:

(i)  Cost as described in Regulations section 1.471-3

(ii)  Lower of cost or market as described in Regulations section 1.471-4

(iii)  Other (specify method used and attach explanation) ▶

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership?  Yes  No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory?  Yes  No
- If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input checked="" type="checkbox"/> Domestic limited partnership		
c <input type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		X
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5 Does this partnership meet all three of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; and		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9 At any time during calendar year 2001, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 8 of the instructions		X
12 Enter the number of Forms 8865 attached to this return ▶		

**Designation of Tax Matters Partner** (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶ **KETTLER BROTHERS AT HIDDEN VALLEY** Identifying number of TMP ▶ **25-1752111**

Address of designated TMP ▶ **1 CRAIGHEAD DRIVE**

**HIDDEN VALLEY, PA 15502**

111011 01-02-02

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

		(a) Distributive share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	-2,089,210.
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	b	Expenses from other rental activities (attach schedule)	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss): a Interest income <b>SEE STATEMENT 5</b>	4a	8,835.
	b	Ordinary dividends	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	
	e	(1) Net long-term capital gain (loss) (attach Schedule D (Form 1065)) (2) 28% rate gain (loss) ▶ (3) Qualified 5-year gain ▶	4e(1)	
	f	Other portfolio income (loss) (attach schedule)	4f	
Deductions	5	Guaranteed payments to partners	5	
	6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	
	7	Other income (loss) (attach schedule)	7	
	8	Charitable contributions (attach schedule) <b>SEE STATEMENT 6</b>	8	6,000.
	9	Section 179 expense deduction (attach Form 4562)	9	
Credits	10	Deductions related to portfolio income (itemize)	10	
	11	Other deductions (attach schedule)	11	
	12a	Low-income housing credit:		
	(1)	From partnerships to which section 42(j)(5) applies	12a(1)	
	(2)	Other than on line 12a(1)	12a(2)	
b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b		
c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c		
d	Credits related to other rental activities	12d		
13	Other credits	13		
Investment Interest	14a	Interest expense on investment debts	14a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	8,835.
	(2)	Investment expenses included on line 10 above	14b(2)	
Self-Employment	15a	Net earnings (loss) from self-employment	15a	0.
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	219,684.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)	
	(2)	Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Name of foreign country or U.S. possession ▶		
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
	(1)	Passive ▶ (2) Listed categories (attach sch.) ▶ (3) General limitation ▶	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
	(1)	Interest expense ▶ (2) Other ▶	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income:		
(1)	Passive ▶ (2) Listed categories (attach sch.) ▶ (3) General limitation ▶	17f(3)		
g	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17g		
h	Reduction in taxes available for credit (attach schedule)	17h		
Other	18	Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	
	21	Nondeductible expenses <b>SEE STATEMENT 7</b>	21	2,612.
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Other items and amounts required to be reported separately to partners (attach schedule)		

**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17g, and 18b						1	-2,086,375.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners	-20,864.						
b Limited partners		-2,065,511.					

**Schedule L Balance Sheets per Books** (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		502,052.		226,854.
2a Trade notes and accounts receivable	532,607.		428,703.	
b Less allowance for bad debts		532,607.		428,703.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STATEMENT 8	3,157,836.		3,792,531.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	17,284,548.		18,107,953.	
b Less accumulated depreciation	8,564,097.	8,720,451.	9,362,212.	8,745,741.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		838,163.		838,163.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		13,751,109.		14,031,992.
<b>Liabilities and Capital</b>				
15 Accounts payable		1,163,641.		1,790,089.
16 Mortgages, notes, bonds payable in less than 1 year		13,536,000.		14,098,270.
17 Other current liabilities (attach schedule)	STATEMENT 9	6,169,015.		6,942,377.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		437,863.		271,438.
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		-7,555,410.		-9,070,182.
22 Total liabilities and capital		13,751,109.		14,031,992.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return** (Not required if Question 5 on Schedule B is answered "Yes.")

1 Net income (loss) per books	-1,514,772.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a Depreciation \$	628,400.
a Depreciation \$		8 Add lines 6 and 7	628,400.
b Travel and entertainment \$	2,612.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
STMT 11	54,185.		-2,086,375.
5 Add lines 1 through 4	-1,457,975.		

**Schedule M-2 Analysis of Partners' Capital Accounts** (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	-7,555,410.	6 Distributions: a Cash	
2 Capital contributed during year		b Property	
3 Net income (loss) per books	-1,514,772.	7 Other decreases (itemize):	
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4	-9,070,182.	9 Balance at end of year. Subtract line 8 from line 5	-9,070,182.

SECTION PURSUANT TO NOTICE 11-70  
**Depreciation and Amortization**  
 (Including Information on Listed Property) OTHER  
 ▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return: **HIDDEN VALLEY RESORT, L.P.**  
 Business or activity to which this form relates: \_\_\_\_\_  
 Identifying number: **25-1752112**

**Part I Election To Expense Certain Tangible Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses	1	24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	629,612.
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	429,612.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2000 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	24,000.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2002. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see instructions)	14	104,203.
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

<b>Section A</b>			
17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	1,217,131.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

**Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property	39,940.	5 YRS	HY	200DB	7,988.
c	7-year property	407,211.	7 YRS	HY	200DB	58,173.
d	10-year property					
e	15-year property	61,323.	15 YRS	HY	150DB	3,066.
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property		27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i	Nonresidential real property	195,393.	39 yrs.	MM	S/L	2,467.
				MM	S/L	

**Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	6,937.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,399,965.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Part V** Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)  
 Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?  Yes  No 24b If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use								25
26 Property used more than 50% in a qualified business use:								
SEE ATTACHED		%			5		6,937.	
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	6,937.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

**Part VI** Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2001 tax year:						
43 Amortization of costs that began before your 2001 tax year					43	26,550.
44 Total. Add amounts in column (f). See instructions for where to report					44	26,550.

## Depreciation and Amortization Attachment

26 Property used more than 50% in a qualified business use:

(a) Type of property	(b) Placed in service	(c) Bus use %	(d) Cost or other Basis	(e) Basis for depreciation	(f) Recov period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected 179 cost
1988 Ford	05/31/01	100	5944.50	5944.50	05 00	MF200	1188.90	0.00
1994 Plymo	10/01/01	100	2735.00	2735.00	05 00	MF200	547.00	0.00
1995 GMC F	12/01/01	100	8255.50	8255.50	05 00	MF200	1651.10	0.00
1996 JEEP	09/26/96	100	27309.42	27309.42	05 00	MF200	1775.00	0.00
723 1985 G	01/01/95	100	100.00	100.00	05 00	MF200	0.00	0.00
736 1985 D	01/01/95	100	100.00	100.00	05 00	MF200	0.00	0.00
741 1988 F	01/01/95	100	200.00	200.00	05 00	MF200	0.00	0.00
747 1988 C	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
750 1989 C	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
751 1989 C	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
752 1989 C	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
754 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
755 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
756 1989 F	01/01/95	100	750.00	750.00	05 00	MF200	0.00	0.00
758 1990 C	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
761 1991 F	01/01/95	100	500.00	500.00	05 00	MF200	0.00	0.00
762 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
764 1988 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
765 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
766 1989 G	01/01/95	100	300.00	300.00	05 00	MF200	0.00	0.00
770 1989 F	01/01/95	100	1000.00	1000.00	05 00	MF200	0.00	0.00
771 1994 C	01/01/95	100	2500.00	2500.00	05 00	MF200	0.00	0.00
777-1996 J	09/26/96	100	27309.42	27309.42	05 00	MF200	1775.00	0.00
			80903.84	80903.84			6937.00	0.00

**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts Under  
Sections 179 and 280F(b)(2))  
▶ Attach to your tax return.

Name(s) shown on return

Identifying number

**HIDDEN VALLEY RESORT, L.P.**

**25-1752112**

1 Enter the gross proceeds from sales or exchanges reported to you for 2001 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

3 Gain, if any, from Form 4684, line 39	3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5
6 Gain, if any, from line 32, from other than casualty or theft	6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: <b>Partnerships (except electing large partnerships).</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below. <b>S corporations.</b> Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax. <b>All others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.	7
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8
9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): <b>S corporations.</b> Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below. <b>All others.</b> If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.	9

**Part II Ordinary Gains and Losses**

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):


11 Loss, if any, from line 7	11	( )
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	1,100.
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17	
18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: <b>a For all except individual returns.</b> Enter the gain or (loss) from line 18 on the return being filed. <b>b For individual returns:</b> (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from Form 4797, line 18b(1). See instructions (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14	18	1,100.
	18b(1)	
	18b(2)	

**Part III** Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A EQUIPMENT	010195	043001
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	1,100.			
21	Cost or other basis plus expense of sale	3,000.			
22	Depreciation (or depletion) allowed or allowable	3,000.			
23	Adjusted basis. Subtract line 22 from line 21	0.			
24	Total gain. Subtract line 23 from line 20	1,100.			
25	If section 1245 property:				
25a	Depreciation allowed or allowable from line 22	3,000.			
25b	Enter the smaller of line 24 or 25a	1,100.			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
26a	Additional depreciation after 1975				
26b	Applicable percentage multiplied by the smaller of line 24 or line 26a				
26c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e				
26d	Additional depreciation after 1969 and before 1976				
26e	Enter the smaller of line 26c or 26d				
26f	Section 291 amount (corporations only)				
26g	Add lines 26b, 26e, and 26f				
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
27a	Soil, water, and land clearing expenses				
27b	Line 27a multiplied by applicable percentage				
27c	Enter the smaller of line 24 or 27b				
28	If section 1254 property:				
28a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs				
28b	Enter the smaller of line 24 or 28a				
29	If section 1255 property:				
29a	Applicable percentage of payments excluded from income under section 126				
29b	Enter the smaller of line 24 or 29a				

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	1,100.
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	1,100.
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

**Part IV** Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less  
(See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	
34	Recomputed depreciation. See instructions	
35	Recapture amount. Subtract line 34 from line 33. See instructions for where to report	

FORM 1065	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
OTHER INCOME	940.
TOTAL TO FORM 1065, LINE 7	940.

FORM 1065	TAX EXPENSE	STATEMENT	2
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DESCRIPTION	AMOUNT
PAYROLL TAXES	364,201.
SALES & USE TAX	6,281.
PA CAPITAL STOCK/FRANCHISE TAX	-7,496.
TOTAL TO FORM 1065, LINE 14	362,986.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	3
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DESCRIPTION	AMOUNT
EMPLOYEE GROUP INSURANCE	-51,093.
DISCOUNTS AND PROMOTIONS	56,341.
PROFESSIONAL SERVICES	188,047.
ADVERTISING	372,397.
DUES & SUBSCRIPTIONS	6,733.
EDUCATIONAL TRAINING	1,626.
UNIFORMS	3,985.
TRAVEL EXPENSES	27,627.
MEALS AND ENTERTAINMENT	2,613.
AMORTIZATION EXPENSE	26,550.
TOTAL TO FORM 1065, LINE 20	634,826.

SCHEDULE A OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
RESORT OPERATION COST	2,080,022.
REPAIR AND MAINT.	309,211.
UTILITIES	810,646.
GENERAL INSURANCE EXPENSE	238,795.
SUPPLIES	240,521.
MISCELLANEOUS EXPENSES	27,280.
LICENSES & PERMITS	4,037.
PROPERTY TAXES	306,076.
TOTAL TO FORM 1065, PAGE 2, LINE 5	4,016,588.

SCHEDULE K INTEREST INCOME STATEMENT 5

DESCRIPTION	U.S. BONDS	OTHER
PORTFOLIO - INTEREST INCOME		8,835.
TOTAL TO SCHEDULE K, LINE 4A		8,835.

SCHEDULE K CHARITABLE CONTRIBUTIONS STATEMENT 6

DESCRIPTION	50% LIMIT	30% LIMIT	20% LIMIT
CASH CHARITABLE CONTRIBUTIONS (50%)	6,000.		
TOTALS TO SCHEDULE K, LINE 8	6,000.		

SCHEDULE K NONDEDUCTIBLE EXPENSE STATEMENT 7

DESCRIPTION	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	2,612.
TOTAL TO SCHEDULE K, LINE 21	2,612.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	8
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ESCROW FUNDS	35,622.	37,053.
PREPAID EXPENSES	253,428.	246,566.
LAND DEVELOPMENT COSTS	2,868,786.	3,508,912.
TOTAL TO SCHEDULE L, LINE 6	3,157,836.	3,792,531.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	9
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES	442,765.	445,366.
DEFERRED REVENUE	1,020,554.	752,155.
WARRANTY RESERVE	4,166.	2,853.
DEPOSITS-ROOMS	150,564.	106,543.
GIFT CERTIFICATES	11,539.	2,862.
ACCRUED PAYROLL TAXES	185,113.	142,316.
ACCRUED SALES TAX	4,556.	2,134.
ACCRUED INTEREST	3,936,427.	4,977,354.
ACCRUED REAL ESTATE TAXES	413,331.	510,794.
TOTAL TO SCHEDULE L, LINE 17	6,169,015.	6,942,377.

FORM 1065	PARTNERS' CAPITAL ACCOUNT SUMMARY	STATEMENT	10
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PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL
1	-88,984.		-15,148.		-104,132.
2	-7,466,426.		-1,499,624.		-8,966,050.
TOTAL	-7,555,410.		-1,514,772.		-9,070,182.

SCHEDULE M-1 EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN STATEMENT 11

DESCRIPTION	AMOUNT
SECTION 263A ADJUSTMENT	32,321.
ACCRUED INTEREST	15,000.
BAD DEBT EXPENSE	6,864.
TOTAL TO SCHEDULE M-1, LINE 4	54,185.

**SCHEDULE K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

For calendar year 2001 or tax year

OMB No. 1545-0099

**2001**

beginning and ending

Partner's identifying number **25-1752111** Partnership's identifying number **25-1752112**

Partner's name, address, and ZIP code Partnership's name, address, and ZIP code

**KETTLER BROTHERS AT HIDDEN VALLEY  
1 CRAIGHEAD DRIVE  
HIDDEN VALLEY, PA 15502**

**HIDDEN VALLEY RESORT, L.P.  
1 CRAIGHEAD DRIVE  
HIDDEN VALLEY, PA 15502**

**A** This partner is a  general partner  limited partner  
 limited liability company member

**B** What type of entity is this partner? **S CORPORATION**

**C** Is this partner a  domestic or a  foreign partner?

**D** Enter partner's percentage of:

(i) Before change or termination (ii) End of year

Profit sharing ..... % **1.0000000%**

Loss sharing ..... % **1.0000000%**

Ownership of capital ..... % **1.0000000%**

**F** Partner's share of liabilities:

Nonrecourse ..... \$

Qualified nonrecourse financing ..... \$ **11,956.**

Other ..... \$ **3,755,112.**

**E** IRS Center where partnership filed return: **OGDEN, UT**

**I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-88,984.		-15,148.		-104,132.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -20,892.	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).  Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (f) Sch. D, line 12, col. (g) Line 4 of worksheet for Sch. D, line 29 Enter on applicable line of your return.
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a 88.	
	b Ordinary dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e (1) Net long-term capital gain (loss)	4e(1)	
	(2) 28% rate gain (loss)	4e(2)	
	(3) Qualified 5-year gain	4e(3)	
f Other portfolio income (loss) (attach schedule)	4f		
5 Guaranteed payments to partner	5	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.	
6 Net section 1231 gain (loss) (other than due to casualty or theft)	6		
7 Other income (loss) (attach schedule)	7		
8 Charitable contributions (attach schedule) <b>SEE STATEMENT</b>	8 60.		
9 Section 179 expense deduction	9	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
10 Deductions related to portfolio income (attach schedule)	10		
11 Other deductions (attach schedule)	11		
Credits	12 a Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12a(1)	
	(2) Other than on line 12a(1)	12a(2)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
d Credits related to other rental activities	12d		
13 Other credits	13		

**JWA** For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2001

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment interest	14 a	Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f	14b(1) 88.	
	(2)	Investment expenses included on line 10	14b(2)	
Self-employment	15 a	Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a 2,197.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d (1)	Gross income from oil, gas, and geothermal properties	16(d)1	
	(2)	Deductions allocable to oil, gas, and geothermal properties	16(d)2	
e	Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a	Name of foreign country or U.S. possession		Form 1116, Part I
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
	(1)	Passive	17d(1)	
	(2)	Listed categories (attach schedule)	17d(2)	
	(3)	General limitation	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
	(1)	Interest expense	17e(1)	
	(2)	Other	17e(2)	
f	Deductions allocated and apportioned at partnership level to foreign source income:			
(1)	Passive	17f(1)		
(2)	Listed categories (attach schedule)	17f(2)		
(3)	General limitation	17f(3)		
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II Form 1116, line 12	
h	Reduction in taxes available for credit (attach schedule)	17h		
Other	18	Section 59(e)(2) expenditures: a Type		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b	Amount	18b	
	18	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses SEE STATEMENT	21 26.	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Recapture of low-income housing credit:		Form 8611, line 8
a	From section 42(j)(5) partnerships	24a		
b	Other than on line 24a	24b		
Supplemental Information	25	Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

## SCHEDULE K-1

## CHARITABLE CONTRIBUTIONS

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
CHARITABLE CONTRIBUTIONS - SUBJECT TO 50 PERCENT LIMIT	60.	ENTER ON SCH A (1040 FILERS) OR APPLICABLE LINE OF RETURN
TOTAL TO SCHEDULE K-1, LINE 8	60.	

## SCHEDULE K-1

## NONDEDUCTIBLE EXPENSES

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	26.	NONDEDUCTIBLE PORTION
TOTAL TO SCHEDULE K-1, LINE 21	26.	

beginning and ending  
 Partner's identifying number **25-1752112**  
 Partnership's identifying number **25-1752112**  
 Partner's name, address, and ZIP code  
 Partnership's name, address, and ZIP code

**JAMES KETTLER**  
**9426 STEWARTOWN ROAD**  
**GAITHERSBURG, MD 20879**  
**HIDDEN VALLEY RESORT, L.P.**  
**1 CRAIGHEAD DRIVE**  
**HIDDEN VALLEY, PA 15502**

**A** This partner is a  general partner  limited partner  
 limited liability company member  
**B** What type of entity is this partner? **INDIVIDUAL**  
**C** Is this partner a  domestic or a  foreign partner?  
**D** Enter partner's percentage of:  
 Profit sharing ..... % **99.0000000%**  
 Loss sharing ..... % **99.0000000%**  
 Ownership of capital ..... % **99.0000000%**  
**E** IRS Center where partnership filed return: **OGDEN, UT**  
**F** Partner's share of liabilities:  
 Nonrecourse ..... \$  
 Qualified nonrecourse financing ..... \$ **1,183,659.**  
 Other ..... \$ **18,151,447.**  
**G** Tax shelter registration number **▶**  
**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2)   
**I** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-7,466,426.		-1,499,624.		-8,966,050.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 -2,068,318.	} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest	4a 8,747.		Sch. B, Part I, line 1
	b Ordinary dividends	4b		Sch. B, Part II, line 5
	c Royalties	4c		Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f)	
	e (1) Net long-term capital gain (loss)	4e(1)	Sch. D, line 12, col. (f)	
	(2) 28% rate gain (loss)	4e(2)	Sch. D, line 12, col. (g)	
	(3) Qualified 5-year gain	4e(3)	Line 4 of worksheet for Sch. D, line 29	
f Other portfolio income (loss) (attach schedule)	4f	Enter on applicable line of your return.		
5 Guaranteed payments to partner	5	} See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).		
6 Net section 1231 gain (loss) (other than due to casualty or theft)	6			
7 Other income (loss) (attach schedule)	7	Enter on applicable line of your return.		
Deductions	8 Charitable contributions (attach schedule) <b>SEE STATEMENT</b>	8 5,940.	Sch. A, line 15 or 16	
	9 Section 179 expense deduction	9	} See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
	10 Deductions related to portfolio income (attach schedule)	10		
	11 Other deductions (attach schedule)	11		
Credits	12 a Low-income housing credit:		} Form 8586, line 5	
	(1) From section 42(j)(5) partnerships	12a(1)		
	(2) Other than on line 12a(1)	12a(2)		
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	} See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c		
d Credits related to other rental activities	12d			
13 Other credits	13			

		(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a	Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f	14b(1) 8,747.	
	(2)	Investment expenses included on line 10	14b(2)	
Self-employment	15 a	Net earnings (loss) from self-employment	15a 0.	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a	Depreciation adjustment on property placed in service after 1986	16a 217,487.	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d (1)	Gross income from oil, gas, and geothermal properties	16(d)1	
	(2)	Deductions allocable to oil, gas, and geothermal properties	16(d)2	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17 a	Name of foreign country or U.S. possession		Form 1116, Part I
	b	Gross income from all sources	17b	
	c	Gross income sourced at partner level	17c	
	d	Foreign gross income sourced at partnership level:		
	(1)	Passive	17d(1)	
	(2)	Listed categories (attach schedule)	17d(2)	
	(3)	General limitation	17d(3)	
	e	Deductions allocated and apportioned at partner level:		
	(1)	Interest expense	17e(1)	
	(2)	Other	17e(2)	
	f	Deductions allocated and apportioned at partnership level to foreign source income:		
	(1)	Passive	17f(1)	
(2)	Listed categories (attach schedule)	17f(2)		
(3)	General limitation	17f(3)		
g	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17g	Form 1116, Part II Form 1116, line 12	
h	Reduction in taxes available for credit (attach schedule)	17h		
Other	18	Section 59(e)(2) expenditures: a Type		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b	Amount	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21	Nondeductible expenses SEE STATEMENT	21 2,586.	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Recapture of low-income housing credit:		Form 8611, line 8
a	From section 42(j)(5) partnerships	24a		
b	Other than on line 24a	24b		
Supplemental Information	25	Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

## SCHEDULE K-1

## CHARITABLE CONTRIBUTIONS

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
CHARITABLE CONTRIBUTIONS - SUBJECT TO 50 PERCENT LIMIT	5,940.	ENTER ON SCH A (1040 FILERS) OR APPLICABLE LINE OF RETURN
TOTAL TO SCHEDULE K-1, LINE 8	5,940.	

## SCHEDULE K-1

## NONDEDUCTIBLE EXPENSES

DESCRIPTION	AMOUNT	PARTNER INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	2,586.	NONDEDUCTIBLE PORTION
TOTAL TO SCHEDULE K-1, LINE 21	2,586.	

Application for Additional Extension of Time to File  
 U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

▶ File a separate application for each return.

Please type or print.  File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.	Name <b>HIDDEN VALLEY RESORT, L.P.</b>	Employer identification number <b>25-1752112</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>1 CRAIGHEAD DRIVE</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. <b>HIDDEN VALLEY, PA 15502</b>	

1 I request an additional extension of time until OCTOBER 15, 2002, to file (check only one):  
 Form 1041     Form 1041-QFT     Form 1065     Form 1065-B     Form 1066

2 If the entity does not have an office or place of business in the United States, check this box

3 a For calendar year 2001, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_  
 b If this tax year is for less than 12 months, check reason:     Initial return     Final return     Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.  
ADDITIONAL TIME IS NEEDED TO GATHER THE NECESSARY INFORMATION FOR THE  
FILING OF A COMPLETE AND ACCURATE RETURN.

5 Has the entity filed Form 8736 to request an extension of time to file for this tax year?     Yes     No  
 If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ James J. Alpern    **ALPERN, ROSENTHAL & CO., CPAs**  
332 FIFTH AVE. SUITE 400, PA 15222    Date ▶ 7-3-02

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS.

- We HAVE approved this application. Please attach this form to the entity's return.
- We HAVE NOT approved this application.  
 However, we have granted a 10-day grace period to \_\_\_\_\_ This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.
- We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other: \_\_\_\_\_

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

Director \_\_\_\_\_ Date \_\_\_\_\_  
 If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name <b>ALPERN ROSENTHAL</b>	
	Number, street, and room or suite no. (If a P.O. box, see instructions.) <b>332 FIFTH AVENUE, SUITE 400</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. <b>PITTSBURGH, PA 15222</b>	

Application for Automatic Extension of Time to  
File U.S. Return for a Partnership, REMIC,  
or for Certain Trusts

▶ File a separate application for each return.

Please type  
or print.

Name

Employer identification number

HIDDEN VALLEY RESORT, L.P.

25-1752112

File by the due  
date for filing  
the return for  
which an  
extension is  
requested.

Number, street, and room or suite no. If a P.O. box, see instructions.

1 CRAIGHEAD DRIVE

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

HIDDEN VALLEY, PA 15502

1 I request an automatic 3-month extension of time to file (check only one):

Form 1041

Form 1041-QFT

Form 1065

Form 1065-B

Form 1066

2 If the entity does not have an office or place of business in the United States, check this box

3 a For calendar year 2001, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:

Initial return

Final return

Change in accounting period

4 If this extension is requested for Form 1041; Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) \$ \_\_\_\_\_

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- \$ \_\_\_\_\_

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) \$ \_\_\_\_\_ 0.

Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.

Application for Automatic Extension of Time to  
File U.S. Return for a Partnership, REMIC,  
or for Certain Trusts

▶ *File a separate application for each return.*

Please type  
or print.

Name

Employer identification number

HIDDEN VALLEY RESORT, L.P.

25-1752112

File by the due  
date for filing  
the return for  
which an  
extension is  
requested.

Number, street, and room or suite no. If a P.O. box, see instructions.

1 CRAIGHEAD DRIVE

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

HIDDEN VALLEY, PA 15502

1 I request an automatic 3-month extension of time to file (check only one):

Form 1041

Form 1041-QFT

Form 1065

Form 1065-B

Form 1066

2 If the entity does not have an office or place of business in the United States, check this box

3 a For calendar year 2001, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:

Initial return

Final return

Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) \$ \_\_\_\_\_

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- \$ \_\_\_\_\_

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) \$ \_\_\_\_\_ 0.

Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.

Application for Additional Extension of Time to File  
 U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

File a separate application for each return.

Please type or print.  File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.	Name <b>HIDDEN VALLEY RESORT, L.P.</b>	Employer identification number <b>25-1752112</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>1 CRAIGHEAD DRIVE</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. <b>HIDDEN VALLEY, PA 15502</b>	

- 1 I request an additional extension of time until OCTOBER 15, 2002, to file (check only one):  
 Form 1041     Form 1041-QFT     Form 1065     Form 1065-B     Form 1066
- 2 If the entity does not have an office or place of business in the United States, check this box
- 3 a For calendar year 2001, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_  
 b If this tax year is for less than 12 months, check reason:     Initial return     Final return     Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.  
ADDITIONAL TIME IS NEEDED TO GATHER THE NECESSARY INFORMATION FOR THE  
FILING OF A COMPLETE AND ACCURATE RETURN.

- 5 Has the entity filed Form 8736 to request an extension of time to file for this tax year?     Yes     No  
 If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature James J. Alpern    **ALPERN, ROSENTHAL & CO., CPAs**  
332 FIFTH AVE. TOWER, PA 15222 PA    Date 7-3-02

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS.

We HAVE approved this application. Please attach this form to the entity's return.  
 We HAVE NOT approved this application.  
 However, we have granted a 10-day grace period to \_\_\_\_\_ . This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

We HAVE NOT approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.  
 We cannot consider this application because it was filed after the due date of the return for which an extension was requested.  
 Other: \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_  
 If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name <b>ALPERN ROSENTHAL</b>	
	Number, street, and room or suite no. (If a P.O. box, see instructions.) <b>332 FIFTH AVENUE, SUITE 400</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. <b>PITTSBURGH, PA 15222</b>	

**EXHIBIT 8**

# Commonwealth of Pennsylvania

## Department of Environmental Protection

*In accordance with the  
State Board for Certification of Water and Wastewater Systems Operators  
and the Regulations of the  
Department of Environmental Protection*

**BRAD HOOVER**

*Is Hereby Authorized to Operate  
WASTEWATER SYSTEM*

Client ID: 197067

Class: C  
Type: 1

BRAD HOOVER  
938 HOOVER RD  
SOMERSET PA 15501

Issue Date Jul 01, 2003  
Expiration Date Jun 30, 2006

Certificate No. S9584

  
Board Chairman

# Commonwealth of Pennsylvania

## Department of Environmental Protection

*In accordance with the  
State Board for Certification of Water and Wastewater Systems Operators  
and the Regulations of the  
Department of Environmental Protection*

**GLENN P FODOR**

*Is Hereby Authorized to Operate  
WASTEWATER SYSTEM*

Client ID: 198986

Class: C  
Type: 1

GLENN P FODOR  
RR 1 BOX 406  
STAHLSTOWN PA 15687

Issue Date Jul 01, 2003  
Expiration Date Jun 30, 2006

Certificate No. S8517

  
Board Chairman

**EXHIBIT 9**

Hidden Valley Utility Services, L.P.  
Sewer Operations  
Proposed Rate Schedule

Metered Rates

This schedule is based upon using sewer services and having metered water supply services.

Service Charge:

\$20.00 Charge Per Month Regardless of the Amount of Water Metered

Volume Charge:

In addition to a monthly service charge presented above, a volume charge based on metered water usage will be charged as follows:

	Per 1,000 Gallons
For The First 30,000 gallons per quarter	\$15.20
For All Over 30,000 gallons per quarter	\$10.10

**EXHIBIT 10**

A-

Tariff Wastewater -- Pa. P.U.C. No. 1

HIDDEN VALLEY UTILITY SERVICES, L.P.  
RATES, RULES AND REGULATIONS GOVERNING  
THE PROVISION OF WASTEWATER COLLECTION, TREATMENT  
AND/OR DISPOSAL SERVICE TO THE PUBLIC IN  
A PORTION OF JEFFERSON TOWNSHIP, SOMERSET COUNTY,  
PENNSYLVANIA

ISSUED: (Issued Date)

EFFECTIVE: (Effective Date)

BY: John Scanlan, President  
Hidden Valley Utility Services, L.P.  
1 Craighead Drive  
Suite 300  
Hidden Valley, Pennsylvania 15502  
(814) 443-8452

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Issued: (Issued Date)

Effective: (Effective Date)

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Issued: (Issued Date)

Effective: (Effective Date)

LIST OF CHANGES

Establish initial tariff.

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*PART I: SCHEDULE OF RATES AND CHARGES*

*Section A - Rates for Metered Service*

1. Customer Charge: Each customer will be assessed a monthly customer service charge in the amount of twenty dollars (\$20.00).
2. Consumption Charge: In addition to the customer charge, the following water consumption charges will apply:

Consumption

<u>Per Month</u>	<u>Rate per 1000 gals.</u>
First 30,000 Gals.	\$15.20
All over 30,000 Gals.	\$10.10

*Section B. Returned Check Charge*

A charge of \$40.00 will be assessed any time where a check which has been presented to the Company for payment on account has been returned by the payer bank for any reason.

*Section C - Service Termination or Resumption Rates*

The fee for shut-off or turn-on of service shall be \$40.00.

*PART II: DEFINITIONS*

The following words and phrases, when used in this tariff, shall have the meanings assigned below unless the context clearly indicates otherwise:

1. Annual Line Extension Cost: The sum of a Company's additional annual operating and maintenance costs, debt costs and depreciation charges associated with the construction, operation and maintenance of a line extension.
2. Annual Revenue (for line extension purposes): The Company's expected additional annual revenue from a line extension based on the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the bona fide service applicant.

3. Applicant: A person, association, partnership, corporation, municipality, authority, state or federal governmental agency or other entity who applies to become a customer of the Company in accordance with Part III, Section A, of this tariff.
4. Bona Fide Service Applicant (for line extension purposes): A person or entity applying for wastewater service to an existing or proposed structure within the Company's certificated service territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:
  - (a) applicant is requesting wastewater service to a building lot, subdivision or a secondary residence;
  - (b) the request for service is part of a plan for the development of a residential dwelling or subdivision; or
  - (c) the applicant is requesting special utility service.
5. Commission: The Pennsylvania Public Utility Commission.
6. Company: Hidden Valley Utility Services, L.P.
7. Company Service Line: The wastewater line from the collection facilities of the Company which connects to the customer service line at the hypothetical or actual curb line or the actual property line.
8. Customer: A person or entity who is an owner or occupant and who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service without a contract.
9. Customer Service Line: The wastewater line extending from the end of the Company service line or connection to the point of connection at the customer's premise.
10. Debt Costs: The Company's additional annual cost of debt associated with financing a line extension investment based on the current debt ratio and weighted

long-term debt cost rate for the Company or that of a comparable jurisdictional wastewater utility.

11. Depreciation Charges: The Company's additional annual depreciation charges associated with a specific line extension investment to be made based on the current depreciation accrual rates for that Company or that of a comparable jurisdictional wastewater utility.
12. Dwelling Unit: A structure or dwelling intended to be occupied as a whole by one family.
13. Garbage: The solid wastes from domestic cooking and dispensing of food, and from the handling and storage of produce.
14. Grinder pump: Any mechanical or powered device used to grind, macerate or fluidize garbage so that it can be discharged into the wastewater system of the Company.
15. Line extension (for line extension purposes): An addition to the Company's main line which is necessary to serve the premises of a customer.
16. Main: The Company's pipe, excluding service connections, located in a public highway, street, alley or private right-of-way which pipe is used in transporting wastewater.
17. Meter: Any device supplied by the Company, except as approved by the Commission, for the purpose of measuring water or wastewater consumption.
18. Nonresidential Service: Wastewater service supplied to a commercial or industrial building, including a hotel or motel, or to a master-metered trailer park or multi-tenant apartment building, or to any customer who purchases wastewater service from the Company for the purpose of resale.
19. Operating and Maintenance Costs (for line extension purposes): The company's average annual operating and maintenance costs associated with serving an additional customer, including customer accounting, billing, collections, water purchased, power purchased, chemicals, and other variable costs based on the

current total Company level of such costs, as well as costs particular to the specific needs of that customer, such as line flushing.

20. Public Utility: Persons or corporations owning or operating equipment or facilities in this Commonwealth for water, electric or wastewater collection, treatment, or disposal for the public for compensation.
21. Residential Service: Wastewater service supplied to an individual single-family residential dwelling unit.
22. Regulatory Agency: Agencies, including but not limited to the Commission, the Pennsylvania Department of Environmental Protection (DEP) and U.S. Environmental Protection Agency (EPA) which have authority over the operations of and/or discharges into and/or from the Company's treatment facilities.
23. Sanitary Sewer: A sewer which carries sanitary wastewater and excludes storm, surface and ground water.
24. Special Utility Service: Residential or business service which exceeds that required for ordinary residential purposes. See additional clarification in Section H, Part 2(e) of this tariff.
25. Storm Sewer: A sewer which receives discharges from stormwater building sewers and/or carries off surface, subsurface, or stormwater from the buildings, ground, streets, or other areas, including street wash.
26. Suspended Solids: Solids that either float on the surface of, or are in suspension in water, wastewater, or other liquids, and which are largely removable by filtration.
27. Tariff: All of the service rates, rules and regulations issued by the Company, together with any supplements or revisions thereto, officially approved by the Commission and contained in this document.
28. Toxic Substances: Any substances where gaseous, liquid or solid waste which, when discharged to a public sewer in sufficient quantities, will be detrimental to any biological wastewater treatment process, constitute a hazard to human beings or animals, inhibit aquatic life, or create a hazard to recreation in receiving waters of the effluent from a wastewater treatment plant, or as defined pursuant to PL 92-

500 (Federal Water Pollution Control Act Amendments of 1972) or its amendments.

29. Wastes: Any liquid, gaseous, or solid substances or combination thereof which are discarded, leached, or spilled substances or combination thereof including sanitary wastewater but excluding storm-water.
30. Wastewater: A combination of the water-carried wastes from residences, together with such ground surface and storm water as may be present in sanitary sewers.

*PART III: RULES AND REGULATIONS*

*Section A - Applications for Service*

1. Service Application Required: All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, the lessee may request service as an applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the applicant.
2. Change in Ownership or Tenancy: A new application must be made to the Company upon any change in ownership where the owner of the property is the customer, or upon any change in the identity of a lessee where the lessee of the property is the customer. The Company shall have the right to discontinue or otherwise interrupt wastewater collection service upon three (3) days notice if a new application has not been made and approved for the new customer.
3. Acceptance of Application: An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the applicant pending formal review and acceptance of the application.
4. Application Forms: Application forms can be obtained at the Company's local business office, presently located at 1 Craighead Drive, Suite 300, Hidden Valley, Pennsylvania 15502.
5. Temporary Service: In the case of temporary service for short-term use, the Company may require the customer to pay all costs of making the service connection and for its removal after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. If the service connection is physically removed, the customer shall receive a credit for reasonable salvage value.

*Section B - Construction and Maintenance of Facilities*

1. Customer Service Line: The customer service line shall be furnished, installed, maintained and/or replaced, when necessary, by and at the sole expense of the customer. The Company reserves the right to determine the size, kind and depth of customer service lines.
2. Separate Trench: The customer wastewater service line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service.
3. Customer's Responsibilities: All service lines, connections and fixtures furnished by the customer shall be maintained by the customer in good working order. All valves, meters and appliances furnished by the Company and on property owned or leased by the customer shall be protected properly by the customer. All leaks in the customer service line or any pipe or fixtures in or upon the customer's premises must be repaired immediately by the customer.
4. Right to Reject: The Company may refuse to connect with any piping system or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.
5. Water Use Standards for Certain Plumbing Fixtures: This rule establishes maximum water use criteria for certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum efficiency of water use which the Commission has determined is technologically feasible and economically justified.

(a) Maximum permitted water usage levels shall be as follows:

<u>Plumbing Fixture</u>	<u>Maximum Water Use</u>
water closets	1.6 gallons/flush
urinals	1.5 gallons/flush

- (b) The Company may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, cannot be accommodated by existing technology or are otherwise inappropriate.
10. Individual Service Lines: Except as otherwise expressly authorized by the Company, each individual customer shall be served only through a separate service line connected directly to the Company's collection main, and that service line shall not serve any other customer or premise. No additional attachment may be made to any customer's service line for any purpose without the express written approval of the Company.
11. Connection to Company Mains: No connection shall be made to the Company's main, nor detachment from it, except under the direction and control of the Company. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install and maintain all service lines from the main to the curb.

*Section C - Discontinuance, Termination and Restoration of Service*

1. Discontinuance by Customer: Where a customer requests the Company to discontinue service, the following rules shall apply:
- (a) A customer who wishes to have service discontinued shall give at least seven (7) days notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the customer shall be responsible for all service rendered until the time that the Company shall have actual or constructive notice of the customer's intent to discontinue service. The customer shall not begin to use nor cease to use wastewater service without the prior written consent of the Company. A customer discontinuing service remains a customer for purposes of paying turn-on fees pursuant to Rule 3 of this Section for a period of nine (9) months.
- (b) Where a customer requests turn-on of service within six (6) months of disconnection, the customer shall be subject to monthly minimum billing for the period of disconnection.

2. Termination by Company: Service to the customer may be terminated for good cause, including, but not limited to, the following:
- (a) making an application for service that contains material misrepresentations;
  - (b) failure to repair leaks in pipes or fixtures;
  - (c) tampering with any service line, curb connection, or installing or maintaining any unauthorized connection;
  - (d) theft of service, which shall include taking service without having made a proper application for service under Part III, Section A;
  - (e) failure to pay, when due, any charges accruing under this tariff;
  - (f) discharge of any prohibited substance listed in Section F into the wastewater system;
  - (g) receipt by the Company of an order or notice from the Department of Environmental Protection, a health agency, local plumbing inspector or other similar authority, to terminate service to the property served on the grounds of violation of any law or ordinance, or upon notice to the Company from any such authority that it has ordered an existing violation on the property to be corrected and that such order has not been complied with; or
  - (h) material violation of any provisions of this tariff.
3. Turn-on Charge: Whenever service is discontinued or terminated pursuant to Rule 1 or Rule 2 of this Section, service shall be permitted by the Company only upon the payment by the customer of a turn-on charge and the curing of the problem that gave rise to the termination if under Rule 2.

*Section D - Billing and Collection*

1. Issuance of Bills: The Company will bill each customer within fifteen (15) days of the last day of each billing period.
2. Billing Due Date: The due date for payment of a bill for nonresidential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment falls on a Saturday, Sunday or bank holiday, or on any day when the offices of the Company are not open to the general public, the due date shall be extended to the next business day. The Company may not impose a late-payment charge unless payment is received more than five (5) days after the stated due date.
3. Late-Payment Charge: All amounts not paid when due shall accrue a late-payment charge at the rate not to exceed one and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid as prescribed in Rule 2 of this Section.
4. Change in Billing Address: Where a customer fails to notify the Company of a change in billing address, the customer shall remain responsible to remit payment by the billing due date.
5. Application of Payment: Utility bills rendered by the Company shall include only the amount due for utility service. Where a customer remittance to the Company includes payment for any non-utility services, proceeds will be applied first to pay all outstanding regulated utility charges.
6. Return Check Charges: The customer will be responsible for the payment of a charge for each time a check presented to the Company for payment on that customer's utility bill is returned by the payer bank for any reason including, but not limited to, insufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished, or unauthorized signature. This charge is in addition to any charge which may be assessed against the customer by the bank.

7. Disputed Bills: In the event of a dispute between the customer and the Company with respect to any bill, the Company will promptly make such investigation as may be required by the particular case and report the result to the customer. The customer is not obligated to pay the disputed amount during the pendency of the Company's investigation. When the Company has made a report to the customer sustaining the bill as rendered, the customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount determined to be due by the Company's investigation of the dispute shall be refunded to the customer.

*Section E - Deposits*

1. Residential Customers:

- (a) New Applicants—The Company will provide service without requiring a deposit unless the applicant was terminated for nonpayment within the prior twelve (12) months or has an unpaid balance for prior service from the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—If a customer has paid late on two (2) consecutive occasions or a total of three (3) times within the prior 12-month period, the Company may send a letter informing the customer that a deposit may be required if another late payment is received within the next twelve (12) months. An existing customer may be required to pay a deposit as a condition to having service restored after termination for non-payment or for failure to comply with a payment agreement. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (c) Deposit Refunds and Interest—A deposit will be refunded if service is discontinued and the final bill is paid or if the customer has paid the bills for the prior 12-month period without having been late on more than two (2) occasions and is not currently delinquent. Deposits from residential customers shall bear simple interest at the rate of the average of one-year Treasury Bills for September, October and November of the previous year, payable annually without deductions

for taxes thereon unless otherwise required by law. The applicable interest rate for each year shall be determined as of January 1 of that year.

2. Nonresidential Customers:

- (a) New Applicants—A deposit may be required from any new applicant who does not have prior satisfactory credit history with the Company. The amount of the deposit will not be greater than an estimated average bill for one (1) billing period plus the estimated bill for one (1) additional month's service.
- (b) Existing Customers—Deposit requirements for existing nonresidential customers shall be as established for residential customers in Rule 1 of this Section.
- (c) Deposit Refunds and Interest—A deposit will be refunded if the customer pays all bills on time over a 12-month period or if service is disconnected and the final bill has been paid. There will be no interest paid on deposits for nonresidential accounts.

*Section F - Wastewater Control Regulations*

1. General:

- (a) No storm water from pavements, area ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company mains.
- (b) The discharge of garbage to the sewer system is expressly prohibited. Properly shredded garbage may be discharged into the sewer system when expressly authorized by the Company.
- (c) This does not exclude or preclude pump-out of manholes by a utility company or of manholes on plant premises which should be kept in dry or reasonably dry condition.

2. Discharges: No person shall cause or permit to be discharged into the Company's wastewater system any toxic substances or wastes having any of the following characteristics:
- (a) Wastes containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation.
  - (b) Wastes having a temperature in excess of 120 degrees F. or less than 20 degrees F.
  - (c) Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
  - (d) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.
  - (e) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
  - (f) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
  - (g) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
  - (h) Wastes containing any of the following substances in concentrations exceeding those shown in the following table as measured by an acceptable method:

Substance

Maximum Permissible Concentration

Phenolic Compounds, e.g.,

As C6H5OH	1.00 mg/l
Cyanides as CN	0.00 mg/l
Cyanates as CNO	0.00 mg/l
C.B.O.D. (5 day)	300.00 mg/l
Iron as Fe	3.00 mg/l
Trivalent Chromium as CR plus three	0.05 mg/l
Hexavalent Chromium as CR. plus six	0.05 mg/l
Nickel as Ni	0.05 mg/l
Copper as Cu	0.50 mg/l
Lead as Pb	0.50 mg/l
Zinc as Zn	0.50 mg/l
Mercury as Hg	0.00 mg/l

- (i) Wastes containing other matter detrimental to the operation of a sewage treatment plan or sanitary sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.
- (j) Wastes containing more than 100 mg/l by weight of tar, fat, oil or grease.
- (k) Wastes containing more than 10 mg/l of any of the following gases, hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.
- (l) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation and such toxic wastes shall include, but not be limited to wastes containing cyanide, chromium and/or copper ions.
- (m) Any waste containing toxic substance in quantities sufficient to interfere with the biochemical processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.
- (n) Any waste containing radioactive isotopes.

3. Sampling and Analysis:

- (a) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.
- (b) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation then the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be born by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).
- (c) Where the Company deems it advisable, it may require any person discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes so discharged.
4. Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's wastewater system, except as designated by the Company.
5. Penalties: The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.
6. Damage to System and Indemnification: In the event of any damage to the Company's wastewater system caused by a customer, such damage shall be

immediately reported to the Company and said customer shall reimburse Company for the costs of such repairs.

*Section G - Line Extensions*

1. Requests by Bona Fide Service Applicant: Upon request by a bona fide service applicant, the Company shall construct line extensions within its franchised territory consistent with the following directives:
  - (a) Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.
  - (b) If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to the Company's cost of construction for the line extension. The Company's investment for the line extension shall be the portion of the total construction costs which generate annual line extension costs equal to annual revenue from the line extension. The customer advance amount shall be determined by subtracting the Company's investment for the line extension from the total construction costs.
  - (c) The Company's investment for the line extension shall be based on the following formula, where X equals the Company's investment attributed to each bona fide applicant:  
  
$$X = [AR - OM] \text{ divided by } [I + D] ; \text{ and,}$$
$$AR = \text{the Company's annual revenue}$$
$$OM = \text{the Company's operating and maintenance costs}$$
$$I = \text{the Company's current debt ratio multiplied by the}$$
$$\text{Company's weighted long-term debt cost rate}$$
$$D = \text{the Company's current depreciation accrual rate}$$
2. Customer advance financing, refunds and facilities on private property:

**[Subsection (a) is for use by companies with gross annual receipts of \$10 million or more]**

- (a) When a customer advance is required from a bona fide service applicant for service and the bona fide applicant is unable to advance the entire amount due, the Company shall either:
  - (i) Allow the applicant to pay the advance plus the financing costs equal to the Company's weighted cost of long-term debt, over a period of not less than three years; or
  - (ii) Provide information to the bona fide service applicant on financial institutions that may offer financing to the applicant for the main extension.
- (b) When a customer advance is required of a service applicant and an additional customer or customers attach service lines to the line extension within ten (10) years, the Company shall refund a portion of the advance to the customer. Deposits made for additional facilities other than the line extension are contributions in aid of construction and need not be refunded.
- (c) The Company will refund to the applicant, during a period of ten (10) years from the date of the extension deposit, a per-customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension as distinguished from extensions or branches thereof. Provided, however, that the total amount refunded shall not exceed the original deposit without interest, and provided that all or any part of the deposit not refunded within said ten (10) year period shall become the property of the Company and shall be treated as Contributions in Aid of Construction for ratemaking purposes. The per customer refund amount shall equal the Company's investment attributed to each bona fide applicant as calculated in the formula contained in Section G, Rule 1, Subsection (c) of this tariff.

- (d) The Company shall require a customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.
  - (e) Special utility service shall mean residential or business service which exceeds that required for ordinary residential purposes. Section G Rule 1 (a) through (c) of this tariff do not apply to special utility service. By way of illustration and not limitation, special utility service shall include: the installation of facilities such as oversized mains and booster pumps as necessary to provide adequate flows, or service to large commercial and industrial facilities. An otherwise bona fide applicant requesting service which includes a "special utility service" component is entitled to bona fide applicant status, including the corresponding Company contribution toward the costs to the line extension which do not meet the special utility service criteria.
3. Requirement for Extension Deposit Agreement: Where extension of facilities is not fully funded by the Company pursuant to Rule 2 of this Section, the execution by the applicant of an Extension Deposit Agreement for customer contribution or advance shall be a condition of extending the facilities. Upon notice that the Company is prepared and able to go forward with the work, the applicant will deposit with the Company the amount specified in the Extension Deposit Agreement.
  4. Size of Main: The Company shall have the exclusive right to determine the type and size of mains to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as appropriate.
  5. Length of Extension: In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the curb line, which is equidistant from the side property lines of the last lot for which service was

requested. A street service connection will be provided only for customer service lines that extend at right angles from the curb line in a straight line to the premises to be served.

6. Cost True-up: At the conclusion of the main extension project there shall be a reconciliation of the actual costs incurred to the amount of extension deposit that has been paid by the customer. If the actual cost exceeds the deposit, the applicant shall be responsible for payment to the Company of the difference. If the deposit exceeds the actual cost, the Company shall refund the difference.

#### *Section H - Service Continuity*

1. Regularity of Service: The Company may, at any time, shut off service in case of accident or for the purpose of making connections, alterations, repairs or changes, or for other reasons. The Company will, pursuant to Commission regulations at 52 Pa. Code '67.1 and as circumstances permit, notify customers to be affected by service interruptions.
2. Liability for Damages:
  - (a) Limitation of Damages for Service Interruptions—The Company's liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but cannot and does not guarantee that such will not occur.
  - (b) Responsibility for Customer Facilities—The Company shall not be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents.

#### *Section I - Waivers*

The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

*Section J - Amendment of Commission Regulations*

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, this tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

*Section K. Industrial and Commercial Service Limitations.*

1. Pretreatment: All industrial and commercial waste proposed for discharge into the sewer system shall be studied to determine the degree of pretreatment, if any, necessary in order that the waste will not adversely affect the system or the sewage treatment facilities. The Company will have the authority to properly control any waste discharge into its sewage system by regulating the rate of any waste discharge into its sewer system by requiring necessary pretreatment, and excluding certain waste, if necessary, to protect the integrity of the Company's system.
2. Customer Limitations: Customers specifically agree that service applies exclusively for domestic/household sewage. If any Customer discharges industrial or commercial waste that:
  - the existing wastewater treatment plant is unable to satisfactorily treat; or,
  - is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or,
  - is more costly to treat than typical domestic wastewater; or,
  - requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic waste water,

then the customer shall provide, at the customer's own expense, such primary treatment as may be necessary before such waste is discharged into the Company mains. No commercial or industrial waste, whether pretreated or not, may be discharged without prior written authorization from the Company.

3. Company Limitations: The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial waste.
4. Specific dangers: In general, any waste will be considered harmful to the Company wastewater system if it may cause any of the following damaging effects:
  - (a) chemical reaction either directly or indirectly with the materials of construction of the system in such a manner as to impair the strength or durability of the sewer structures;
  - (b) mechanical action that will destroy the sewer structures;
  - (c) restriction of the hydraulic capacity of the sewer structures;
  - (d) restriction of the normal inspection or maintenance of the sewer structures;
  - (e) danger to public health and safety; or (f) obnoxious condition contrary to public interest.

*Section L. Privilege to Investigate/Right of Access*

The Company's authorized representatives shall have the right of access at all reasonable times to all parts of any premises connected with the system, for the purpose of examining and inspecting connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause.

**EXHIBIT 11**

Hidden Valley Utility Services, L.P.  
Sewer Operations  
Cost of Service & Revenue Requirement

	Estimated		
	Year 1	Year 5	Year 10
Operating Revenue	\$500,824	\$510,840	\$521,057
<i>Operating Expenses</i>			
Rate Making Operation and Maintenance Expenses	240,001	255,451	321,011
Depreciation	57,120	61,118	65,396
Taxes Other Than Income & Assessments	13,125	13,125	15,375
State Income Taxes	0	0	0
Federal Income Taxes	0	0	0
Total Utility Operating Expenses	<u>310,246</u>	<u>329,694</u>	<u>401,782</u>
Net Utility Operating Income	190,578	181,146	119,275
Non-operating Income	0	0	0
Interest Expense	91,444	104,246	118,840
Net Income	<u>\$99,134</u>	<u>\$76,900</u>	<u>\$435</u>

Hidden Valley Utility Services, L.P.  
Sewer Operations  
Operation & Maintenance Expenses

	Estimated		
	Year 1	Year 5	Year 10
<b>Operation &amp; Maintenance Expenses</b>			
<b>Salaries and Wages</b>			
Employees	\$61,875	\$69,338	\$79,125
Officers, Directors and Majority Stockholders	0	0	0
Total Salaries and Wages	61,875	69,338	79,125
Employee Pensions and Benefits	0	0	0
Total Salaries, Wages & Benefits	61,875	69,338	79,125
<b>Power, Materials &amp; Supplies</b>			
Purchased Water	0	0	0
Purchased Power	56,250	78,750	105,750
Fuel for Power Production	0	0	0
Chemicals	3,750	4,875	6,000
Materials and Supplies	11,588	15,671	19,181
Total Power, Materials & Supplies	71,588	99,296	130,931
<b>Contractual Services</b>			
Engineering	10,000	7,500	9,000
Accounting	20,000	5,000	7,500
Legal	30,000	10,000	10,000
Management Fees	18,750	21,563	24,750
Testing	0	0	0
Other - Maintenance	15,725	24,065	28,980
Total Contractual Services	94,475	68,128	80,230
<b>Rental &amp; Transportation</b>			
Rental of Building/Real Property	0	0	0
Rental of Equipment	9,000	12,750	16,500
Transportation Expenses	0	0	0
Total Rental & Transportation	9,000	12,750	16,500
<b>Insurance</b>			
Vehicle	0	0	0
General Liability	15,000	19,500	25,350
Workman's Compensation	0	0	0
Other	0	0	0
Total Insurance	15,000	19,500	25,350
<b>Advertising, Regulatory, &amp; Bad Debt Expense</b>			
Advertising Expense - Other than Conservation	0	0	0
Regulatory Commission Expenses-Amort. of Rate Case Expense	0	0	0
Regulatory Commission Expenses-Other	0	0	0
Water Resource Conservation Expense	0	0	0
Bad Debt Expense	0	0	0
Total Advertising, Regulatory, & Bad Debt Expense	0	0	0
<b>Miscellaneous Expenses</b>			
Miscellaneous Other	4,125	6,375	6,750
Membership Dues	0	0	0
Registration Fees for Conventions & Meetings of Industry	0	0	0
Communication Services	0	0	0
Trustee Fees and Bank Charges	0	0	0
Stockholders Expenses	0	0	0
Office Expenses and Utilities	7,813	3,563	5,250
Uniforms	375	563	750
Director's Fees and Expenses	0	0	0
Mailing	0	0	0
Subscriptions	0	0	0
Write off of expenditures for preliminary surveys, plans, investigations etc., included in Account 183.0 - Preliminary Survey and Investigation Charges, relative to projects which have been abandoned.	0	0	0
Travel	0	0	0
Education	750	938	1,125
Charitable Contributions	0	0	0
Total Miscellaneous Expenses	13,063	11,439	13,875
Total Operation and Maintenance Expense Accounts	265,001	280,451	346,011
<b>Estimated Rate Case Expense</b>			
Subscriptions	12,500	12,500	12,500
Rate Making Adjustment to Operation and Maintenance Expense	(25,000)	(25,000)	(25,000)
Total Rate Making Operation and Maintenance Expenses	\$240,001	\$255,451	\$321,011

Hidden Valley Utility Services, L.P.  
Sewer Operations  
Total Rate Base Value

Utility Plant in Service	\$2,869,069
Calculated Reserve for Depreciation	<u>823,459</u>
Depreciated Original Cost	2,045,610
Land	0
Materials and Supplies	0
Cash Working Capital (1)	32,671
Less: Accumulated Deferred Taxes	0
Less: Customer Contributions	<u>0</u>
Total Rate Base Value	<u><u>\$2,078,281</u></u>

Note: (1) Equal to 45/365 of the Operation  
Maintenance Expense

Basis of Rate of Return Claim

Based upon a review of current information, an overall rate of return of 9.17% based upon the Hidden Valley Utility Services, L.P.'s hypothetical capital structure estimated and pro forma at December 31, 2003 including a 10.60% cost of common equity. However, it should be noted that a full-scale company specific cost of equity study at this time. In the event that this rate filing is fully litigated, it may be necessary for one to be performed.

The first step in developing an overall rate of return is the selection of capital structure ratios to be employed. Next, the cost rate for each capital component is determined. The overall rate of return is the product of weighting each capital component by its respective capital cost rate. This procedure results in the Hidden Valley Utility Services, L.P.'s overall rate of return being weighted proportionately to the amount of capital and cost of capital employed by each class of investor.

Based on a review of the Hidden Valley Utility Services, L.P.'s current capital structure ratios, or those of its exiting consolidated parent, I believe it is appropriate to evaluate the Hidden Valley Utility Services, L.P.'s current cost of capital based upon a hypothetical capital structure estimated at December 31, 2003. The Company's actual capital structure of its consolidated parent company consists of 20% long term debt and 80% equity, Schedule 2, includes more equity than is typically authorized for a water or sewer utility. A hypothetical capital structure, estimated at December 31, 2003, consisting of 55% long term debt and 45% equity, better represents the current water and waste water industry practice. Further, such hypothetical ratios are in line with Standard & Poor's implied ratios based upon published financial benchmarks for a water and waste water utility.

The embedded debt cost rate of 8.00% estimated and pro forma at December 31, 2003 is equal to the embedded cost of long-term debt that will be financing the Hidden Valley Utility Services, L.P. capitalization.

Hidden Valley Utility Services, L.P.'s cost of equity is at least 10.6% reflecting the Hidden Valley Utility Services, L.P.'s hypothetical capital structure estimated at December 31, 2003. This is based upon the most recently authorized return on equity for a large investor-owned water utility that we are aware of (Docket No. R-00038304). However, as stated before, a full-scale company specific cost of equity study has not been conducted at this time. In the event that rate of return is litigated, it would be necessary for one to be performed.

Based upon the recommended capitalization ratios, estimated embedded debt cost, and 10.60% return on common equity, a reasonable overall rate of return of 9.17% is indicated at this time, as calculated below:

	<u>Ratios</u>	<u>Cost</u>	<u>Overall</u>
Long Term Debt	55.0%	8.00%	4.40%
Common Equity	<u>45.0</u>	10.60	<u>4.77</u>
	<u>100.0%</u>		<u>9.17%</u>

Hidden Valley Utility Services, L.P.  
 Capital Structure  
Estimated and Proforma at 12/31/03

	<u>Hidden Valley Resort, L.P. Consolidated Actual at 12/31/02</u>		<u>Hypothetical Proforma Adjustments</u>	<u>Hidden Valley Utility Services, L.P. Estimated and Proforma at 12/31/03</u>	
	<u>Capital</u>	<u>Ratios</u>		<u>Capital</u>	<u>Ratios</u>
Current Maturities of Long-Term Debt	\$1,618,564				
Long-Term Debt	<u>272,040</u>				
Total Long-Term Debt	1,890,604	20.0%	-\$240,604	\$1,650,000	55.0%
Partners' Equity	<u>7,725,385</u>	<u>80.0%</u>	<u>-6,375,385</u>	<u>1,350,000</u>	<u>45.0%</u>
Total Capital	<u>\$9,615,989</u>	<u>100.0%</u>	<u>-\$6,615,989</u>	<u>\$3,000,000</u>	<u>100.0%</u>

Hidden Valley Utility Services, L.P.  
Recommended Fair Rate of Return  
Estimated and Pro Forma at December 31, 2003

	Recommended Ratios(1)	Cost Rates		Weighted Cost
Debt	55.00	8.00	(2)	4.40
Partners' Equity	<u>45.00</u>	10.60	(3)	<u>4.77</u>
Total	<u>100.00</u>			<u>9.17</u>

Notes: (1) From page 5 of this Exhibit.

(2) The average long-term debt cost rate of the consolidated entity.

(3) Commission's recent authorized return on equity for a water utility.

LAW OFFICES  
RYAN, RUSSELL, OGDEN & SELTZER LLP

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February 18, 2004

HARRISBURG OFFICE  
SUITE 101  
800 NORTH THIRD STREET  
HARRISBURG, PENNSYLVANIA  
17102-2025  
TELEPHONE: (717) 236-7714  
FACSIMILE: (717) 236-7816

VIA UPS OVERNIGHT

James J. McNulty, Secretary  
Attn: Doreen Trout  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, Pennsylvania 17120

RECEIVED

FEB 18 2004

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

In re: Application of Hidden Valley Utility Services, L.P. for approval to begin to offer, render, furnish or supply wastewater service to the public in Hidden Valley, Pennsylvania  
Application Docket No. A- 230101


Dear Secretary McNulty:

Enclosed please find a check made payable to the "Commonwealth of Pennsylvania" in the amount of \$350.00 which was inadvertently left out of the filing sent to your office on February 12, 2004 in the above-referenced matter.

Please contact me with any questions.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP

  
Jeffrey A. Franklin

Enclosures

DOCUMENT  
FOLDER

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE  
Secretary  
717-772-7777

February 19, 2004

A-210117  
A-230101\

JEFFREY A FRANKLIN ESQUIRE  
CARL J ENGLEMAN JR ESQUIRE  
RYAN RUSSELL OGDEN & SELTZER LLP  
1105 BERKSHIRE BLVD, SUITE 330  
WYOMISSING PA 19610-1222

**DOCKETED**

FEB 19 2004

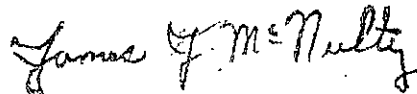
Dear Mr. Franklin:

Receipt is acknowledged of the Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water and wastewater services to the public in Hidden Valley, PA, which has been captioned and docketed to the above numbers.

You are directed upon receipt of this letter to publish the enclosed notice once a week for two consecutive weeks in a newspaper having a general circulation in the area involved and file proof of publication with the Commission on or before March 22, 2004.

This matter will receive the attention of the Commission and you will be advised of any further necessary procedure.

Sincerely,



James J. McNulty  
Secretary

JJM:ddt

Enclosure

Cc: James F. Beener, Esquire

**DOCUMENT  
FOLDER**

COMMONWEALTH OF PENNSYLVANIA

DATE: February 19, 2004

SUBJECT: A-210117  
A-230101

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

**DOCKETED**  
FEB 19 2004

**Application of Hidden Valley Utility Services, L.P.**

---

We attach hereto a copy of the Application of Hidden Valley Utility Services, L.P., for approval to begin to offer, render, furnish or supply water and wastewater services to the public in Hidden Valley, PA, which has been captioned and docketed to the above numbers.

Applicant has served copies of the application upon each city, borough, town, township, county and related planning office which is included, in whole or in part, in the proposed service area; a water or wastewater utility, municipal corporation or authority which provides water or wastewater collection, treatment and disposal service to the public and whose service area abuts the service area proposed in the application; and on the Office of Consumer Advocate, the Office of Small Business Advocate, and the Department of Environmental Protection's appropriate regional office. A copy of the Certificate of Service is attached to the application.

Applicant has been instructed to publish in a newspaper.

If no protests are received by March 22, 2004, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

ddt

**DOCUMENT  
FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

DATE 2/25/2004  
RECEIPT # 201734

JEFFREY A. FRANKLIN  
RYAN, RUSSELL, OGDEN & SELTZER LLP  
1100 BERKSHIRE BOULEVARD, SUITE 301  
READING, PA 19610-1221

IN RE: Application fees for HIDDEN VALLEY UTILITY SERVICES, L.P.

Docket Number A-230101..... \$350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 8924  
CHECK AMOUNT: \$350.00

C. Joseph Meisinger  
(for Department of Revenue)

DOCUMENT  
FOLDER

**DOCKETED**  
MAR 30 2004