

This Agreement is made and entered into this 24<sup>TH</sup> day of AUGUST, 2015, by and between Ellerslie at Delong Homeowners Association, Inc. (the "Association"); Ellerslie at Delong Estate Section Association, Inc. (the "Estate Association"), and Delong Estates Development, LLC, a Kentucky limited liability company ("Delong").

## RECITALS

Delong is the developer of the residential community known and referred to as "Denton Farms" ("Ellerslie at Delong"), located in Lexington, Fayette County, Kentucky;

Delong, as Declarant, has caused to be recorded in the Office of the Fayette County Clerk ("Clerk's Office") the following Declarations of Covenants, Conditions and Restrictions for Ellerslie at Delong;

Deed Book 2540, page 30 – Units 1A and 1B;  
Deed Book 2540, page 71 – Units 1C, 1D, 1E and 1F;  
Deed Book 2615, page 233 – Units 3A and 3B;  
Deed Book 2635, page 544 – Unit 3, Section A;  
Deed Book 2671, page 562 – Units 1G, 4A and 4B  
(collectively, the "Declaration");

Whereas, Delong has caused to be incorporated the Association;

Whereas, the Articles of Incorporation for the Association are recorded in the Clerk's Office in Corporate Record Book 319, page 286;

Whereas, the Properties consist of several residential neighborhoods including both single family residence lots and single family residence estate lots;

Whereas, the estate lots are located in Units 1C, 1D, 1E, 1F, 1G, 4B and 4A of Ellerslie at Delong;

Whereas, pursuant to the Declaration, the Association is charged with the responsibility of maintaining and administering the Common Area (as defined in the Declaration) of the Properties (as defined in the Declaration) which includes the Estate Section (hereinafter defined), and collecting and disbursing the assessments created pursuant to the Declaration;

Whereas, the Association is charged with the responsibility for establishing a budget covering the estimated costs of operating the Common Area;

Whereas, the Association is required to include in the budget a road reserve fund ("Road Reserve") for the purpose of providing for the repair and replacement of the private roads located within the Estate Section;

Whereas, pursuant to the Declaration, the amount budgeted for the Road Reserve is to be assessed solely against the estate lots;

Whereas, the owners of the estate lots desire to have direct input over matters exclusive to the Estate Section;

Whereas, at the request of owners of the estate lots, the Association and the Declarant have consented to the formation of the Estate Association in order to give the owners of the estate lots more input with respect to matters exclusive to the Estate Section;

Whereas, the Association has agreed to segregate from other Association assessments a portion of the assessments received from the owners of the Estate Lots, as more fully hereinafter set forth;

Whereas, the Association and the Estate Association have reached an understanding with respect to the certain matters exclusive to the Estate Section and desire to memorialize their agreements.

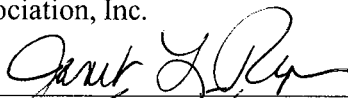
Now, Therefore, for and in consideration of the foregoing recitals, the parties agree as follows:

1. Estate Section. As set forth in the Declaration and as used herein, the Estate Section consists of the property set forth on the final record plats, as follows:
  - Unit 1C plat cabinet M, slide 491;
  - Unit 1D - plat cabinet M, slide 492;
  - Unit 1E - plat cabinet M, slide 493;
  - Unit 1F - plat cabinet M, slide 502;
  - Unit 1G - plat cabinet M, slide 872;
  - Unit 4A - plat cabinet M, slide 873;
  - Unit 4B - plat cabinet M, slide 874;
2. Estate Lots. As set forth in the Declaration and as used herein, the Estate Lots consist of the lots set out on the final record plats set forth in numerical paragraph one (1), above, with the exception that lots 36-41, inclusive, Block "L", Unit 4A are not Estate Lots.
3. Assessments; Road Reserve. Effective January 1, 2015, the Association shall include in its budget an amount necessary to adequately fund the maintenance of the private roads within the Estate Section. The amount so budgeted shall be assessed only against the Estate Lots in accordance with the Declaration. In determining the amount of the annual General Assessments due from the Estate Lots, the board of directors of the Association shall comply with the provisions in the Declaration but shall otherwise defer to the Estate Association's board of directors in determining the amounts of General Assessments and Special Assessments imposed upon the Estate Lots.

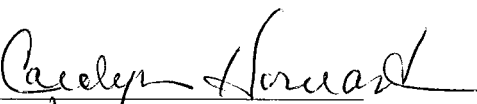
4. Separate Estate Association Account. The Association agrees to maintain in a separate account (the "Estate Association Account") that portion of the annual General Assessment assessed against Estate Lots which exceeds the amount assessed against the non-estate single family residence lots.
5. Use of Funds. The Association may pay or allocate from the funds in the Estate Association Account, such amounts required to adequately fund the Road Reserve and to satisfy the lease payments to Kentucky American Water Company, its successors and assigns, for fire hydrants located in the Estate Section, and to satisfy the lease payments to Kentucky Utilities, its successors and assigns, for street lights located in the Estate Section. The balance in the Estate Association Account after the allocation to the Road Reserve and the payments to Kentucky American Water Company and to Kentucky Utilities, as it may exist from time to time, may be used for such purposes as directed by the duly elected Estate Section Board of Directors. To the extent that such monies are paid by the Association for any such purposes so directed, the Estate Association and its board of directors release the Association and its board of directors from any and all claims with respect to such payments.
6. No Release. The formation of the Estate Association shall not release any Lot or any Owner from any assessment or any other obligation, covenant or restriction imposed upon such Lot or Owner pursuant to the Declaration.
7. Defined Terms. Any capitalized term not otherwise defined herein shall have the meaning given to it under the Declaration.

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

Ellerslie at Delong Homeowners  
Association, Inc.

By:   
Title: Secretary

Ellerslie at Delong Estate Section  
Association, Inc.

By:   
Title: Treasurer

Delong Estates Development, LLC

By:   
Title: 