

N94000001381



ACCOUNT NO. : 072100000032
REFERENCE : 654966 84107A
AUTHORIZATION :
COST LIMIT : \$ 105.00

FILED
97 DEC 31 PM 4:38
SECRETARY OF STATE
TALLAHASSEE FLORIDA
EFFECTIVE DATE
11/1/98

ORDER DATE : December 31, 1997

ORDER TIME : 1:18 PM

ORDER NO. : 654966-010

CUSTOMER NO: 84107A

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-12/31/97--01070--016
****105.00 ****105.00

CUSTOMER: Cheryl R. Kraus, Esq
Cheryl R. Kraus, Esq
Suite 201
1100 Fifth Avenue, South
Naples, FL 34102

ARTICLES OF MERGER

WATERFORD VI, INC.

Waterford Commons Association III, Inc.

INTO

N/C WATERFORD-CAVENDISH COURT, INC.

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

____ CERTIFIED COPY
XX _____ PLAIN STAMPED COPY

CONTACT PERSON: Jon A Bowling

EXAMINER'S INITIALS: _____

Merger & N/C

VS JAN 2 1998

97 DEC 31 PM 2:00
SECRETARY OF STATE
TALLAHASSEE FLORIDA

N94000001381

ARTICLES OF MERGER
Merger Sheet

MERGING: -----

WATERFORD VI, INC., a Florida corporation, N93000004714

WATERFORD COMMONS ASSOCIATION III, INC., a Florida corporation,
N93000004715

INTO

WATERFORD VII, INC. which changed its name to

WATERFORD-CAVENDISH COURT, INC., a Florida corporation,
N94000001381.

File date: December 31, 1997 , effective January 1, 1998

Corporate Specialist: Velma Shepard

ARTICLES OF MERGER

WATERFORD VI, INC.
WATERFORD VII, INC.
WATERFORD COMMONS ASSOCIATION III, INC.

FILED

97 DEC 31 PM 4:38

SECRETARY OF STATE
TALLAHASSEE FLORIDA

EFFECTIVE DATE

1/1/98

Pursuant to §617.1105, Florida Statutes, the undersigned corporations affirm and adopt the following:

1. The Plan of Merger of WATERFORD VI, INC., WATERFORD VII, INC., and WATERFORD COMMONS ASSOCIATION III, INC. all Florida corporations not-for-profit, has been duly approved, as follows:
 - (a) By the Board of Directors of WATERFORD VI, INC., at a meeting held April 18, 1997, and by the membership of that Association at a membership meeting held November 10, 1997.
 - (b) By the Board of Directors of WATERFORD VII, INC., at a meeting held April 18, 1997, and by the membership of that Association at a membership meeting held November 10, 1997.
 - (c) By the Board of Directors of WATERFORD COMMONS ASSOCIATION III, INC. on behalf of the Board and the membership at a meeting held November 10, 1997.
2. The surviving corporation shall be the corporation formerly known as WATERFORD VII, INC. the name of which is now changed to WATERFORD-CAVENDISH COURT, INC.
3. The Plan of Merger was adopted by at least two-thirds of the votes of which members present at such meeting or represented by proxy were entitled to cast at the membership meeting of the surviving corporations the dates referenced above.
4. The Plan of Merger is attached herewith to these Articles of Merger as Exhibit "1."
5. The Articles of Incorporation of the surviving corporation, are and shall be the Articles of Incorporation of the surviving corporation, except to the extent amended in the Plan Merger.
6. The effective date of the merger shall be January 1, 1998.

Dated this 11 day of November, 1997.

By the Board of Directors of WATERFORD VI, INC.

By: Joseph Trimarchi
JOSEPH TRIMARCHI VP/President

Attest: Charles Higgins
CHARLES HIGGINS, Secretary

By the Board of Directors of WATERFORD VII, INC.

By: Alvin Aikon, President

Attest: Donald Baker, Secretary

By the Board of Directors of WATERFORD COMMONS ASSOCIATION III, INC.

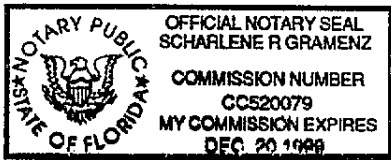
By: Joseph Trimarchi, President

Attest: Charles Higgins, Secretary

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me 11 day of November, 1998, by Joseph Trimarchi, President and Charles Higgins, Secretary, of WATERFORD VI, INC., a Florida corporation not for profit, on behalf of the Association. They (choose one) () are personally known to me or () have provided

_____ for identification and did not take an oath.



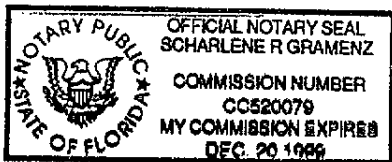
Scharlene R. Gramenz
Signature of Notary Public

SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)
My Commission Expires: 12.20.99

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me 11 day of November, 1998, by Alvin Aikon, President and Donald Baker, Secretary, of WATERFORD VII, INC., a Florida corporation not for profit, on behalf of the Association. They (choose one) () are personally known to me or () have provided

_____ for identification and did not take an oath.

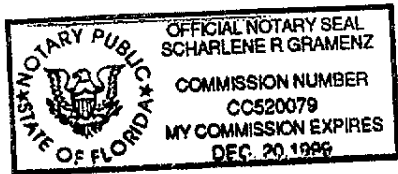


Scharlene R. Gramenz
Signature of Notary Public

SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)
My Commission Expires: 12.20.99

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me this day of November, 1998, by Joseph
Timarchi, President and Donald Baker, Secretary, of WATERFORD
COMMONS ASSOCIATION III, INC., a Florida corporation not for profit, on behalf of the Association.
They (choose one) () are personally known to me or () have provided _____
_____ for identification and did not take an oath.



Scharlene R. Gramenz
Signature of Notary Public

SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)
My Commission Expires: 12-20-99

PLAN OF MERGER

**WATERFORD VI, INC.
WATERFORD VII, INC.
WATERFORD COMMONS ASSOCIATION III, INC.**

WHEREAS, WATERFORD VI, INC. is the corporate entity responsible for the operation and management of that certain condominium known as WATERFORD VI, a Condominium, as more particularly described in the Declaration of Condominium therefor located in O.R. Book 2435, at Page 0631, of the Official Records of Lee County, Florida; and

WHEREAS, WATERFORD VII, INC. is the corporate entity responsible for the operation and management of that certain condominium known as WATERFORD VII, a Condominium, as more particularly described in the Declaration of Condominium therefor located in O.R. Book 2496, at Page 0432, of the Official Records of Lee County, Florida; and

WHEREAS, WATERFORD COMMONS ASSOCIATION III, INC. is the corporate entity responsible for the operation and management of that certain property known as WATERFORD III COMMONS as more particularly described in the Declaration of Covenants, Conditions and Restrictions therefor located in O.R. Book 2435, at Page 0569, of the Official Records of Lee County, Florida; and

WHEREAS, the Boards of Directors of the various corporations have met and determined that there is no purpose served by the existence of three separate corporations and that simplicity of operation of the various condominiums and commonly utilized recreational and common facilities may be enhanced by the merger of the aforementioned corporations;

THEREFORE BE IT RESOLVED that pursuant to §617.1103, Florida Statutes, the following plan of merger is hereby adopted.

1. WATERFORD VI, INC., WATERFORD VII, INC. and WATERFORD COMMONS ASSOCIATION III, INC. shall merge into WATERFORD VII, INC., the name of which shall be changed to WATERFORD-CAVENDISH COURT, INC. upon the effective date of the merger, which shall be the surviving corporation, without prejudice of the right of surviving corporation to later effect a change of corporate name in the manner provided by law.
2. Subsequent to the merger, WATERFORD-CAVENDISH COURT, INC., f/k/a WATERFORD VII, INC. shall continue to be subject to its Articles of Incorporation and By-Laws as they may be amended from time to time, and as they shall be amended as contemplated in this plan of merger.
3. WATERFORD-CAVENDISH COURT, INC., f/k/a WATERFORD VII, INC., shall upon the merger, assume all powers, rights, duties, assets, and liabilities of WATERFORD VI, INC., and WATERFORD COMMONS ASSOCIATION III, INC.

4. This plan of merger shall require each merging corporation to adopt amendments to their Declaration of Condominium, and for the surviving corporation to adopt amendments to its Declaration of Condominium, Articles of Incorporation, and By-Laws, all of which are attached to this plan of merger as Exhibits "A", "B", and "C."
5. Should any of the merging corporations fail to obtain the requisite approval of its Board of Directors and/or membership, then this Plan of Merger and the exhibits hereto shall be ineffective and the merger shall not proceed.
6. The adoption of this plan of merger shall not be construed as a consolidation of the various condominiums or properties operated by the merging corporations.
7. This plan of merger shall become effective on January 1, 1998 with the approval of the Board of Directors and membership of each merging corporation, pursuant to §617.1103, Florida Statutes, and filing of Articles of Merger with the Department of State pursuant to §617.1105, Florida Statutes.
8. Upon or prior to the effective date of the plan of merger, the Board of Directors of the surviving corporation shall consist of the Directors of Waterford Commons Association III, Inc, immediately prior to the merger plus one Director chosen by a majority of those Directors and they shall serve until the next annual meeting of the surviving corporation.

APPROVED:

By Order of the Board of Directors of WATERFORD VI, INC.
dated this 11 day of November, 1997

By: Joseph J. Talmarchi
JOSEPH TALMARCHI, President

Attest: Charlene Higgins
CHARLENE HIGGINS, Secretary

By Order of the Board of Directors of WATERFORD VII, INC.
dated this 11 day of November, 1997

By: Alvin Alkon
Alvin Alkon, President

Attest: Donald Baker
Donald Baker, Secretary

By Order of the Board of Directors of WATERFORD COMMONS ASSOCIATION III, INC. dated this 11 day of November, 1997

By: Joseph Trimarchi
JOSEPH TRIMARCHI, President
Attest: Donald Baker
Donald Baker, Secretary

APPROVED:

By Order of the Membership of WATERFORD VI, INC. dated this 11 day of November, 1997

By: Joseph Trimarchi
JOSEPH TRIMARCHI, President
Attest: Charles Higgins
CHARLES HIGGINS, Secretary

By Order of the Membership of WATERFORD VII, INC. dated this 11 day of November, 1997

By: Alvin Alkon
Alvin Alkon, President
Attest: Donald Baker
Donald Baker, Secretary

By Order of the Membership of WATERFORD COMMONS ASSOCIATION III, INC. dated this 11 day of November, 1997

By: Joseph Trimarchi
JOSEPH TRIMARCHI, President
Attest: Donald Baker
Donald Baker, Secretary

(The space above this line is reserved for recording information.)

CERTIFICATE OF AMENDMENT
WATERFORD VII, A CONDOMINIUM

WE HEREBY CERTIFY that the following amendments to the Declaration of Condominium of Waterford VII, a Condominium, amendments to the By-Laws of Waterford VII, Inc., and amendments to the Articles of Incorporation of Waterford VII, Inc., which Declaration is recorded at O.R. Book 2496, Page 0432, of the Public Records of Lee County, Florida, were duly proposed by the Board of Directors and adopted by the Association membership at the duly noticed special member's meeting of the Association on the 10th day of November, 1997. Said amendments were passed by the concurrence of at least two-thirds (2/3) of the unit owners present in person or by proxy and voting at the meeting.

DECLARATION OF CONDOMINIUM

Note: New language is underlined; language being deleted is shown in struck through type.

4. DEFINITIONS: The terms used in this Declaration and its exhibits shall have the meanings stated below and in Chapter 718, Florida Statutes, unless the context otherwise requires.

* * *

4.5 "Association" means WATERFORD VII, INC., a Florida corporation not for profit, the entity responsible for the operation of this Condominium. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Commons Complex, Association means the surviving corporation.

* * *

4.9 "Commons Association" means WATERFORD COMMONS ASSOCIATION III, INC., a Florida Corporation not for profit responsible for the ownership, maintenance and operation of certain property, parking areas and recreation facilities within the Waterford III Complex. The Association shall be a member of the Commons Association. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties, assets and liabilities of the Commons Association shall be vested in the surviving corporation.

approval is required. In the event of a merger, no material alteration or substantial addition to the common elements or Association property shall occur unless such material alteration or substantial addition has been approved by a majority of the voting interests of each condominium operated by the surviving corporation.

* * *

15. INSURANCE. In order to adequately protect the Association, the Association property and the condominium property required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

* * *

15.2 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the unit owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure. In the event of a merger, to the extent permitted by law, the Association may obtain a single policy for all condominiums operated by the surviving corporation.

* * *

22. AMENDMENT OF DECLARATION. Except as otherwise provided above as to amendments made by the Developer, amendments to this Declaration shall be proposed and adopted in the following manner:

* * *

22.10 Corporate Merger. Notwithstanding Section 22.9 above regarding a property merger or any contrary interpretation, a corporate merger may be accomplished in the manner provided by law.

22.11 Condominium Voting. All amendments to this Declaration of Condominium which require approval of unit owners shall only require approval from the requisite level of unit owners in this condominium, rather than the Association as a whole.

AMENDMENTS TO BY-LAWS OF WATERFORD VII, INC.

Note: New language is underlined; language being deleted is shown in struck-through type.

1. GENERAL. These are the By-Laws of WATERFORD VII, INC., hereinafter the "Association", a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Florida Condominium Act. However, in the event of a corporate merger, as of the effective date of the merger, the name of this corporation shall be changed to WATERFORD-CAVENDISH COURT, INC.

* * *

4.10 "Commons Documents" means the Articles of Incorporation, By-Laws and Rules and Regulations of the Commons Association attached hereto as Exhibits "E" through "E-5" and the Declaration of Covenants, Conditions and Restrictions for Waterford III Commons, including all exhibits thereto, attached hereto as Exhibit "E-5", as the same shall be amended from time to time In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties, assets and liabilities of the Commons Association shall be vested in the surviving corporation.

* * *

9. ASSOCIATION: The operation of the Condominium is by Waterford VII, Inc., a Florida corporation not for profit, or in the event of a corporate merger then the surviving corporation, which shall perform its function pursuant to the following:

* * *

9.12 Membership in Commons Association. The Association shall be a member of Waterford Commons Association III, Inc., and cannot withdraw its membership in the Commons Association unless one hundred percent (100%) consent is received from the other member associations. The unit owners in this condominium shall have a non-exclusive right to use the common area and the facilities located on the common areas owned by the Commons Association; all use rights on property owned by the Commons Association are subject to its rules and regulations. The share of the expenses of the Commons Association for which this Association is liable shall be a fraction of the whole, the numerator of which is thirty-six (36) and the denominator of which is the total number of dwelling units located in the Waterford III Complex. ~~Proviso: until the Developer has turned over control of the Commons Association to the members as provided for in the By-laws of the Commons Association, the denominator shall be the number "72."~~ The Commons Association shall be responsible for the maintenance and repair of Commons Association property. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties and liabilities of the Commons Association shall be vested in the surviving corporation. In the event a merger of all condominium associations within the Waterford III Complex and the Commons Association, each unit owner shall be liable for a pro-rata 1/72 share of the expenses of operating the "commons" property, which shall be deemed a common expense hereunder.

* * *

11. MAINTENANCE; LIMITATION UPON ALTERATION AND IMPROVEMENT: Responsibility for the maintenance, repair and replacement of the condominium property and restrictions on its alteration and improvements shall be as follows:

* * *

11.5 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements which result in a material expense or material change in the common elements and Association property without the prior approval of at least a majority of the voting interests. However, if work reasonably necessary to protect, insure, maintain, repair or replace the common elements or Association property also constitutes a material alteration or substantial addition to the common elements or Association property, no prior unit owner

2. MEMBERS.

2.1 Qualifications. The members of the Association shall be the owners of legal title to the units in the condominiums operated by this Association. In the case of a unit subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the unit solely for purposes of determining voting and use rights. Membership shall become effective upon the occurrence of the last to occur of the following events.

* * *

2.3 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.2 above, unless the joinder of record owners is specifically required. The Board of Directors shall have the discretion to determine whether a particular matter requiring the consent of the unit owners only affects a particular condominium. In that case, only approval from the requisite number of unit owners in the affected condominium, rather than the Association as a whole, need be obtained.

* * *

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. There shall be an annual meeting of the members in each calendar year. The annual meeting shall be held in Lee County, Florida, each year during the month of ~~January~~ March at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members. During the annual meeting all ballots cast in the annual election of Directors shall be counted and results announced.

* * *

3.13 Voting at Meetings of Master Association and Waste Association; Voting Representative. In accordance with Section 3.6, of the By-laws of the Master Association ~~and the Waste Association~~, an individual unit owner or a spouse of a unit owner elected at the Annual Meeting of the Members shall serve as the Association's Voting Representative to the Master Association ~~and the Waste Association~~. Notice of who will act in that capacity shall be made in writing to the Master Association ~~and the Waste Association~~. Notice of who will act in that capacity shall be made in writing to the Master Association ~~and the Waste Association~~. The Voting Representative shall attend all meetings of the members of the Master Association ~~and the Waste Association~~ and shall cast, in a block, all votes of the members of this Association on any and all questions which may arise. The votes shall be cast in the manner directed by the Board of Directors, or absent such direction, in the manner determined by the Voting Representative. The Board of Directors shall have the discretion to determine whether a particular matter requiring the consent of the unit owners only affects a particular condominium. In that case, only approval from the requisite number of unit owners in the affected condominium, rather than the Association as a whole, need be obtained.

* * *

4. **BOARD OF DIRECTORS.** The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these By-Laws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1 **Number and Terms of Service.** The number of Directors which shall constitute the Board of Directors shall be three (3). A Director will serve until his successor is duly elected unless he sooner resigns or is recalled as provided in 4.5 below. Directors shall be elected by the members at each Annual Meeting, or in the case of a vacancy, as provided in 4.4 below. In the event of a merger, the number of Directors shall be five (5). To the extent possible, the members of the Board subsequent to a merger shall consist of an equal number of representatives from each condominium plus one additional member elected from year to year from an alternate condominium. At the first election after the effective date of the merger, the owners of Waterford VI condominium shall be entitled to elect the additional board member and thereafter the right of each condominium to elect the additional Director will alternate from year to year. The owners in each condominium shall vote separately, by plurality vote, to select the representatives on the Board from their condominium. The Board as of the effective date of the merger until the first election after the effective date shall consist of the Directors on the Board of Waterford Commons Association III, Inc. immediately prior to the merger and any vacancy at that time shall be filled by the majority of those Directors.

* * *

4.3 **Annual Elections.** On the day of each annual election the members shall elect by written ballot as many Directors as their are regular terms of Directors expiring. Not less that sixty (60) days before the annual election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate must give written notice to the association not less than forty (40) days prior to the annual election. The Board shall hold a meeting within 5 days after the deadline for a candidate to provide notice to the Association of intent to run. At this meeting, the Board shall accept additional nominations. Any unit owner or other eligible person may nominate himself or may nominate another unit owner or person may nominate himself or may nominate another unit owner or eligible person, if he has permission in writing to nominate the eligible person, if he has permission in writing to nominate the other person. If the number of candidates exceeds the number of Directors to be elected, at least fourteen (14) thirty (30) days before the election, the Association shall mail or deliver a second notice of election to all unit owners entitled to vote therein, together with a ballot which shall list all qualified candidates.. Upon timely request of a candidate, the Association shall include an information sheet, no larger than 8-1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. Directors shall be elected by a plurality of the votes cast in the election provided that at least twenty percent (20%) of the eligible voters cast ballots. Proxies may not be used in the election. In the event of a merger, the members from each condominium operated by the Association shall be entitled to elect their representatives to the Board.

4.4 **Vacancies on the Board.** ~~Except as other wise provided by law for the filling of vacancies during the time when the Developer is entitled to appoint at least one Director,~~ If the office of any Director becomes vacant for any reason, a successor or successors to fill the remaining unexpired term or terms shall be appointed or elected as follows:

- (A) If a vacancy is caused by the death, disqualification or resignation of a Director, a majority of the remaining Directors, though less than a quorum, shall appoint a successor, who shall hold office for the remaining unexpired term.
- (B) If a vacancy occurs as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by the appointment by a majority of the remaining Directors; even if the remaining Directors constitute less than a quorum. No recalled Director shall be appointed by the Board to fill a vacancy. Alternatively, the Board may, by affirmative vote of a majority of the remaining Directors, even if the remaining Directors constitute less than a quorum, call and conduct an election in the manner prescribed by law to fill the vacancy(ies). If vacancies occur as a result of a recall in which a majority or more of the Directors are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division, governing the method of selecting successors, and providing for the operation of the Association during the period of recall but prior to the designation of successor Directors sufficient to constitute a quorum.
- (C) In the event of a merger, to the extent possible vacancies shall be filled by a representative from the condominium from which the vacating Director represented in accordance with this section.

4.5 Removal of Directors. Any or all Directors, except those appointed by the Developer, may be removed with or without cause by a majority vote of the entire membership, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. Removal of Directors from the Board shall be on a condominium by condominium basis, as in the case of election.

4.6 Organizational Meeting and Designation of Commons Association Director. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the Directors at the annual meeting at which they were elected. The Board of Directors shall designate in writing at their organizational meeting the individual or individuals as required by the Commons Association By-laws who shall serve as a Director or Directors of the WATERFORD COMMONS ASSOCIATION III, INC.; the individual or individuals so designated must be a unit owner or the spouse of a unit owner, ~~or may be individuals appointed by the Developer during the period of Developer control.~~ In the event of a merger between the Commons Association and the other condominium associations within the Waterford III Complex, no such designation shall be required.

* * *

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

* * *

6.2 Budget. The Board of Directors shall, at a meeting in January, February or March (on or about the date of the annual members' meeting) ~~December~~ each year, adopt an annual budget for common expenses for the next fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting shall be mailed or delivered to ~~or served~~ on the owner of each unit not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show amounts budgeted by accounts and expense classifications.

6.3 Reserves for Capital Expenditures and Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula based upon estimated life and replacement cost of each item. These reserves shall be funded unless the members subsequently determine by majority vote of those present in person or by proxy at a duly called meeting to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in 6.2 above. In the event of a corporate merger, voting on the waiver of reserves will be conducted on a condominium by condominium basis for all reserves specific to a particular condominium. Reserves funded under this paragraph, and any interest thereon, shall be used only for the purposes for which they were reserved, including periodic repairs to extend the useful life of the reserved item that occur less frequently than annually, unless their use for other purposes is approved in advance by a majority of the voting interests present and voting at a members' meeting called for the purpose.

* * *

6.10 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year, except that, if allowed by law, in the event of a corporate merger, the fiscal year may begin on the first day of April of each calendar year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States of America.

* * *

6.12 Distribution of Assets Upon Merger. In the event of a corporate merger, all assets and liabilities shall be transferred into the name of the surviving corporation, except that reserves for capital expenditures and deferred maintenance shall continue to be maintained separately for each condominium as required by law. At such time the net value of the merged condominium corporations (excluding the Commons Association) shall be determined and an equitable adjustment shall be made to ensure that each merged condominium corporation makes an equal contribution per condominium unit to the surviving corporation. Accordingly, the surviving corporation shall transfer any excess amounts of the net value of a merged condominium corporation's contribution into a separately held reserve account or accounts attributable to the condominium that the merged condominium corporation operated prior to the merger. The Board shall have discretion to determine into which reserve account or accounts that the excess net value will be transferred.

**AMENDMENTS TO ARTICLES OF INCORPORATION
OF WATERFORD VII, INC.**

Note: New language is underlined; language being deleted is shown in struck through type.

ARTICLE I

NAME: The name of the corporation, herein called the "Association", is WATERFORD VII, INC., except that in the event of a corporate merger, as of the effective date of the merger, the name of this corporation shall be changed to WATERFORD-CAVENDISH COURT, INC.

The principal mailing address of the corporation is 13550 Worthington Way, Bonita Springs, Florida 34135 33923.

ARTICLE II

PURPOSE AND POWERS: The purpose for which the Association is organized is to provide an entity pursuant to the Florida Condominium Act for the operation of WATERFORD VII, A CONDOMINIUM, located in Lee County, Florida; and such other condominiums and other property as shall be subject to the jurisdiction of this corporation by virtue of a merger with any other Florida corporation not-for-profit.

(Remainder of Article Unchanged)

* * *

ARTICLE III

MEMBERSHIP:

- A. The members of this Association shall be record owners of a fee simple interest in one or more units in the Condominium, or other condominiums operated by this Association, as further provided in the Bylaws; after termination of the Condominium the members shall consist of those who are members at the time of such termination.

Dated this 11 day of November, 1997.

Witnesses:

Donna B. Albitz
Signature of Witness

DONNA B. ALBITZ
Print name of Witness

Julia Darden
Signature of Witness

JULIA DARDEN
Print name of Witness

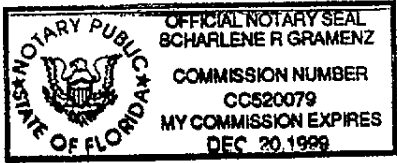
WATERFORD VII, INC.

By: Alvin Alkon
Alvin Alkon, President

13500 Worthington Way
Bonita Springs, FL 34135

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me this 11 day of November, 1997, by Alvin Alken as President, of Waterford VII, INC., a Florida corporation not for profit, on behalf of the Association. She/He (choose one) (X) is personally known to me or () has provided _____ for identification and did not take an oath.



Scharlene R. Gramenz
Signature of Notary Public

SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)
My Commission Expires: 12-20-99

(The space above this line is reserved for recording information.)

CERTIFICATE OF AMENDMENT

**DECLARATION OF CONDOMINIUM
WATERFORD VI, A CONDOMINIUM**

WE HEREBY CERTIFY that the following amendments to the Declaration of Condominium of Waterford VI, a Condominium, which Declaration is recorded at O.R Book 2435, Page 0631, of the Public Records of Lee County, Florida, were duly proposed by the Board of Directors and adopted by the Association membership at the duly noticed special member's meeting of the Association on the 10th day of November, 1997. Said amendments were passed by the concurrence of at least fifty-one percent (51%) of the unit owners present in person or by proxy and voting at the meeting.

Note: New language is underlined; language being deleted is shown in struck-through type.

4. DEFINITIONS: The terms used in this Declaration and its exhibits shall have the meanings stated below and in Chapter 718, Florida Statutes, unless the context otherwise requires.

* * *

4.5 "Association" means WATERFORD VI, INC., a Florida corporation not for profit, the entity responsible for the operation of this Condominium. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, Association means the surviving corporation.

* * *

4.9 "Commons Association" means WATERFORD COMMONS ASSOCIATION III, INC., a Florida Corporation not for profit responsible for the ownership, maintenance and operation of certain property, parking areas and recreation facilities within the Waterford III Complex. The Association shall be a member of the Commons Association. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties, assets and liabilities of the Commons Association shall be vested in the surviving corporation.

4.10 "Commons Documents" means the Articles of Incorporation, By-Laws and Rules and Regulations of the Commons Association and the Declaration of Covenants, Conditions and Restrictions for Waterford III Commons, including all exhibits thereto, as the same shall be amended from time to time. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties, assets and liabilities of the Commons Association shall be vested in the surviving corporation.

9. ASSOCIATION: The operation of the Condominium is by Waterford VI, Inc., a Florida corporation not for profit, or in the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex then by the surviving corporation, which shall perform its function pursuant to the following:

9.12 Membership in Commons Association. The Association shall be a member of Waterford Commons Association III, Inc., and cannot withdraw its membership in the Commons Association unless one hundred percent (100%) consent is received from the other member associations. The unit owners in this condominium shall have a non-exclusive right to use the common area and the facilities located on the common areas owned by the Commons Association; all use rights on property owned by the Commons Association are subject to its rules and regulations. The share of the expenses of the Commons Association for which this Association is liable shall be a fraction of the whole, numerator of which is thirty-six (36) and the denominator of which is the total number of dwelling units located in the Waterford III Complex. ~~Proviso: until the Developer has turned over control of the Commons Association to the members as provided for in the By-laws of the Commons Association, the denominator shall be the number "72."~~ The Commons Association shall be responsible for the maintenance and repair of Commons Association property. In the event of a corporate merger between the Commons Association and any of the condominium associations within the Waterford III Complex, all rights, duties and liabilities of the Commons Association shall be vested in the surviving corporation. In the event a merger of all condominium associations within the Waterford III Complex and the Commons Association, each unit owner shall be liable for a pro-rata 1/72 share of the expenses of operating the "commons" property, which shall be deemed a common expense hereunder.

11. MAINTENANCE; LIMITATION UPON ALTERATION AND IMPROVEMENT: Responsibility for the maintenance, repair and replacement of the condominium property and restrictions on its alteration and improvements shall be as follows:

11.5 Alterations and Additions to Common Elements and Association Property. The protection, maintenance, repair, insurance and replacement of the common elements and association property is the responsibility of the Association and the cost is a common expense. Beyond this function, the Association shall make no material alteration of, nor substantial additions to, the common elements which result in a material expense or material change in the common elements and Association property without the prior approval of at least a majority of the voting interests. However, if work reasonably necessary to protect, insure, maintain, repair or replace the common elements or Association property also constitutes a material alteration or substantial addition to the common elements or Association property, no prior unit owner

approval is required. In the event of a merger, no material alteration or substantial addition to the common elements or Association property shall occur unless such material alteration or substantial addition has been approved by a majority of the voting interests of each condominium operated by the surviving corporation.

15. INSURANCE. In order to adequately protect the Association, the Association property and the condominium property required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

15.2 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under the condominium documents, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the unit owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure. In the event of a merger, to the extent permitted by law, the Association may obtain a single policy for all condominiums operated by the surviving corporation.

22. AMENDMENT OF DECLARATION. Except as otherwise provided above as to amendments made by the Developer, amendments to this Declaration shall be proposed and adopted in the following manner:

22.10 Corporate Merger. Notwithstanding Section 22.9 above regarding a property merger or any contrary interpretation, a corporate merger may be accomplished in the manner provided by law.

22.11 Condominium Voting. All amendments to this Declaration of Condominium which require approval of unit owners shall only require approval from the requisite level of unit owners in this condominium, rather than the Association as a whole.

IN WITNESS WHEREOF, we have affixed our hands this 11 day of November, 1997, at Lee County, Florida.

Witnesses:

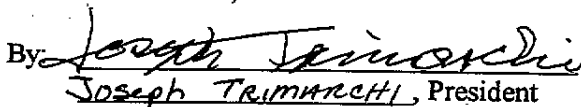

Signature of Witness

DONNA B. ALBITZ
Print name of Witness


Signature of Witness

JULIA DARDEN
Print name of Witness

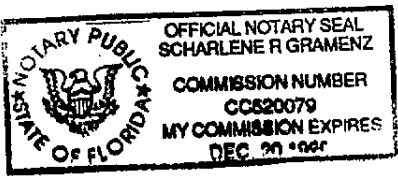
WATERFORD VI, INC.

By 
Joseph Trimarchi, President

13500 Worthington Way
Bonita Springs, FL 34135

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me this 11 day of November, 1997, by Joseph Trimarchi as President, of WATERFORD VI, INC., a Florida corporation not for profit, on behalf of the Association. She/He (choose one) () is personally known to me or (___) has provided _____ for identification and did not take an oath.



Scharlene R. Gramenz
Signature of Notary Public
SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)
My Commission Expires: 12.20.99

(The space above this line is reserved for recording information.)

CERTIFICATE OF AMENDMENT

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WATERFORD III COMMONS

WE HEREBY CERTIFY that the following amendments to the Declaration of Covenants, conditions and Restrictions of Waterford III Commons which Declaration is recorded at O.R. Book 2435, Page 0569, of the Public Records of Lee County, Florida, were duly proposed by the Board of Directors and adopted by the Association membership at the duly noticed special member's meeting of the Association on the 10th day of November, 1997. Said amendments were passed by the concurrence of at least fifty-on percent (51%) of the unit owners present in person or by proxy and voting at the meeting.

Note: New language is underlined; language being deleted is shown in struck through type.

1. DEFINITIONS: The following definitions shall apply to the terms used in this Declaration and its recorded exhibits, unless the context clearly requires another meaning.

* * *

1.2 "Association" shall ~~initially mean and refer to Waterford VI, Inc., and shall subsequently mean and refer to all Condominium Associations created within the WATERFORD III COMPLEX.~~

* * *

1.4 "Board" shall mean and refer to the Board of Directors of Waterford Commons Association III, Inc. In the event of a corporate merger between the Commons Association and any of the condominium associations within the WATERFORD III COMPLEX, "Board" shall mean the Board of Directors of the surviving corporation.

* * *

1.6 "Commons Association" shall mean and refer to the Waterford Commons Association III, INC., a Florida Corporation not for profit, which has its principal place of business in Lee County, Florida and its successors and assigns, whose Articles of Incorporation and By-Laws are attached hereto as Exhibit "B." In the event of a corporate merger between the Commons Association and any of the condominium associations within the WATERFORD III COMPLEX, all rights, duties, assets and liabilities of the Commons Association shall be vested in the surviving corporation.

* * *

5. ASSOCIATION.

5.1 Members.

- A. The members of this Corporation shall be all the Florida non-profit corporations ("Associations") which are actually created for the purpose of operating residential condominium developments located within the Waterford III Complex. If any member Association is voluntarily dissolved (except incident to a merger with this corporation), that Association's right to membership shall be transferred to another corporation, or to a trustee, which shall have and exercise such Association's membership rights, obligations and privileges as long as this Corporation exists. In the event of a corporate merger between the Commons Association and any of the condominium associations within the WATERFORD III COMPLEX, the members shall be the record owners of each condominium unit located within the WATERFORD III COMPLEX.

* * *

6. COMMON AREAS.

6.1 Members Rights and Easements.

- (A) Every member of the surviving Association in the event of a merger or every member of an Association which is a member of the Commons Association shall have a right and easement of enjoyment and use in and to the Common Areas. The right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to any limitation set forth in this Declaration including:

* * *

6.2 Delegation of Right.

- (A) A unit owner who is a member of the surviving Association in the event of a merger or every member of an Association which is a member of the Commons Association may temporarily delegate his right of use in and to the Common Areas to his non-resident guests (if the guests are accompanied by a member) or to tenants who reside in the Living Unit of the unit owner, but only to the extent and subject to conditions, limitations and restrictions as may be provided for in the By-Laws and the Commons Association's rules and regulations. A fee may be imposed for such a delegation, not necessarily limited to the cost of processing the delegation. No more than four transfers to tenants may be made in any given year and no such transfer shall be made for a period of less than one month.

8. ASSESSMENTS AND FEES.

8.1 Method of establishing Assessments. On or about the date of the annual members' meeting as set forth in the Association's By-Laws and Before the first day of December of each fiscal year, the Board of Directors of the Commons Association shall consider and adopt an annual operating budget in amounts believed to be sufficient to enable the Corporation to perform its functions for the ensuing year.

(Remainder of Section Unchanged)

11. INSURANCE: RECONSTRUCTION AFTER CASUALTY.

11.1 Required Coverage. The Commons Association shall obtain and maintain at all times the insurance policies listed below. The named insured on all insurance policies upon the Common Areas shall be the Commons Association individually and as the agent for each member and their respective unit owners, without naming them. In the event of a merger, to the extent permitted by law, the Association may obtain a single policy for all condominiums operated by the surviving corporation.

13. DURATION OF COVENANTS; AMENDMENT

13.3 Amendments by Members. This Declaration may be amended at any time provided that fifty-one percent (51%) of the members of each of the respective member Associations, or in the event of a merger by fifty-one percent (51%) of the unit owners within each of the respective condominiums located in the WATERFORD III COMPLEX, at a duly called and held meeting of the respective owners or member Associations vote in favor of the proposed amendment; provided however, that if the affirmative vote required, for approval of action under the specific provision to be amended, is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notwithstanding the provisions of this Section 13 regarding amendments or any contrary interpretation, a corporate merger may be accomplished in the manner provided by law.

(Remainder of Section Unchanged)

Dated this 10th day of November, 1997.

Witnesses:

WATERFORD COMMONS ASSOCIATION III, INC.

Scharlene Gramenz
Signature of Witness

By: Joseph J. ...
Joseph ..., President

SCHARLENE GRAMENZ
Print Name of Witness

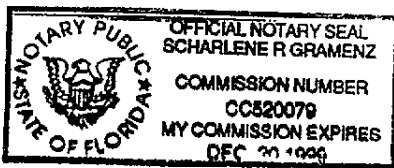
13500 Worthington Way
Bonita Springs, FL 34135

[Signature]
Signature of Witness

CHERYL R. KRAUS
Print Name of Witness

STATE OF FLORIDA
COUNTY OF LEE

The foregoing instrument was executed before me this 11 day of November, 1997, by Joseph Trimarchi as President, of WATERFORD COMMONS ASSOCIATION III, INC., a Florida corporation not for profit, on behalf of the Association. She ~~He~~ (choose one) () is personally known to me or () has provided _____ for identification and did not take an oath.



Scharlene R. Gramenz
Signature of Notary Public

SCHARLENE R. GRAMENZ
Print Name of Notary Public (SEAL)

My Commission Expires: 12.20.99