

**EXHIBIT E TO THE DECLARATION OF
COVENANTS AND RESTRICTIONS FOR
LAGRANGE LANDING**

COMMUNITY PROPERTY AGREEMENT

LAGRANGE LANDING DEVELOPMENT, INC. a Florida corporation (the "Developer"), hereby grants unto LAGRANGE LANDING OWNERS ASSOCIATION, INC., a Florida not for profit corporation (the "Association"), the right and privilege of using, subject to the restrictions, reservations and covenants set forth herein (the "Agreement"), for the purposes for which it is intended, the following described property:

COMMUNITY PROPERTY

The real property and easements located in Walton County, Florida, more particularly described on and made a part hereof as Exhibit A, together with the paved roadways, green space, conservation areas, lakes, boat ramps, parking areas, walkways and related improvements; utilities; and such other recreational or other commonly used improvements as Developer or the Association may from time to time construct thereon.

The above described property is hereby designated by the Developer as and is referred to herein as "Community Property." The purposes for which the Community Property is intended is to provide ingress and egress, recreational facilities, environmental management, parking facilities, utilities and other commonly used facilities, for the use, benefit and enjoyment of the owners of lots which are now or hereafter made a part of the development known as LAGRANGE LANDING (the "Project"). The Project is a planned development that the Developer currently anticipates will be developed in three (3) stages as is illustrated in more detail on the proposed site masterplan attached and made a part hereof as Exhibit B (the "Masterplan"). THE MASTERPLAN IS A PROPOSED PLAN ONLY AND IS SUBJECT TO CHANGE, INCLUDING THE DELETION, ADDITION OR MODIFICATION OF PARTS THEREOF, BY THE DEVELOPER IN ITS SOLE DISCRETION SUBJECT ONLY TO THE MINIMUM REQUIREMENTS SET FORTH HEREIN. As and if the Developer, in its sole discretion, determines to proceed with the development of an additional stage, the Community Property may be increased and may ultimately include all or part of the lands in the Project subject to the restrictions set forth herein. Until such time as the Developer shall designate additional parts of the lands that may be included in the Project as "Community Property" pursuant to the procedure set forth herein, the Community Property shall include only the lands and improvements designated by the Developer as "Community Property."

RESTRICTIONS

1. The above described use rights and privileges shall be held in trust by the Association for the use, benefit and enjoyment of all members of the Association and such other persons as may

be, from time to time, granted similar use rights and privileges by the Board of Directors of the Association and approved by a vote of at least a majority of the members of the Association.

2. The Association shall not cause or allow any person other than the Developer, its agents, successors or designees to make any alterations or improvements to the Community Property without the express prior written consent of the Developer during the Development Period of the Project. The "Development Period of the Project" shall mean and refer to the period beginning with the recording of the Declaration of Covenants and Restrictions (the "Declaration") in the Public Records of Walton County, Florida until the Developer has transferred control of the Association to Owners other than the Developer, as prescribed by Ch. 720.301, et. seq., Florida Statutes.

3. The Association shall not allow any exercise of the above described use rights and privileges for purposes other than that for which they are intended. During the Development Period of the Project, the Developer's good faith determination of whether this Restriction has been violated shall be final and binding on all parties to and beneficiaries of this Agreement. After the Development Period of the Project, the Association's good faith determination of whether this Restriction has been violated shall be final and binding on all parties to and beneficiaries of this Agreement.

4. The Association shall not allow any person to damage, injure or destroy any of the Community Property.

5. The Association shall promulgate and enforce such regulations governing the exercise of the above described use rights and privileges as may be necessary or desirable to assure compliance with this Agreement.

6. The Association shall not allow any exercise of the above described use rights and privileges which, in the opinion of the Developer, interferes with the construction, sales, rental, management efforts of the Developer.

7. The Association shall not assign, transfer, hypothecate or otherwise encumber the use rights or privileges granted herein.

RESERVATIONS

1. The Developer reserves unto itself all rights, title and privileges appurtenant to the Community Property, or interest therein, which are not granted herein to the Association, including, but not necessarily limited to the following:

(a) The right and privilege of granting similar use rights and privileges to persons who may, from time to time become members of the Association and who may own lots in any stage of the Project, plus the right and privilege of granting similar use rights and privileges to persons who the Developer chooses, provided that:

(1) The maximum number of residential lots or units included within all of the Project that may use the Community Property in common will be four hundred ninety five (495).

(2) For any non Association members who the Developer grants use rights and privileges, the Developer obtains reciprocal use rights and privileges for Association members on terms acceptable to the Developer.

(3) At any point in time during the Development Period of the Project, the amount expended by the Developer on the Community Property shall be at least Five Hundred Dollars (\$500) per lot served by the Community Property. In order to determine the amount expended per lot, the total amount expended on the Community Property by the Developer from the inception of the Project to the date the determination is being made shall be divided by the total number of lots served by the Community Property on the date the determination is being made and the value of the property designated as Community Property shall be included in the calculation.

(b) The right and privilege of expanding, altering or improving the Community Property including the right and privilege of submitting additional lands and improvements located thereon to the restrictions, reservations and covenants set forth herein, said additional lands and improvements to be subject to and governed by this Agreement and deemed to be Community Property as fully and completely as if described in this Agreement at the time of its initial execution; provided that, such expansion, alteration or improvement shall not result in more than a thirty-five percent (35%) increase of a member's Community Property assessment.

(c) The right and privilege of reducing the Community Property including the right and privilege of withdrawing or deleting portions of the lands or improvements constituting the Community Property; provided that, such withdrawal or deletion shall not result in the provision of a lesser amount of Community Property than required by RESERVATION(a) above.

(d) The right and privilege of using the Community Property in any manner which, in the opinion of the Developer, may assist the construction, sales, rental, management or other development efforts of the Developer, including but not limited to, maintenance of sales offices, models or display areas, the showing of all or any portion of the Project and the display of signs or the operation of any finished lots or developed property that is included within the Project.

(e) If the Association fails to promulgate or enforce regulations pursuant to paragraph 5 of RESTRICTIONS which, in the opinion of the Developer, are sufficient to assure compliance as required by said paragraph 5, then the Developer shall have the right and privilege, until such time as the Association shall comply with said paragraph 5, of promulgating and enforcing such regulations.

(f) The right and privilege of granting such easements across, through or under the Community Property as may be necessary or desirable, in the Developer's discretion, for the

development of the Project, including but not limited to utility easements, road or other ingress and egress easements, or other easements for the provision of services or facilities to the Project.

(g) The right and privilege of the Developer, its successors or assigns, to a non-exclusive easement across, through and under the Community Property as may be from time to time necessary or convenient for the use and enjoyment of property owned by the Developer, its successors or assigns.

2. All rights and privileges reserved to the Developer shall be freely assignable by the Developer and shall inure to the benefit of its successors and assigns.

COVENANTS

1. The Developer covenants to pay all costs incurred in originally acquiring the Community Property or originally constructing the improvements thereon and no costs be incurred by the Association for any individual facility until such facility is in the opinion of the Developer completed and available for use.

2. After any portion of the Community Property has been completed pursuant to paragraph 1 of COVENANTS and so long as the Developer retains fee simple title to the Community Property, the Association covenants to pay to the Developer, in advance, on an annual basis (or monthly or quarterly basis as determined by the Developer), as the sole monetary consideration for the granting of these use rights and privileges, the cost incurred by the Developer in operating, maintaining, insuring or improving the Community Property, including other costs as may be, in the opinion of the Developer, reasonably related thereto, for the purposes for which it is intended. These costs shall be estimated and adjusted from time to time and shall include, but are not necessarily limited to the following:

(a) TAXES. Any and all taxes levied or assessed at any and all times by and all tax authorities including all taxes, charges, assessments, impositions, liens for public improvements, special charges, and in general, all taxes or tax liens which may be assessed against the Community Property, including all interest, penalties and other charges which may accrue thereon.

(b) UTILITY CHARGES. All charges levied for utilities on the Community Property whether they are supplied by a public or private firm, including all charges for water, gas, electricity, telephone, sewer, cable television and any other type of utility, or any other type of service charge for services which are in the nature of a utility.

(c) LIABILITY INSURANCE. All premiums for a policy or policies of insurance in the form generally known as public liability or owners landlord and tenant policies insuring against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the operation and maintenance of the Community Property and of the improvements and buildings, which may, from time to time, be located thereon or for any other risk insured against

by such policies with limits of liability in amounts not less than \$250,000. All such policies will name the Association, its members and the Developer as named insureds.

(d) FIRE, WINDSTORM, FLOOD AND OTHER CASUALTY INSURANCE.

The premiums for a policy or policies of insurance to keep insured any and all buildings or improvements now located or which may hereafter be located upon the Community Property for protection against loss or damage caused by or resulting from fire, windstorm, flood or other casualty in an amount equal to the maximum insurable replacement value, excluding foundation and excavation cost or, in the case of flood insurance, the maximum insurable replacement value or the maximum amount available under the National Flood Insurance Association or its successor, whichever is less, and all personal property included as a part of the Community Property shall be insured for its value as determined by the Developer. All policies issued and renewals thereof shall be payable in the event of loss jointly to the Association, its members, mortgagees holding mortgages on individual condominium lots in any condominium operated by the Association and the Developer as their interest may appear. In the event of the destruction of any insured buildings, improvements or personal property by fire, windstorm, flood or other casualty for which insurance monies may be payable, such insurance monies shall be paid into an account with a banking institution doing business in the State of Florida, for the purpose of providing a trust fund for the repair and reconstruction of the damage. Immediately after such damage is sustained, the Association shall have the responsibility for reconstruction and repair and the Association shall immediately obtain reliable and detailed estimates of the cost to rebuild or repair. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair by the Association, or upon completion of reconstruction and repair the funds for the payment of the cost of reconstruction and repair are insufficient, assessment shall be made against the members of the Association in sufficient amounts to provide funds for the payments of such costs. Such assessments shall be in proportion to the members proportionate share of the cost as set forth in paragraph 3 of COVENANTS. The Developer shall not be required to provide any additional sums of money should such sums be necessary in order to provide sufficient amounts to repair or reconstruct damaged buildings, improvements or personal property, except to the extent that the Developer, by virtue of being the owner of lots, is a member of the Association in which event the Developer shall pay the amounts assessed to lots owned by the Developer to the same extent as any member (lot owner) of the Association.

(e) MAINTENANCE AND REPAIR. All expenses incurred in keeping and maintaining and replacing where appropriate, buildings or portions of buildings, docks, piers, bridges, boardwalks, swimming pools, patio areas, walkways, gardens, landscaping, roads, parking areas, drainage system, stormwater management system, conservation areas, greens or greenspaces, fixtures and improvements which may at any time be situated upon the Community Property and all appurtenance thereto in good substantial repair and a clean and sanitary condition in conformity with all requirements imposed by law.

(f) EMPLOYEES AND MATERIALS. The expenses of hiring such employees and purchasing such equipment and materials as may be needed to provide for the management and supervision of the Community Property and improvements located thereon.

(g) RESERVES. Reserve accounts for capital expenditures and deferred maintenance. The accounts may include, but not be limited to pavement resurfacing and roof replacement. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item.

(h) PROVISO. THESE COSTS SHALL NOT INCLUDE THE EXPENSE PAID OR INCURRED BY THE DEVELOPER IN ORIGINALLY ACQUIRING THE COMMUNITY PROPERTY OR INITIALLY CONSTRUCTING THE IMPROVEMENTS LOCATED THEREON. THE FOREGOING EXPENSE SHALL BE PAID BY AND SHALL BE THE SOLE RESPONSIBILITY OF THE DEVELOPER AND NO COSTS SHALL BE INCURRED BY THE ASSOCIATION FOR ANY INDIVIDUAL FACILITY UNTIL SUCH FACILITY IS IN THE OPINION OF DEVELOPER COMPLETED AND AVAILABLE FOR USE.

3. The consideration payable by the Association pursuant to paragraph 2 of COVENANTS is hereby allocated to the lots that are included in the Project and shall be a common expense of LaGrange Landing, Pursuant to, Chapter 720, Florida Statutes (2005) and the Declaration. Each lot that is included in the Project covenants to pay to the Association its apportioned share of such costs and expenses, such apportionment to be based on the relative number of residential lots in such lot served by the Community Property on the date payment becomes due.

4. Subject to the provisions of the Declaration, the Developer covenants to operate, maintain, insure, improve and provide other services which may be, in the opinion of the Developer, reasonably related thereto, for the use and benefit of the Community Property for the purpose for which it is intended.

5. If requested in writing by the Association, the Developer covenants to provide the Association with a budget estimating the costs required by paragraph 2 of COVENANTS to be paid by the Association. The budget shall be for a period of six (6) months (or such other period, as may be appropriate, in Developer's discretion). If a budget is requested, it shall be provided to the Association within thirty (30) days of the receipt of such request, and periodically thereafter consistent with the term covered by the budget. The Developer may amend a budget or provide a new budget, from time to time, as determined to be necessary or convenient by the Developer. If said estimated payment is less than the amount of cost actually incurred during the period covered by the budget, then the Association shall pay to the Developer the amount of any such deficiency within ten (10) days after receipt of written demand from Developer. If said estimated payment is more than the amount of cost actually incurred during the period covered by the budget, then the Developer shall pay to the Association the amount of any such surplus within ten (10) days after determination of the amount of such surplus. Within thirty (30) days after the end of any calendar year during which payments are made by the Association to the Developer pursuant to paragraph 2

of COVENANTS, the Developer shall provide to the Association a written report summarizing the amount of cost paid by the Association to the Developer pursuant to paragraph 2 of COVENANTS. Upon receipt of written demand from the Association, the Developer shall make available at a reasonable time and place all books and records of the Developer relative to the amount of cost paid by the Association to the Developer.

6. The Developer covenants to convey fee simple title to the Community Property to the Association subject to restrictions similar to all restrictions set forth under RESTRICTIONS and subject to reservations similar to the reservations set forth under RESERVATIONS. Such fee simple title shall not be subject to any lien or mortgage made by or payable by the Developer for the improvement of said Community Property by the Developer. Said conveyance shall be executed and delivered by the Developer to the Association as soon as the Developer has closed the sales of all of the lots within the development of the Project or at the earlier discretion of the Developer.

7. The Association covenants to accept the deed conveying the fee simple title to the Community Property and to cause said deed to be recorded in the public records of Walton County at the expense of the Association.

8. Beginning at such time as the Association acquires title to the Community Property, the Association covenants to provide insurance on the Community Property and make decisions on the repair or reconstruction of the Community Property after casualty.

9. The Association has a lien on each lot served by the Community Property for any unpaid assessment (including that portion of the assessment attributable to the cost referred to in paragraph 2 of COVENANTS) with interest and reasonable attorney's fees incurred by the Association incident to the collection of the assessment or the enforcement of the lien. All costs referred to in paragraph 2 of COVENANTS shall be common expenses of the Association and the Project served by the Community Property and the lien of the Association which secures the payment of assessments including said costs shall be enforceable as provided in Chapter 720, Florida Statutes.

If, for any reason, the Association shall fail to collect and pay to the Developer those costs referred to in paragraph 2 of COVENANTS, the Developer shall have the right to collect said costs from the Association and the owners of lots being then served by the Community Property. In order to secure the payment of said costs, the Developer shall have a lien upon the Community Property and upon each lot of each lot that is served by the Community Property for any of said unpaid costs with interest and reasonable attorney's fees incurred by the Developer incident to the collection of said costs or the enforcement of the lien. This lien of the Developer shall not be effective until the recordation of a claim of lien executed by the Developer in the public records of Walton County, Florida, which describes the property against which said lien is claimed, the name of the record owner thereof, and the amount of the claim and date when due. Said lien may be foreclosed in the manner provided by law and shall at all times be subordinate and inferior to the lien of any institutional mortgagee filed prior to the recordation of the Developer's lien as provided hereunder.

10. The Association covenants that the use rights and privileges, and all other rights of any nature whatsoever, granted by this Agreement are subordinate to the liens of any mortgages placed upon the Community Property by the Developer in order to secure funds for the development of any lot operated or to be served by the Community Property. The Developer agrees to pay all amounts required in order to satisfy such mortgages in full and to convey the Community Property to the Association in accord with the terms and conditions of this Agreement free and clear of all such mortgages.

11. The Association covenants that no amendment shall be made to the Articles of Incorporation or By-Laws of the Association, nor any other act performed or failed to be performed, that would abridge, limit or alter the rights reserved by or granted to the Developer, its successors or assigns, or any successor developer, by this Agreement, the Declaration, or the Articles of Incorporation or By-Laws, including, but not limited to, the right to grant similar use rights and privileges with respect to the Community Property to additional properties that are to be included in the Project and to add additional lands and improvements to the Community Property, without the prior written consent of the Association or any of its members.

12. The Association covenants to indemnify and save harmless the Developer from any and all claims, suits, damages or causes of action arising during the term of this Agreement for any personal injury, loss of life or damage to property sustained in or about the Community Property, or the improvements which may from time to time be located thereon, and all costs, attorney's fees, expenses and liabilities incurred in relation to the same, unless the same shall result solely from the gross negligence of the Developer.

13. All of the reservations, restrictions and covenants contained herein shall run with the Community Property and shall inure to the benefit of the Developer and the Association and its members. The interest of each member of the Association in the Community Property is appurtenant to the member's lot, shall not be separated from it, and shall pass with title to the lot, whether or not separately described. No action for partition of the interests of the Developer, the Association or the members in the Community Property shall lie.

14. As the Developer determines in its sole discretion, from time to time, to submit additional lands to this Agreement or to delete lands herefrom, the Developer will file amendments to this Community Property Agreement which will submit to or delete from this Community Property Agreement the lands and improvements described therein. Any and all such amendments need to be signed and acknowledged only by the Developer and need not be approved by the Association, its members, the owners of lots served by the Community Property or by any lienors or mortgagors of any of the lots served by the Community Property, the Association or its members, whether or not elsewhere required for an amendment.

15. As improvements are from time to time constructed on the Community Property, the Developer warrants that the improvements will be constructed in a good and workmanlike manner and suited for the purpose for which they are intended, said warranty to commence on the date of

substantial completion of the improvements and to terminate one (1) year thereafter. The warranty shall be conditioned upon routine maintenance being performed, unless the maintenance is an obligation of the Developer. The warranty shall inure to the benefit of the Association and its members. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED.

16. In addition to any other method allowed herein, this Agreement may be amended from time to time in the furtherance of the development of the Project, during the Development Period of the Project, by an instrument signed and acknowledged only by the Developer and need not be approved by the Association's members, the owners of lots served by the Community Property, any lienors or mortgagees of any of the lots served by the Community Property or any other person whether or not elsewhere required for an amendment. After the Development Period of the Project, this Agreement may be amended only upon the approval of a majority of the voting interest of all of the Association members; provided, however, no such amendment shall modify the rights and privileges reserved to the Developer under the provisions set forth in RESERVATIONS.

17. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision in this Agreement shall not affect the validity of the remaining portions.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this ____th day of _____, 2005.

LAGRANGE LANDING DEVELOPMENT,
INC. a Florida Corporation

Print Name of Witness

Print Name of Witness

By: Jeffrey S. Tucker
Its: President

(Corporate Seal)

LAGRANGE LANDING
OWNERS ASSOCIATION, INC., a Florida
not for profit corporation

Print Name of Witness

Print Name of Witness

By: Jeffrey S. Tucker
Its: President

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this _____th day of _____, 2005, by Jeffrey S. Tucker as President of LAGRANGE LANDING DEVELOPMENT, INC. a Florida Corporation, on behalf of the corporation (notary **must** check applicable box)

- is personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

(SEAL)

(Print Name)
Notary Public
Serial # _____
My Commission Expires: _____

STATE OF FLORIDA
COUNTY OF WALTON

The foregoing instrument was acknowledged before me this _____th day of _____, 2005, by Jeffrey S. Tucker as President of LAGRANGE LANDING OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation (notary **must** check applicable box)

- is personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

(SEAL)

(Print Name)
Notary Public
Serial # _____
My Commission Expires: _____

THIS INSTRUMENT PREPARED BY:
M. Todd Burke, Esq.
Michael T. Lawson, Esq.
BURKE, BLUE, HUTCHISON & WALTERS, P.A.
P. O. Box 70
Panama City, Florida 32402

EXHIBIT A TO THE COMMUNITY PROPERTY AGREEMENT

Legal Description

EXHIBIT B TO THE COMMUNITY PROPERTY AGREEMENT

Master Plan

THIS IS A PROPOSED PROJECT MASTERPLAN ONLY AND IS SUBJECT TO CHANGE (INCLUDING DELETIONS OF PARTS) BY THE DEVELOPER IN ITS SOLE DISCRETION SUBJECT ONLY TO THE MINIMUM REQUIREMENTS SET FORTH IN THE COMMUNITY PROPERTY AGREEMENT INCLUDED IN THIS PROSPECTUS (OFFERING CIRCULAR)