

Superseded 5/12/2015

57-8a-217 Association rules, including design criteria -- Requirements and limitations relating to board's action on rules and design criteria -- Vote of disapproval.

- (1)
 - (a) Subject to Subsection (1)(b), a board may adopt, amend, modify, cancel, limit, create exceptions to, expand, or enforce the rules and design criteria of the association.
 - (b) A board's action under Subsection (1)(a) is subject to:
 - (i) this section;
 - (ii) any limitation that the declaration imposes on the authority stated in Subsection (1)(a);
 - (iii) the limitation on rules in Sections 57-8a-218 and 57-8a-219;
 - (iv) the board's duty to exercise business judgment on behalf of:
 - (A) the association; and
 - (B) the lot owners in the association; and
 - (v) the right of the lot owners or declarant to disapprove the action under Subsection (4).
- (2) Except as provided in Subsection (3), before adopting, amending, modifying, canceling, limiting, creating exceptions to, or expanding the rules and design criteria of the association, the board shall:
 - (a) at least 15 days before the board will meet to consider a change to a rule or design criterion, deliver notice to lot owners, as provided in Section 57-8a-214, that the board is considering a change to a rule or design criterion;
 - (b) provide an open forum at the board meeting giving lot owners an opportunity to be heard at the board meeting before the board takes action under Subsection (1)(a); and
 - (c) deliver a copy of the change in the rules or design criteria approved by the board to the lot owners as provided in Section 57-8a-214 within 15 days after the date of the board meeting.
- (3)
 - (a) Subject to Subsection (3)(b), a board may adopt a rule without first giving notice to the lot owners under Subsection (2) if there is an imminent risk of harm to a common area, a limited common area, a lot owner, an occupant of a lot, a lot, or a dwelling.
 - (b) The board shall provide notice under Subsection (2) to the lot owners of a rule adopted under Subsection (3)(a).
- (4) A board action in accordance with Subsections (1), (2), and (3) is disapproved if within 60 days after the date of the board meeting where the action was taken:
 - (a)
 - (i) there is a vote of disapproval by at least 51% of all the allocated voting interests of the lot owners in the association; and
 - (ii) the vote is taken at a special meeting called for that purpose by the lot owners under the declaration, articles, or bylaws; or
 - (b)
 - (i) the declarant delivers to the board a writing of disapproval; and
 - (ii)
 - (A) the declarant is within the period of declarant control; or
 - (B) for an expandable project, the declarant has the right to add real estate to the project.
- (5)
 - (a) The board has no obligation to call a meeting of the lot owners to consider disapproval, unless lot owners submit a petition, in the same manner as the declaration, articles, or bylaws provide for a special meeting, for the meeting to be held.
 - (b) Upon the board receiving a petition under Subsection (5)(a), the effect of the board's action is:
 - (i) stayed until after the meeting is held; and

- (ii) subject to the outcome of the meeting.
- (6) During the period of administrative control, a declarant may exempt the declarant from association rules and the rulemaking procedure under this section if the declaration reserves to the declarant the right to exempt the declarant.