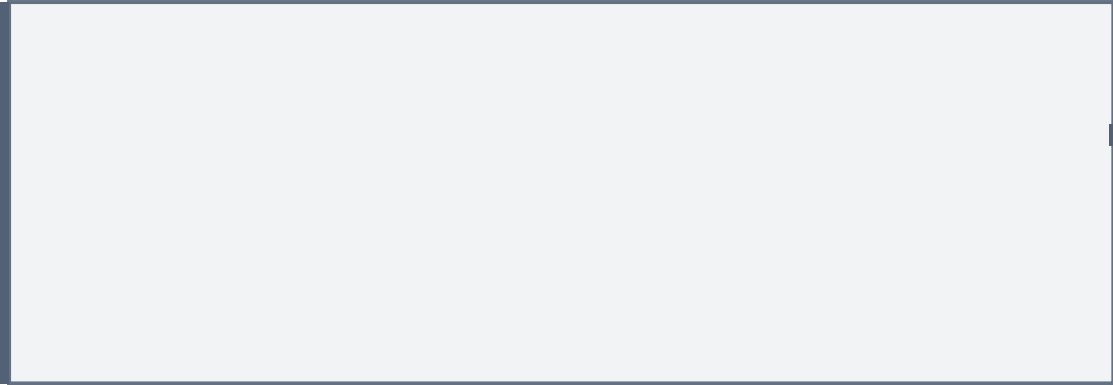




Section 1.1 - Sample Provision Excerpt (Public Preview)

"Association" or "ILA" means the INTERMEDIATE LAKE ASSOCIATION, a nonprofit organization incorporated under the laws of the State of Michigan.

ISSUE #1



MARKUP #1 ->

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. 1.1 (p. 4): [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:

"Association" or "ILA" means the INTERMEDIATE LAKE ASSOCIATION, a nonprofit organization incorporated under the laws of the State of Michigan.

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.