

Upon recording, return to:
Dunlap & Shipman, P.A.
2063 County Highway 395
Santa Rosa Beach, FL 32459

AMENDMENT TO USE RESTRICTIONS
FOR WATERCOLOR COMMUNITY ASSOCIATION, INC.

THIS AMENDMENT is made as of the date set forth below by WaterColor Community Association, Inc.'s Board of Directors ("Board").

WITNESSETH

WHEREAS, the First Amended and Restated Declaration of Covenants, Conditions and Restrictions of WaterColor ("Declaration") was recorded in Book 2931, Page 802, *et seq*, Official Records of Walton County, Florida;

WHEREAS, pursuant to Section 3.4(a) of the Declaration, the Board may amend Use Restrictions as initially set forth in Exhibit C of the attachments to the Declaration;

WHEREAS, the Board of Directors ("Board") desires to amend the existing Use Restrictions related to leasing of Accessory Dwelling Units; and

WHEREAS, at a duly-noticed meeting held on October 31, 2024 in accordance with Section 3.4(a) of the Declaration, a majority of the Board has approved the following amendments to the Use Restrictions;

NOW, THEREFORE, pursuant to the powers provided to the Board for amending Use Restrictions within WaterColor, the Board hereby amends the restrictions contained in Exhibit "C" to the Declaration to read as follows:

1. Subsection (x) of the Use Restrictions is hereby amended as set forth below (excluding section headings, additions to present text are underlined and deletions are ~~stricken~~):

(x) **Leasing and Related Activities.** The following provisions apply to leasing and related activities on residential Lots within WaterColor, in addition to all existing requirements set forth elsewhere in the Governing Documents.

(i) **Definitions.** Within this subsection (x), certain terms shall have the following meanings:

a. "Rental Agent" shall mean any person or business entity who, for a commission or valuable consideration, assists an Owner with customary property management services for a leased Lot including but not limited to one or more of the following activities: accepting or confirming reservations,

advertising the Lot for rental, performing or contracting for housekeeping services, or performing or contracting for maintenance services.

b. "Rental Owner" means any Owner who personally engages in or manages activities related to the lease of the Owner's Lot, including but not limited to the activities specified in subsection (i)a. above, without engaging a Rental Agent. An Owner who utilizes a third-party software platform or services (e.g. Airbnb, VRBO, Booking.com), but who otherwise personally engages in or manages activities related to the lease of the Owner's Lot, is deemed to be a Rental Owner unless the Board determine that the third-party platform or services constitute action as a Rental Agent.

c. "Lease" or "leasing" has the meaning set forth in the Declaration and includes a conveyance of any Lot to another for a specified time period of any duration, and for which the Owner receives compensation in any form. It also includes any non-permanent occupancy which is the functional equivalent of a lease, including any license arrangement for consideration.

- (ii) **Registration Required.** All persons who lease a residential Lot within WaterColor, including Rental Agents and Rental Owners, must register with the Association by completing and returning a form that will be published by the Association. The form may be amended by the Board from time to time to include a request for such information as the Board may require, but shall always include at a minimum (i) a list of Lot(s) which are leased by such person, (ii) contact information for at least two responsible individuals by telephone and email, and (iii) contact information for a 24-hour per day emergency contact.

There must be at least one current registration on file with the Association at all times for any Lot which is leased; provided, a Rental Agent which manages more than one Lot may submit one registration and supplement the Association, from time to time and upon the Association's request, with a current list of all Lots managed by such Rental Agent.

- (iii) **Registered Rental Manager List.** All persons who register with the Association as required by subsection (ii) will be added to a Registered Rental Manager List maintained by the Association. No person who is not on the Registered Rental Manager List may lease a Lot or provide customary rental property management services for any leased Lot within WaterColor, and no Owner may engage any non-registered Rental Agent to assist with the leasing of his or her Lot. Any leasing activity (including providing customary rental management services for such leasing) which is conducted by a person who is not on the Registered Rental Manager List is prohibited, and will subject the Owner of the Lot in question to sanctions as elsewhere provided.

- (iv) **Removal from Registered Rental Manager List.** Operating as a Rental

Agent within the WaterColor Community is a privilege, not a right. A Rental Agent is subject to removal from the Registered Rental Manager List for (i) deliberate, willful, egregious, or repeated disregard for violation(s) occurring at Lots managed by such Rental Agent, (ii) a demonstrated pattern of failing to inform tenants of the rules or to act within a reasonable time after notice to address rule violations, (iii) other repeated violations as determined by the Board, or (iv) failure to comply with the requirements of sections (v) or (vi) below. Without limiting the discretion of the Board as set forth in Section 7.4(b) of the Declaration, the Board will consider (i) the severity of the violation(s), (ii) the good faith (or lack thereof) attempt by the Rental Agent to address the violation(s), and (iii) the relative frequency of violations as compared with the number of Lots managed by the Rental Agent.

A proposal for removal of any Rental Agent from the Registered Rental Manager List shall be placed on the agenda for a duly noticed regular or special Board meeting. The Rental Agent in question will be given notice of the date, time and place of such meeting, and at the meeting the Rental Agent will be given a reasonable opportunity to speak prior to the final decision of the Board.

Any Rental Agent which is removed from the Registered Rental Manager List is removed prospectively only, meaning that the remaining existing term on a contract for rental management services (not including any renewal term) may be honored by the Owner and the Rental Agent. Subsequent to a Rental Agent's removal from the Registered Rental Manager List, no Owner may contract with the Rental Agent to perform or assist with the services described in subsection

(i) above.

- (v) **Rental Agent Contracts.** Each Owner, or their registered Rental Agent, shall provide a copy of the rental management contract between such Owner and Rental Agent to the Association within ten (10) business days from a request. After the effective date of this amendment, all new rental management contracts between any Owner and Rental Agent for services related to the leasing of any Lot shall contain the following clauses, or materially equivalent terms in a form that is submitted to and approved by the Association:

a. Agent shall provide the WaterColor Community Association, Inc. ("Association") with a copy of this Agreement and a copy of Agent's Certificate of Insurance applicable to the Property upon request by the Association. In addition, Agent shall provide the Association with such information as the Association requires in a registration form, including but not limited to a 24- hour, 7 day per week emergency contact who can respond to an event at the leased property within one (1) hour from notification by the Association.

b. Agent shall at all times during the Term of this Agreement carry the following minimum insurance coverages at its sole expense:

(i) Commercial General Liability Insurance combined single-limit policy with minimum limits of \$1,000,000.00 per occurrence in the aggregate for death, bodily injury, property damage, and personal injury;

(ii) Comprehensive automobile liability insurance for owned, hired and non-owned and employee non-ownership vehicles with minimum limits of \$1,000,000;

(iii) Worker's Compensation insurance as required by Florida law; and

(iv) umbrella liability coverage with minimum limits of \$2,000,000.00 with respect to its primary policies.

c. All insurance coverage, except Workers' Compensation insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the Agent's performance of this Agreement, the Owner and the Association as additional insured, and shall contain a waiver of subrogation in favor of Owner, Association, and their agents and employees. Agent shall provide, upon request by Owner or Association, a copy of the endorsement providing this coverage.

d. It is recognized that the Owner may demand, or the Association may request but not require, that certain rental tenants be evicted from the Property by Agent. In addition to any other indemnity obligations set forth in this Agreement, in the event that such demand or request is made and Agent does not immediately commence action to evict such rental tenants, the Agent shall defend by counsel selected by the indemnified party, indemnify, and hold harmless the Owner and the Association, and their respective officers, directors, members, employees, representatives, agents, successors and assigns, from and against all claims, demands, suits, actions, expenses, judgments, obligations, damages, liabilities, penalties, fines, or costs of whatever kind that may be imposed upon, incurred by or asserted against the foregoing indemnified parties and arising out of or resulting from the actions or omissions of such rental tenants, which actions or omissions occur subsequent to the Agent's receipt of the eviction request/demand.

(vi) **Lease Requirements.** Each Rental Owner, or their registered Rental Agent, shall provide a copy of a lease or the lease form used for rental of a Lot to the Association, within ten (10) business days from a request. In addition, prior to the commencement of any lease term, the responsible Rental Owner

or Rental Agent must ensure that a member of the lessee party signs or electronically acknowledges receipt and understanding of the then-current WaterColor Good Neighbor Policy.

After the effective date of this amendment, all new leases shall contain the following clauses, or materially equivalent terms in a form that is submitted to and approved by the Association:

a. Tenant hereby acknowledges that the Property is located within the WaterColor Community, and that Tenant has been informed of its obligation to comply with all policies, rules, and regulations adopted by the WaterColor Community Association, Inc. ("Association"). Tenant acknowledges that it and all members of Tenant's party are subject to the Governing Documents of the WaterColor Community while within the Community, and that pursuant to those governing documents, Owner is responsible for all violations and losses that Tenant and tenant's party may cause to WaterColor's Common Maintenance Areas. Tenant further acknowledges that it has received and read the WaterColor Good Neighbor Policy.

b. Tenant agrees to indemnify, and hold harmless the Owner from and against all claims, demands, suits, actions, expenses, judgments, obligations, damages, liabilities, penalties, fines, costs, or expenses of whatever kind that may be imposed upon, incurred by or asserted against the Owner by the Association and arising out of or resulting from the actions or omissions of Tenant or members of Tenant's party while within the WaterColor Community.

c. Without limiting the scope of the foregoing paragraph, Tenant agrees that Owner is authorized to deduct and disburse, from the Deposit or other form of security provided by Owner as elsewhere provided, an amount equal to any monetary liability incurred by Owner to the Association or to another WaterColor property owner, including but not limited to fines levied by the Association or damages due to the Association, arising out of or resulting from the actions or omissions of Tenant or members of Tenant's party while within the WaterColor Community.

- (vii) **Accessory Dwelling Unit Minimum Lease Terms.** If the principal dwelling on a Lot is leased on a short-term (less than 12 months) basis, an Accessory Dwelling Unit on the same Lot may only be leased independently for a term of 12 months or longer. For purposes of this subsection, "Accessory Dwelling Unit" shall have the meaning set forth in the Walton County Land Development Code and include detached structures commonly referred to as a "carriage house" or "guest house."
- (viii) **Violations.** Violations of this section (x) are subject to sanction as elsewhere

provided in the Governing Documents. Owners are responsible for informing their Rental Agents of the requirements of this section. Without limiting the scope of the foregoing, any Owner who after notice and opportunity to cure leases his or her Lot other than through a person who is on the then-current Registered Rental Manager List, will be subject to a suspension of Common Area amenity privileges for a period of not less than thirty (30) days, up to the duration that the violation continues.

The balance of Exhibit "C", Initial Use Restrictions, as they have been previously amended from time to time, are not affected by this Amendment and are hereby ratified.

The undersigned officer hereby certifies that this Amendment was adopted by majority vote of the WaterColor Community Association, Inc. Board of Directors at a duly-noticed meeting held on October 31, 2024 in accordance with the authority set forth above.

**WaterColor Community Association, Inc.
a Florida non-profit corporation**

By: [Signature]
Print Name: Jacob Marshall

By: [Signature]
Mark Bursinger
Its: President

By: [Signature]
Print Name: Michelle Garrett

STATE OF FLORIDA
COUNTY OF Walton

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 11/10/24, 2024 by Mark Bursinger, as President of WaterColor Community Association, Inc., a Florida corporation not-for-profit, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

[Signature]

[Notary Seal]

Notary Public

[Signature]

Name typed, printed or stamped

My Commission Expires: 5/27/26

