

AMENDED AND RESTATED
INTER-ASSOCIATION AGREEMENT

THIS AMENDED AND RESTATED INTER-ASSOCIATION AGREEMENT (“Agreement”) is made as of this ___31st___ day of May, 2006 by and between the **VALLEY FORGE WOODS HOMEOWNERS ASSOCIATION**, a Pennsylvania non-profit corporation (“VFWHO”) and the **FERNLEIGH HOMEOWNERS ASSOCIATION, INC.**, a Pennsylvania non-profit corporation (“FHO”).

BACKGROUND

A. By Amended and Restated Declaration of Covenants, Restrictions, Easements, Charges and Liens for Valley Forge Woods dated December 15, 1994 and recorded in the office of the recorder of deeds for Chester County in Deed Book 3845 at Page 436 (the "Master Declaration"), the owners of those certain lands (the “Valley Forge Woods Property”) located in Schuylkill Township, Chester County, Pennsylvania, as described in the Master Declaration, subjected the Valley Forge Woods Property to specific covenants, restrictions, easements, charges, and liens in connection with the development of a residential community to be known as Valley Forge Woods consisting of two hundred nineteen (219) Single Dwelling Lots and one hundred six (106) Townhouse Lots.

B. The Master Declaration contemplated that the portion of the Valley Forge Woods Property upon which the Townhouse Lots would be located (the “Fernleigh Property”) would be subjected, in addition to the provisions of the Master Declaration, to other, additional covenants, restrictions, easements, charges, and liens, and to that end the Fernleigh Property was made further subject to that certain Declaration of Covenants, Easements and Restrictions dated January 19, 1995, as recorded in the office of the recorder of deeds for Chester County in Deed Book 3856 at Page 661, as amended by First Amendment to Declaration of Covenants, Easements and Restrictions, recorded in Deed Book 3866 at page 24 and by Second Amendment to Declaration of Covenants, Easements and Restrictions dated January 29, 1998 and recorded in Deed Book 4294 at Page 1335 (collectively, the "Fernleigh Declaration").

C. Claims have arisen between the VFWHO and the FHO that certain covenants and obligations imposed by the Master Declaration have not been performed by the other (the “Disputes”).

D. The VFWHO and the FHO desire to resolve and settle the Disputes in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions.** Unless otherwise defined, all capitalized terms used herein shall have the meanings provided in the Master Declaration.

2. **Responsibilities.** Pursuant to the Fernleigh Declaration and the Master Declaration, the FHOA has the obligation and responsibility to (i) maintain and repair all Fernleigh Common Areas, Storm Drainage Facilities, utilities, improvements, Wetland Areas, Wetland Margin Areas, Buffer Areas, and equestrian and pedestrian trails located on, in, or under the Fernleigh Property (collectively, the “Fernleigh Facilities”), and (ii) procure, contract for, and pay directly for any and all landscaping services; snowplowing services; trash removal, collection, transport, and disposal services; and any other services deemed necessary, required, or desired by the FHOA for the proper functioning and operation of the Fernleigh Facilities, the Fernleigh Property, and/or the Townhouse Lots. Commencing upon the date of this Agreement and continuing for so long as the FHOA undertakes and fully and faithfully performs the foregoing obligations and responsibilities (collectively, the “Fernleigh Responsibilities”), no past, current, or future dues and/or general or special Assessments shall be due or payable by the Owners of the Townhouse Lots to the VFWHO, it being the intent of this Agreement that (i) the FHOA and the Owners of the Townhouse Lots shall be and remain solely responsible for all administrative, maintenance, operational, and repair matters, and all costs and expenses, associated with the Fernleigh Property, the Fernleigh Responsibilities, the Fernleigh Facilities, and for any other services deemed necessary, required, or desired by the FHOA for the proper functioning and operation of the Fernleigh Property, the Townhouse Lots, and/or the Fernleigh Facilities; (ii) the VFWHO and the Owners of the Single Dwelling Lots shall be and remain solely responsible for all administrative, maintenance, operational, and repair matters, and all costs and expenses, associated with the Common Areas, Storm Drainage Facilities, utilities, improvements, Wetland Areas, Wetland Margin Areas, Buffer Areas, and equestrian and pedestrian trails located on, in, or under all portions of the Valley Forge Woods Property apart from the Fernleigh Property (the “Single Dwelling Subdivision”), and for any other services deemed necessary, required, or desired by the VFWHO for the proper functioning and operation of the Single Dwelling Subdivision (collectively, the “VFW Responsibilities”); (iii) the VFWHO and the Owners of the Single Dwelling Lots shall have no financial, administrative, maintenance, operational, and/or repair responsibilities or obligations for the Fernleigh Property, the Fernleigh Responsibilities, the Fernleigh Facilities, and/or the Fernleigh Services; and (iv) the FHOA and the Owners of the Townhouse Lots shall have no financial, administrative, maintenance, operational, and/or repair responsibilities or obligations relating to the VFW Responsibilities.

3. **Representations and Warranties.**

(i) The FHOA represents and warrants to the VFWHO that this Agreement has been duly authorized, executed, and delivered by it as the valid and legally binding obligation of the FHOA enforceable by the VFWHO against the FHOA in accordance with its terms.

(ii) The VFWHO represents and warrants to the FHOA that this Agreement has been duly authorized, executed, and delivered by it as the valid and legally binding obligation of the VFWHO enforceable by the FHOA against the VFWHO in accordance with its terms.

4. **Indemnification.**

(i) The FHOA agrees to indemnify, defend, and hold harmless the VFWHO from and against any liabilities, losses, claims, demands, costs, expenses (including, without limitation, reasonable attorneys' fees and litigation costs) and judgments of any nature arising or alleged to arise from or in connection with the FHOA's breach of, or failure to perform, any of the covenants, representations, agreements or obligations of the FHOA under this Agreement. The FHOA shall pay all costs and expenses (including, without limitation, reasonable attorney's fees) incurred by the VFWHO in enforcing this indemnity.

(ii) The VFWHO agrees to indemnify, defend, and hold harmless the FHOA from and against any liabilities, losses, claims, demands, costs, expenses (including, without limitation, reasonable attorneys' fees and litigation costs) and judgments of any nature arising or alleged to arise from or in connection with the VFWHO's breach of, or failure to perform, any of the covenants, representations, agreements or obligations of the VFWHO under this Agreement. The VFWHO shall pay all costs and expenses (including, without limitation, reasonable attorney's fees) incurred by the FHOA in enforcing this indemnity.

5. **Cooperation.** The parties agree to cooperate reasonably with each other in the performance of this Agreement, and to take such actions as may reasonably be requested to fulfill the agreements set forth herein, including, by way of example and not of limitation, providing or exchanging financial and other information reasonably deemed necessary to enable a party to perform its obligations hereunder or otherwise fulfill the purposes and intent of the agreements expressed herein.

6. **Separate Management.** Subject to the terms and conditions of this Agreement, the VFWHO and the FHOA may engage and continue to engage separate management companies to manage and operate their respective properties independent of the other, and may continue separately to procure, contract for, and pay for any and all goods and services necessary, required, or desired for the operation of their respective associations, facilities, and properties, including, by way of example and not of limitation, vendor services for utilities, insurance, legal representation, accounting representation, engineering representation, and similar, or other, goods and services.

7. **Board Meetings.** Upon the request of the other, the Boards of Directors of the VFWHO and the FHOA shall meet from time to time for any purpose, including, by way of example and not of limitation, to evaluate the performance of the terms of this Agreement; to propose and take any actions reasonably deemed necessary, required, or desirable to assist in the performance or fulfillment of the terms and conditions of this Agreement; to resolve disputes; to undertake any joint action on behalf of the associations; to exchange information and documents; to report on developments affecting the associations and their residents; or for any other purpose.

8. **VFWHO Board.** Notwithstanding anything to the contrary in the Amended and Restated By-Laws of the VFWHO, the FHOA may elect not to propose

Owners of Townhouse Lots for election to the VFWHO Board of Directors. In such circumstances, however, the FHOA Board of Directors agrees to, and shall, designate two of its members to serve as designated members of the VFWHO Board of Directors, and such designees shall thereafter be deemed to be duly elected members of the VFWHO Board of Directors for all purposes and shall serve until their successors are duly elected or appointed; provided, however, that nothing contained herein shall require that the FHOA elected or designated members of the VFWHO Board of Directors attend VFWHO Board of Directors meetings, it being the intent of this Agreement that attendance of FHOA elected or designated members at VFWHO Board of Directors shall be at the discretion and convenience of the FHOA elected or designated members.

9. **Master Declaration.** The provisions of the Master Declaration continue in full force and effect, and are not limited, modified, change, or abrogated in any manner by this Agreement. The parties agree to cooperate reasonably with each other to attempt to develop and propose amendments to the Master Declaration as may be deemed necessary, required, or desirable by the parties to effectuate and/or implement further the terms, provisions, conditions, purposes, and intent of this Agreement. Any amendments developed and proposed by the parties shall be subject to the fulfillment of all requirements set forth in the Master Declaration for approval of amendments to the Master Declaration, and shall not become effective unless and until they are approved by the requisite vote of Owners of Single Dwelling Lots and Townhouse Lots, and by Schuylkill Township. All amendments proposed to the Master Declaration by the parties shall be consistent with the terms, provisions, conditions, purposes, and intent of this Agreement.

10. **Township Rights.** Nothing contained herein affects any of the rights and powers granted to or retained by Schuylkill Township under the Master Declaration.

11. **Additional Indemnities.**

(i) In the event the VFWHO or any Single Dwelling Lot Owner is assessed responsibility or liability by Schuylkill Township for the performance of any of the Fernleigh Responsibilities or for the operation, maintenance, or repair of any Fernleigh Facility (unless damaged or destroyed by the act of the VFWHO or any Single Dwelling Lot Owner), the FHOA shall assume, perform, and fully discharge, at the sole cost and expense of the FHOA and all Townhouse Lot Owners, all such responsibilities and liabilities, and the FHOA shall indemnify, save harmless, and defend the VFWHO and any Single Dwelling Lot Owner so assessed from any and all costs and expenses associated with such assessment of responsibility or liability, including, without limitation, any losses, costs, demands, expenses (including, without limitation, reasonable attorneys' fees, expert witnesses fees, and litigation costs) and judgments of any nature resulting and/or arising from such assessment of responsibility or liability.

(ii) In the event the FHOA or any Townhouse Lot Owner is assessed responsibility or liability by Schuylkill Township for the maintenance or repair of any improvement or facility within the Single Dwelling Subdivision (unless damaged or destroyed by the act of the FHOA or any Townhouse Lot Owner), the VFWHO shall assume, perform, and

fully discharge, at the sole cost and expense of the VFWHO and all Single Dwelling Lot Owners, all such responsibilities and liabilities, and the VFWHO shall indemnify, save harmless, and defend the FHOA and any Townhouse Lot Owner so assessed from any and all costs and expenses associated with such assessment of responsibility or liability, including, without limitation, any losses, costs, demands, expenses (including, without limitation, reasonable attorneys' fees, expert witnesses fees, and litigation costs) and judgments of any nature resulting and/or arising from such assessment of responsibility or liability.

12. **Association Meetings.** Each association may, and upon request shall, send notice to the other of all association meetings in the same manner as given to their respective members. The respective Boards of Directors of the VFWHO and the FHOA shall have the right, but not the obligation, to send a representative to any meeting of the other association, and each association shall provide to the other upon request a copy of the minutes of all association meetings.

13. **Default.** In the event the VFWHO or the FHOA defaults in the performance of any obligation hereunder and fails within thirty (30) days of receipt of written notice of default from the non-defaulting party, which notice may be sent or delivered by hand, fax, United States mail, or e-mail to the management company representing the defaulting association or any member of the Board of Directors of the defaulting association, to commence correction of the default if such default cannot be reasonably completed within thirty (30) days or cure the default if it can reasonably be completed within thirty(30) days, such party shall be in breach of this Agreement, and the non-defaulting party may, in addition to pursuing any and all remedies, rights, and powers under the Master Declaration and/or the Fernleigh Declaration, pursue without further or additional notice or demand any and all available legal and equitable remedies against the breaching party, including, without limitation, claims for damages, indemnity, and injunctive and/or declaratory relief to enforce the provisions of this Agreement against the defaulting party and compel performance by the defaulting party hereunder, and to recover damages for such breach.

14. **Governing Law.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

15. **Severability.** The provisions of this Agreement are severable. If any provision of this Agreement shall be declared void or unenforceable by a court of competent jurisdiction, such determination shall not impair the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect; provided, however, that in the event such determination renders this Agreement incapable of being enforced without the void or unenforceable provision, such void or unenforceable provision shall, without any action being necessary or required of the parties, be deemed to be modified, amended, and/or limited in such manner as may or shall be necessary to make the Agreement enforceable.

16. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matters herein, and supersedes all prior or contemporaneous written or oral agreements and understandings between the parties regarding such subject matters, including the Inter-Association Agreement entered and dated between the parties on April 5, 2006.

17. **Binding Nature/Recording.** This Agreement is intended to and shall bind the VFWHO and the FHOA and their respective Members, Lot Owners, successors and assigns. Following its execution, this Agreement, or a Memorandum hereof, shall be recorded by the parties in the office of the Recorder of Deeds for Chester County, Pennsylvania, with the costs of recordation to be split equally between the parties.

18. **Modification.** This Agreement may not be changed, amended, or modified except by a writing executed by all of the parties hereto.

19. **Waiver.** A failure of a party to demand adherence to one or more of the terms of this Agreement from time to time shall not be construed to be a waiver by such party and shall not deprive such party of the right thereafter to insist on strict compliance by the other party with every provision of this Agreement.

20. **Headings.** Paragraph headings are for convenience only and do not control or affect the meaning or construction of any provision of this Agreement.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute but one and the same Agreement.

22. **Mutual Release Provisions.**

A. **Release by VFWHO.** The VFWHO does hereby remise, release, and forever discharge the FHOA and its Owners and Members of and from all and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims, and demands whatsoever in law or in equity which against them, the VFWHO ever had, now has, or which it hereafter can, shall, or may have, by reason of any matter, cause, action, omission, or thing arising or occurring prior to the date hereof relating to the Disputes, the Master Declaration, the Fernleigh Declaration, the Fernleigh Property, and/or the Valley Forge Woods Property.

B. **Release by FHOA.** The FHOA does hereby remise, release, and forever discharge the VFWHO and its Owners and Members of and from all and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims, and demands whatsoever in law or in equity which against them, the FHOA ever had, now has, or which it hereafter can, shall, or may have, by reason of any matter, cause, action, omission, or thing arising or occurring prior to the date hereof relating to the Disputes, the Master Declaration, the Fernleigh Declaration, the Fernleigh Property, and/or the Valley Forge Woods Property.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties by their duly authorized officers have executed and delivered this Agreement as of the day and year first above written.

ATTEST:

VALLEY FORGE WOODS HOMEOWNERS ASSOCIATION, a Pennsylvania (non-profit corporation)

By: Signed
Name : James P Restivo
Title: Secretary

By: Signed
Name: Mark A Masley
Title: President

FERNLEIGH HOMEOWNERS ASSOCIATION, INC., a Pennsylvania non-profit corporation

By: Signed
Name : Robert Krischker
Title: Secretary

By: Signed
Name: Daniel C Dagit
Title: President

STATE OF PENNSYLVANIA:

: ss

COUNTY OF CHESTER :

On this, the 31st day of May , 2006, before me, the undersigned officer, personally appeared James P Restivo _____, and Mark Masley _____, who acknowledged themselves to be the President and the Secretary of the Valley Forge Woods Homeowners Association, and that they, as such officers, executed and delivered the foregoing Agreement on behalf of such Association by signing their names as President and Secretary.

In Witness Whereof, I have hereunto set my hand and official seal.

(Notarized)
Notary Public

STATE OF PENNSYLVANIA:

: ss

COUNTY OF MONTGOMERY :

On this, the 10th ___ day of June _____, 2006, before me, the undersigned officer, personally appeared Daniel Dagit _____, and Robert Krischker _____, who acknowledged themselves to be the President and the Secretary of the Fernleigh Homeowners Association, Inc., and that they, as such officers, executed and delivered the foregoing Agreement on behalf of such Association by signing their names as President and Secretary.

In Witness Whereof, I have hereunto set my hand and official seal.

(Notarized)
Notary Public