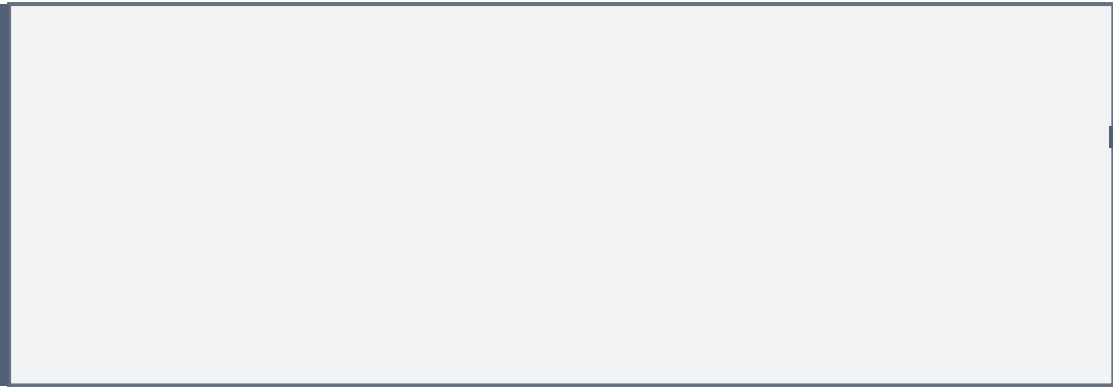


Section 7 - Sample Provision Excerpt (Public Preview)

Executive Committee

The Board of Trustees may, by resolution passed by a majority of the whole Board, designate three (3) or more of their number to constitute an Executive Committee, who, to the extent provided in said resolution shall have and exercise the authority of the Board of Trustees in the management of the affairs of the Corporation between the...

ISSUE #1



MARKUP #1 ->



MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. 7 (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:
Executive Committee The Board of Trustees may, by resolution passed by a majority of the whole Board, designate three (3) or more of their number to constitute an Executive Committee, who, to the extent provided in said resolution shall have and exercise the authority of the Board of Trustees in the management of the affairs of the Corporation between the...

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...