Section 5. - Sample Provision Excerpt (Public Preview)

Quorum. Fifteen (15) members entitled to vote at a meeting, whether or not present at the meeting, constitutes a quorum. The quorum requirement may be met by members attending the meeting in person or represented at the meeting by proxy.

ISSUE #1

MARKUP #1 ->

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING — BOARD & COUNSEL REVIEW

Sec. 5. (p. 3): [FLAGGED FOR COUNSEL REVIEW - SAFE RESOLUTION GATE] Governing documents omit the mandatory MCL 559.157(2) - (3) requirement that associations with annual revenues over $20,000 undergo an annual independent CPA audit or review unless opted out annually by majority co-owner vote.

Statutory / Legal Reference: MCL § 450.2304 & § 450.2101 - 450.3192 (Michigan Nonprofit Corporation Act & Common-Law Servitudes)

Statutory Comparison: Under MCL 559.157(2) - (3), an association of co-owners with annual revenues greater than $20,000 must on an annual basis have its books, records, and financial statements independently audited or reviewed by a certified public accountant, unless the association opts out of that requirement on an annual basis by an affirmative vote of a majority of its members.

CURRENT WORDING IN DOCUMENT:
Quorum. Fifteen (15) members entitled to vote at a meeting, whether or not present at the meeting, constitutes a quorum. The quorum requirement may be met by members attending the meeting in person or represented at the meeting by proxy.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):
Pursuant to MCL 559.157(2) - (3), if the Association's annual revenues exceed $20,000, the Association shall annually have its books, records, and financial statements independently audited or reviewed by a Certified Public Accountant, unless the Co-owners opt out of the...