## Section II. - Sample Provision Excerpt (Public Preview)

Vacancy. Whenever any vacancy shall have occurred in
the Board of Trustees,
the majority of the Trustees
then in office
fill the vacancy at any meeting.
The person so appointed

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e next annual meeting, at which meeting the membership
shall elect a Trustee to fill the unexpired term, if any.

MARKUP #1 ->



MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

**Sec. II. (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:
Vacancy. Whenever any vacancy shall have occurred in the Board of Trustees, the majority of the Trustees then in office fill the vacancy at any meeting. The person so appointed office until the next annual meeting, at which meeting the membership shall elect a Trustee to fill the unexpired term, if any.

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 requirement for that year by an affirmative vote of a majority of Co-owners at a duly called meeting.**