

DECLARATION OF ANNEXATION
(Kings Mill, Section 5)

This Declaration of Annexation is made as of the date hereinafter stated by **K-MILL AT RUSSELL PALMER, LTD.**, a Texas limited partnership ("Declarant").

WITNESSETH:

WHEREAS, K. Mill Development, Ltd. executed that certain Declaration of Covenants, Conditions and Restrictions for Kings Mill dated December 1, 2004 which was filed under Clerk's File No. 2004-133581 and recorded under Film Code No. 721-10-1847 the Official Records of Real Property of Montgomery County, Texas, as amended by that First Amendment dated October 18, 2006 filed under Clerks' File No. 2006-123746 (collectively, the "Declaration") which subjected certain land described therein and commonly known as the Kings Mill Section 1 subdivision to the covenants, conditions, restrictions, easements, charges and liens set forth in the Declaration;

WHEREAS, pursuant to that certain Assignment of Rights and Designation of Successor Declarant, K. Mill Development, Ltd., assigned its rights as the "Declarant" under the Declaration to K-Mill at Russell Palmer, Ltd., which is now the successor "Declarant" under the Declaration;

WHEREAS, Declarant is the owner of that certain tract of land which is in the general vicinity of the property originally encumbered by the Declaration, which such tract of land has been platted and subdivided as Kings Mill, Section 5, a subdivision in Montgomery County, Texas according to the plat thereof recorded in Cabinet Z, Sheets 2354-2355 the Plat Records of Montgomery County, Texas ("Kings Mill, Section 5");

WHEREAS, Section 7 of Article X of the Declaration gives the Declarant the right as the owner or, if not the owner, with the consent of the owner, to annex additional property into the jurisdiction of the Montgomery Kings Mill Homeowners Association, Inc., a non-profit corporation doing business as Kings Mill Homeowners Association, Inc. organized to administer the provisions of the Declaration (the "Association"), and to subject such annexed property to the provisions of the Declaration; and

WHEREAS, the Declarant desires to annex Kings Mill, Section 5 into the jurisdiction of the Association and to subject Kings Mill, Section 5 to all of the provisions of the Declaration (except as may be modified herein).

NOW, THEREFORE, Declarant hereby annexes Kings Mill, Section 5 into the jurisdiction of the Association and declares that Kings Mill shall be a portion of the Properties (as defined in the Declaration) and shall be subject to all provisions of the Declaration, including without limitation, the right of the Association to levy assessments as set forth in the Declaration, with the following additional restrictions and modifications which shall apply only to Kings Mill, Section 5:

1. Rates of Assessments. Subject to the further provisions of the Declaration, both annual and special assessments on all Lots in Kings Mill, Section 5, including Lots owned by a Builder, shall be fixed at uniform rates of one-hundred percent (100%) of the overall assessment

and shall commence to bear their assessment upon the conveyance of the first Lot in Kings Mill, Section 5 by the Declarant or on such other date as may be determined by the Board of Directors. Notwithstanding the foregoing, any Lots in Kings Mill, Section 5 owned by the Declarant shall not be assessed. The assessment for an individual Lot in Kings Mill, Section 5, within a calendar year, shall change as the ownership of such Lot passes from the Declarant, and the assessment for such Lot shall be prorated according to the applicable rate during each type of ownership.

2. Type of Residence; Living Area Requirements; and Roof Pitch, Roof Material/Roof Stacks. Section 1 of Article VII (concerning type of residence and exterior coverage), Section 2 of Article VII (concerning living area requirements), and Section 6 of Article VII (concerning roof pitch, roof material, and roof stacks) are all deleted in their entirety with respect to Kings Mill, Section 5 and such matters shall be set (and/or revised) from time to time by the Architectural Review Committee through its adoption and modification of building guidelines pursuant to such powers granted to the Architectural Review Committee.

3. Drainage. In general terms, all Lots within Kings Mill, Section 5 must have positive drainage away from the house, and such Lots must drain to a drainage system provided for each Lot. In many situations, the natural or man-made drainage patterns for an individual Lot and the neighborhood as a whole may cause adjacent properties to commingle storm water runoff in common drainage areas such as yard swales that are discharged into the permanent access and utility easement and storm water collection system. Homeowners must ensure that the replacement of any improvements or landscaping does not materially impede water flow in common drainage areas. Beyond the natural drainage patterns, homeowners may not significantly increase the amount of water flowing onto a neighborhood Lot nor may they block the normal flow from an adjacent Lot into a common drainage area. On each Lot, a three (3') foot drainage easement along side and a five (5') foot drainage easement along rear property lines are hereby reserved in favor of the Declarant and the Association for drainage purposes. Tree preservation may have an impact on Lot drainage. To further preserve the natural forested environment, drainage must be designed to maintain the natural ground elevations and natural drainage patterns as much as possible. As a result, some Lot areas may not be dry at all times of the year, and in some extreme cases, the natural grade can cause isolated pockets that may trap standing water for a limited time period.

4. Amendment. It is the intent of Declarant that the covenants, conditions and restrictions provided for in this instrument apply only to Kings Mill, Section 5. Notwithstanding any provisions of this instrument to the contrary, it is also the intent of Declarant that the specific restrictions that are imposed on Kings Mill, Section 5 by virtue of this instrument (other than those in the Declaration that are, in whole or in part, repeated herein) may be amended at any time by an instrument executed by the President or Vice President of the Association (after approval by the Board of Directors) and the Owners of a majority of the Lots within Kings Mill, Section 5 and recorded in the Official Records; provided, however, any amendment hereto must also have the approval of and be executed by Declarant as long as it owns any Lot in Kings Mill, Section 5. This instrument may be amended unilaterally at any time and from time to time by the Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this instrument; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance

company to insure mortgage loans on the property subject to this instrument; (d) to correct any error or omission or to clarify any ambiguity herein; (e) as may be necessary to enable one or more Lots in Kings Mill, Section 5 to be used for model residence purposes or the marketing of residences in the Properties or (f) for any other purpose.

5. Severability. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

6. Gender and Grammar. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

7. Conflict. In the case of a conflict between the provisions of this instrument and the provisions of the Declaration, the provisions of this instrument shall control.

8. Definitions. Any capitalized terms which are used in this instrument and not defined herein shall have the meanings ascribed to them in the Declaration.

IN WITNESS WHEREOF this Declaration of Annexation is executed the 7 day of January, 2013.

DECLARANT:

K-MILL AT RUSSELL PALMER, LTD,
a Texas limited partnership

By: Starwood Residential Management, LLC, a Texas limited liability company, its general partner

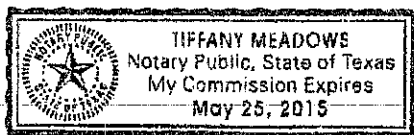
By: Starwood Residential Development, LLC, a Texas limited liability company, its Manager

By: [Signature]
Samuel H. Yager, III,
Manager

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on January 7, 2013 by Samuel H. Yager, III, Manager of Starwood Residential Development, LLC, which is the Manager of Starwood Residential Management, LLC, which is the general partner of K-Mill at Russell Palmer, Ltd., a Texas limited partnership, on behalf of said limited partnership.

[Seal]



Tiffany Meadows
Notary Public—State of Texas

JOINDER OF LIENHOLDER

TEXAS CAPITAL BANK joins herein for the purpose of acknowledging and agreeing to the stipulations set forth in the Declaration of Annexation for Kings Mill, Section 5 to which this Joinder of Lienholder is attached and hereby ratifies and confirms that the liens it holds on the property located in Kings Mill, Section 5 (as defined in the Declaration) are subordinate to the covenants, conditions and restrictions imposed by the Declaration with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in the Declaration.

SIGNED AND ATTESTED by the undersigned officers of TEXAS CAPITAL BANK. heretofore authorized this 4th day of January 2013.

TEXAS CAPITAL BANK

By:

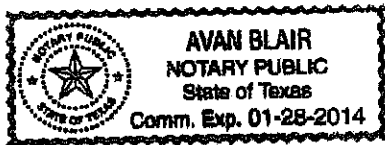
Jerry Schillaci
Jerry Schillaci, Vice President

THE STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on the 4th day of January, 2013, by Jerry Schillaci, Vice president of TEXAS CAPITAL BANK, on behalf of said entity.



Avon Blair
Notary Public in and for the State of Texas

E-FILED FOR RECORD
01/08/2013 9:05AM

Mark Turnbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was e-FILED in
file number sequence on the date and at the time
stamped herein by me and was duly e-RECORDED in
the Official Public Records of Montgomery County, Texas.

01/08/2013



Mark Turnbull

County Clerk
Montgomery County, Texas