

BOARD RESOLUTION #13

TWELVE-MONTH OWNER-OCCUPANCY REQUIREMENT FOR NEW UNIT OWNERS

HORIZON HEIGHTS CONDOMINIUMS OWNERS ASSOCIATION, INC.

WHEREAS, Articles 12.1(g) and 12.1(i) of the Amended & Restated Declaration and the Utah Condominium Ownership Act authorize the Board to adopt rules governing rental activity, including reasonable occupancy requirements for new unit owners; and

WHEREAS, a twelve-month owner-occupancy requirement for new Unit owners will promote community stability, support FHA and VA Certification eligibility, and help maintain rental unit levels consistent with Article 12.1(g);

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the following rule:

1. TWELVE-MONTH OWNER-OCCUPANCY REQUIREMENT

Any person or entity who acquires ownership of a Unit on or after the recording date of the Amended & Restated Declaration (a "New Unit Owner") shall be required to use and occupy the Unit as their primary residence for a continuous period of twelve (12) months from the date of closing before the Unit may be leased or rented to non-owner occupants, subject to the rental restrictions in Article 12 of the Declaration.

2. DEFINITION OF PRIMARY RESIDENCE

For purposes of this Resolution, "primary residence" means the dwelling where the New Unit Owner maintains their principal place of abode and is physically present for at least nine (9) months of the twelve (12) month occupancy period. Brief absences for vacation, business travel, medical treatment, or other temporary purposes shall not be deemed a violation of this requirement.

3. EXCEPTIONS

The twelve (12) month owner-occupancy requirement shall not apply to:

a. **Existing Rental Units:** Units designated as Existing Rental Units under Article 12.1(g) of the Declaration as of the recording date of the Amended & Restated Declaration, which may continue to be rented according to the Declaration's terms;

b. **Exempt Non-Owner-Occupied Units:** Units that qualify for exemption under Article 12.1(h) of the Declaration, including:

- Units owned by military members during deployment;
- Units occupied by an Owner's parent, child, or sibling;
- Units where the Owner has been relocated by their employer for less than two years;

- Units owned by qualifying trusts or estate planning entities;
- Units owned by an entity or trust where the occupant holds a 25% or greater ownership, control, and right to profits and losses of the entity and has voting rights under the entity's organizing documents, as further defined in Board Resolution #14, Section 5;

c. **Hardship Waiver:** The Board may, in its sole discretion, waive or modify the occupancy requirement upon written request if the New Unit Owner demonstrates extraordinary hardship, including but not limited to:

- Unexpected military deployment;
- Serious medical necessity requiring relocation;
- Death or incapacity of the Owner;
- Involuntary job loss combined with financial hardship;
- Employer relocation occurring within the 12-month period;

d. **Involuntary Transfers:** Units acquired through foreclosure, deed in lieu of foreclosure, or short sale by institutional lenders or servicers;

e. **Family Transfers:** Sale or transfer of the Unit to the Owner's spouse, parent, child, or sibling during the 12-month period, provided the transferee then satisfies the remainder of the 12-month requirement.

4. INTERACTION WITH RENTAL CAP

a. This Resolution does not create any right to rent a Unit after the 12-month period. All rental activity remains subject to the rental restrictions in Article 12.1(g) of the Declaration and as clarified by Board Resolution #14, including: (i) the overall cap, which permits an Owner to apply to rent their Unit only if fewer than 68 non-exempt, non-owner-occupied Units (less than 40% of 170 total Units) are active; and (ii) the per-building cap, which prohibits more than 50% of the Units in any individual Building from being non-owner-occupied Units. For the authoritative interpretation of these caps and the treatment of Exempt Non-Owner-Occupied Units, see Board Resolution #14;

b. New Unit Owners who complete the 12-month occupancy requirement must still apply to the Association and be approved under the rental cap procedures before leasing their Unit;

c. Completion of the 12-month occupancy requirement does not guarantee placement on or priority in any rental waiting list.

5. VERIFICATION AND COMPLIANCE

a. **Certification at Closing:** New Unit Owners shall provide written certification to the Association at or before closing acknowledging this requirement;

b. **Documentation:** The Association or designated Manager may request reasonable proof of residency, such as a driver's license, voter registration, vehicle registration, or utility bills showing the Unit address.

c. **Self-Reporting:** New Unit Owners must notify the Association in writing within 10 days of any change in occupancy status during the 12-month period.

6. ENFORCEMENT

- a. Violation of this Resolution shall constitute a violation of the Association's Rules and the Declaration;
- b. Remedies for violation include fines under the Declaration and Utah Community Association Act, legal action to enjoin unauthorized rental activity, forcible entry and unlawful detainer proceedings under Article 12.1(e), assessment of the Association's costs and attorneys' fees, and denial of future rental applications.
- c. The Association shall follow the notice and hearing procedures required under Utah Code § 57-8-52 before imposing fines or other sanctions.

7. RELATIONSHIP TO BOARD RESOLUTION #14

This Resolution shall be read in conjunction with Board Resolution #14 (Rental Cap Calculation and Exempt Unit Treatment). This Resolution governs the 12-month owner-occupancy requirement; Board Resolution #14 governs the rental cap and exempt unit provisions thereafter. In the event of any conflict on matters of rental cap administration, Board Resolution #14 shall control.

8. NON-RETROACTIVE APPLICATION

This Resolution shall apply only to transfers of ownership occurring on or after the recording date of the Amended & Restated Declaration. Current Owners as of that recording date are not subject to this requirement, regardless of when they purchased their Unit.

9. LIMITATIONS

This Resolution:

- a. Does not prohibit a New Unit Owner from selling or transferring their Unit during the 12-month period;
- b. Does not supersede or modify any provision of the Declaration, including Article 12's rental restrictions;
- c. Is subordinate to the Declaration and shall be interpreted consistently with the Declaration's terms;
- d. Does not affect the status of Existing Rental Units or Exempt Non-Owner-Occupied Units as defined in the Declaration and as clarified in Board Resolution #14.

10. OPERATIVE DATE

This Resolution shall become operative upon the recording of the Amended & Restated Declaration of Covenants, Conditions and Restrictions for Horizon Heights Condominiums in the Salt Lake County Recorder's Office, and shall apply to all transfers of ownership occurring on or after that recording date. This Resolution shall be read and administered in conjunction with Board Resolution #14, which becomes operative on the same date.

11. AMENDMENT OR REPEAL

This Resolution may be amended or repealed by a majority vote of the Board of Directors at any properly noticed meeting.

ADOPTED by the Board of Directors of Horizon Heights Condominiums Owners Association on this 1 day of April, 2026.

BOARD OF DIRECTORS:

Monica West, President

Sterling Mateer, Vice President

Corbin Midgley, Secretary

Neil Boyd, Treasurer

Nick Crawford, Director

CERTIFICATE OF SECRETARY

I, Corbin Midgley, Secretary of Horizon Heights Condominiums Owners Association, Inc., do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors at a meeting held on March 18, 2026, at which a quorum was present and voting.

Corbin Midgley, Secretary

Signature: Corbin Midgley

Date: 4/1/26

NOTICE TO OWNERS: This Resolution and Board Resolutions #11, #12, and #14 will be distributed to all Owners and will be provided to prospective purchasers during the sale process. Title companies and real estate agents will be notified of Board Resolutions #11, #12, #13, and #14, as all four collectively govern the rights and obligations of Unit owners with respect to rental, occupancy, and exemption procedures.

EXHIBIT A

NEW UNIT OWNER CERTIFICATION FORM

Building Letter and Unit Number: _____

Closing Date: _____

Owner Name(s): _____

I/We certify that:

I/We have received Resolution No. 13 regarding the 12-month owner-occupancy requirement

I/We will occupy the Unit as my/our primary residence for twelve continuous months

I/We understand violation may result in fines and legal action

I/We will notify the Association of any occupancy changes within 10 days

Signature(s): _____ **Date:** _____

Contact Information:

Phone: _____

Email: _____