

Effective 7/1/2014

57-8a-601 Consolidation of multiple associations.

- (1) Two or more associations may be consolidated into a single association as provided in Title 16, Chapter 6a, Part 11, Merger, and this section.
- (2) Unless the declaration, articles, or bylaws otherwise provide, a declaration of consolidation between two or more associations to consolidate into a single association is not effective unless it is approved by the lot owners of each of the consolidating associations by the highest percentage of allocated voting interests of the lot owners required by each association to amend its respective declaration, articles, or bylaws.
- (3) A declaration of consolidation under Subsection (2) shall:
 - (a) be prepared, executed, and certified by the president of each of the consolidating associations; and
 - (b) provide for the reallocation of the allocated interests in the consolidated association by stating:
 - (i) the reallocations of the allocated interests in the consolidated association or the formulas used to reallocate the allocated interests; or
 - (ii)
 - (A) the percentage of overall allocated interests of the consolidated association that are allocated to all of the lots comprising each of the consolidating associations; and
 - (B) that the portion of the percentages allocated to each lot formerly comprising a part of a consolidating association is equal to the percentages of allocated interests allocated to the lot by the declaration of the consolidating association.
- (4) A declaration of consolidation under Subsection (2) is not effective until it is recorded in the office of each applicable county recorder.
- (5) Unless otherwise provided in the declaration of consolidation:
 - (a) the consolidated association resulting from a consolidation under this section is the legal successor for all purposes of all of the consolidating associations;
 - (b) the operations and activities of all of the consolidating associations shall be consolidated into the consolidated association; and
 - (c) the consolidated association holds all powers, rights, obligations, assets, and liabilities of all consolidating associations.

Enacted by Chapter 152, 2013 General Session