

SECOND MODIFICATION TO JOINT USE AGREEMENT

This Second Modification to Joint Use Agreement ("Second Modification"), is made and entered into this 9th day of October, 2001, by and between Lost Lakes Condominium Association, Inc., a Florida corporation not for profit ("Lost Lakes" or "Association"), Northwest Lakes Condominium Association, Inc., a Florida corporation not for profit ("Northwest Lakes" or "Association") and Lost Lakes Holding Co., Inc., a Florida business corporation ("Owner") which reference includes the designated assignee(s) and successors to the rights and obligations of the Owner set forth in this Second Modification);

WITNESSETH

WHEREAS, on February 25, 1994, Lost Lakes and the Owner entered into and executed a Joint Use Agreement ("Agreement") recorded at Official Record Book 3382, Page 1089, Public Records of Brevard County, Florida; and

WHEREAS, on March 17, 1994, Lost Lakes and the Owner entered into and executed a First Modification to Joint Use Agreement ("First Modification") recorded at Official Record Book 3382, Page 1100, Public Records of Brevard County, Florida; and

WHEREAS, Owner is the developer and owner of the majority of the units of Northwest Lakes, a Condominium ("New Condominium"), a residential condominium, according to the Declaration thereof, as recorded at Official Record Book 3902, Page 3425, recorded in the Public Records of Brevard County, Florida; and

WHEREAS, Northwest Lakes is the condominium Association charged with operating and administering the New Condominium, and Lost Lakes is the condominium Association charged with operating and administering Lost Lakes, a Condominium ("Existing Condominium"); and

WHEREAS, Northwest Lakes, by and on behalf of its members, is a successor to Owner as to a portion of the Additional Property described in the Agreement and the First Modification, and is therefore bound by and subject to the Agreement and the First Modification and a proper party hereto; and

WHEREAS, Owner retains fee simple title to the Recreational Property described in the Exhibit "B" to the Agreement, as further described in the First Modification, and which includes, but is not limited to, a clubhouse lodge, swimming pool, tennis courts, parking areas, rights-of-way and shuffleboard courts, but excluding the gazebo, seawall and docks, which are part of the common elements of the Existing Condominium; and

WHEREAS, the Agreement and First Amendment established certain easements, rights and obligations between the parties thereto, which easements, rights and obligations constituted covenants and restrictions affecting the real property identified therein, include the Recreational Property and the Access Property described in the Agreement and the RV storage Area, Lake and Security Improvements described in the First Modification; and

WHEREAS, and the parties wish that the Access Property includes the right-of-way and the adjacent green areas along Lost Lakes Drive, from the entrance to the Existing Condominium to the Recreational Property; and

WHEREAS, and the parties wish to clarify that the Recreational Property includes the

gazebo, docks and seawall areas; and

WHEREAS, Lost Lakes, Northwest Lakes and the Owner intend, by these presents, to modify and amend the Agreement and the First Modification to further provide for the proper maintenance, repair and replacement of the Access Property, the RV Storage Area, the Lake and Security Improvements, all of which are used by and benefit Lost Lakes and Northwest Lakes and the members, residents, guests and invitees thereof, as well as the orderly transfer of ownership of the Recreational Property, the Lake and the RV Storage Area, all as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises contained herein, and for other good and valuable consideration passing between the parties hereto, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree and commit as follows:

1. That the foregoing recitals are true and correct, and are incorporated herein by reference.
2. That the Access Property shall be deemed to include the right-of-way and the adjacent green areas along Lost Lakes Drive, from the entrance to the Existing Condominium to the Recreational Property and that the Recreational Property includes the gazebo, docks and seawall areas. The Access Property and Recreational Property are shown as shaded areas on the sketch attached as Exhibit "A".
3. That, except as otherwise set forth herein, the terms used in this Second Modification shall be given the same meaning as defined in the Agreement and the First Modification.
4. That to the extent allowed by law this Second Modification shall have effect when executed by the parties hereto and recorded among the Public Records of Brevard County.
5. That the Joint Use Committee, otherwise referred to as the "Committee," shall be comprised of not less than four (4) members, provided that the number of members may be increased or decreased by the Committee as it sees fit; provided that unless the Committee unanimously agrees to the contrary, the number of members shall be evenly divided between members appointed by the Board of Directors of Lost Lakes and members appointed by Owner, or with Owner's consent (which may be retracted at any time), the Board of Directors of Northwest Lakes. Once the Owner conveys title to the Recreational Property as provided below, the Owner shall have no further appointment rights, and the Northwest Lakes appointees shall thereafter be appointed solely by the Board of Directors of Northwest Lakes. The members of the Committee need not be members of the either Board of Directors. As set forth in the First Modification, the appointed members of the Committee serve at the pleasure of the party which appointed them and may be removed by said party, with or without cause. Meetings of the Committee shall be deemed committee meetings of each condominium Association. It shall be the obligation of each Association to provide notice of each meeting of the Committee meeting. Except in the case of an emergency, notice shall be posted not less than forty-eight (48) hours in advance in the conspicuous place or places designated by rule of each Board of Directors for the posting of notices of Board or membership meetings. Meetings of the Committee shall be open to members of both Associations or their authorized representatives, and such members shall be entitled to participate in such meetings in accordance with applicable law, subject to reasonable rule adopted by the Committee. The Committee shall keep minutes of its meetings and votes in accordance with the requirements of law and such minutes, together with all records of the Committee shall be kept at least in duplicate and kept with the official records of each Association. The "Committee" shall mean and include its successors and assigns, including any entity to which the Recreational Property, the Lake and the RV Storage Area may hereafter be conveyed.

6. That each Association shall be responsible for complying with the requirements of law and with its own governing condominium documents with regard to all matters regulated thereby, and each Association shall be estopped to assert that the failure of that Association to comply with any legal requirement effects the validity of any action taken by the Committee.

7. That Owner shall be obligated unconditionally to transfer marketable fee simple title to the Recreational Property, the Lake and the RV Storage Area, together with all personal property, fixtures and all other retained amenities, free of encumbrances, excepting only the Agreement, the First and Second Modifications, and any subsequent written modifications thereto; comprehensive land use plans, zoning restrictions, prohibitions and other requirements imposed by governmental authority, public utility easements of record; and taxes for year of closing and subsequent years. Owner shall convey title on or before July 31, 2005. At the option of the Associations, title shall be conveyed by Owner either to a separate Florida corporation not for profit created to operate and administer the Recreational Property, the Lake and the RV Storage Area, or to the Associations as equal tenants in common. The members of Lost Lakes and Northwest Lakes shall receive thereby a perpetual non-exclusive easement for use and enjoyment of the Recreational Property, the Lake and the RV Storage Area, together with rights of ingress and egress thereto. In no event shall the members of either Association have greater use rights in the Recreational Property, the Lake and the RV Storage Area than the members of the other Association, provided, that either Association may regulate, condition or limit the rights of its members in any manner consistent with applicable law, and the Committee may impose reasonable regulations on the use of the Recreational Property, the Lake and the RV Storage Area in the manner provided in the First Modification. Each Association agrees to vigorously enforce the Rules and Regulations of the Committee against its members and their families, guests and invitees (collectively "members"), and each Association hereby appoints the Committee as its attorney in fact with the right, but not the duty, to enforce the Committee Rules and Regulations in the name and stead of the Association in the event that an Association neglects or refuses to do so after written notice by the Committee or the other Association. Nothing herein shall be construed to prevent an Association from seeking to compel the other Association to enforce the Committee Rules and Regulations against its members. In the event the Committee or an Association is the prevailing party in an action to enforce the Committee Rules and Regulations against a member of the other Association, the member shall reimburse the Committee and the other Association regarding any and all liabilities, losses, costs, fees and expenses, including reasonable attorney's fees.

8. That Committee shall be responsible for adopting an annual budget and annual assessment level, and recommending same to each Association in advance of the adoption of an annual budget by each Association. Each Association shall be responsible for the proper adoption of the Committee's recommendations and the incorporation of said recommendations as part of its own annual budget, provided that in the event either Association shall adopt a lesser annual assessment amount than recommended by the Committee, the assessment level of the other Association shall automatically be reduced in the same proportion as the total recommended assessment level bears to the assessment level actually adopted. To the extent that Owner believes that additional expenses need to be considered by the Committee in establishing its estimates and recommendations, Owner shall be responsible for providing to the Committee copies of all pertinent documents which relate to the item under consideration. The annual budget of the Committee shall include the reasonable estimated costs of operating, maintaining, repairing and replacing the Access Property, the RV Storage Area, Lake and Security Improvements, and Recreational Property, and shall include reasonable reserves, calculated in accordance with the requirements of applicable law. The budget shall include all items contained in Section 718.504(21)(c), F.S. to the extent relevant. The fees provided for in the annual budget shall be remitted monthly to the Committee, which shall maintain separate books and accounts.

9. Until the time that all of the units in Northwest Lakes have been conveyed to non-

developer owners, or have been certified for occupancy by Brevard County, Owner shall, in good faith, provide to the Committee and the Associations, in advance of the adoption of an annual budget by the Committee and each Association, a written annual estimate of anticipated sales and rentals of units. Such estimate shall be based upon the level of prior years' activities and other pertinent factors, assumptions and projections, each of which shall specifically be explained as part of the written annual estimate of sales and rentals. The estimate, when accepted by the Committee, shall be the basis for the sharing of expenses under the Agreement and the First Modification, provided that during the first quarter of the each calendar year, the parties shall perform a reconciliation for the preceding year, and shall give appropriate credits and adjustments based upon the actual number of units having received certificates of occupancy, and the dates thereof. As part of the reconciliation, Owner shall be responsible for providing to each Association a detailed report showing the date on which each unit received Certificate of Occupancy, and shall provide to each Association a copy of the Certificates of Occupancy on each unit in Northwest Lakes.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Second Modification on the day and year set forth above.

"Lost Lakes"

Corporate Seal

LOST LAKES CONDOMINIUM
ASSOCIATION, INC.

Witness:

Marquerite Romero
Print name MARQUERITE ROMERO

By: JAMES F. GILL
President

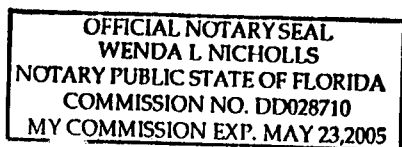
Ronald Morris
Print name RONALD MORRIS

By: Patricia A. Shaley
Secretary

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was executed before me, an officer duly authorized in the state and county aforesaid to administer oaths and to take acknowledgments, this 9th day of October, 2001, by JAMES GILL and Patricia Shaley as president and secretary of Lost Lakes Condominium Association, Inc., a Florida not-for-profit corporation, who is personally known to me or who produced as identification.

My commission expires: 5-23-05



Wenda L. Nicholls
Notary Public

Corporate Seal

"Northwest Lakes"

NORTHWEST LAKES

Northwest Lakes RD
CONDOMINIUM ASSOCIATION,
INC.

Witness:

[Signature]
Print name Emma M. [unclear]

[Signature]
Print name Wenda L. Nicholls

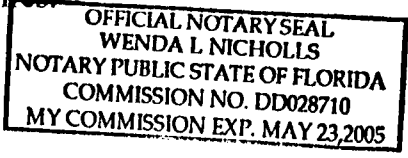
By: [Signature], President

By: John L. Maire, Secretary

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was executed before me, an officer duly authorized in the state and county aforesaid to administer oaths and to take acknowledgments, this 9th day of October, 2001, by Daniel DeLeon and John Maire, as president and secretary of Lost Lakes Condominium Association, Inc., a Florida not-for-profit corporation, who is personally known to me or who produced as identification.

My commission expires: 5-23-05



[Signature]
Wenda L. Nicholls Notary Public

"Owner"

Corporate Seal
Witness:

[Signature]
Print name Emma M. [unclear]

[Signature]
Print name Wenda L. Nicholls

LOST LAKES HOLDING CO, INC.

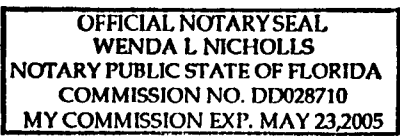
By: John L. Maire Vice President

By: [Signature], Secretary

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was executed before me, an officer duly authorized in the state and county aforesaid to administer oaths and to take acknowledgments, this 9th day of October, 2001, by Felicia [unclear] and Daniel DeLeon, as president and secretary of Lost Lakes Holding Co., Inc., a Florida business corporation, who is personally known to me or who produced as identification.

My commission expires: 5-23-05



[Signature]
Wenda L. Nicholls, Notary Public