

Section 1. - Sample Provision Excerpt (Public Preview)

NAME. This organization shall be known as the LAKEWOOD SHORES PROPERTY OWNERS' ASSOCIATION, INC. Its place of business shall be Oscoda Township, Iosco County, Michigan. This organization shall be an association of property owners in LAKEWOOD SHORES SUBDIVISIONS and shall be a nonprofit corporation, with its fiscal year starting January first, ending...

ISSUE #1



MARKUP #1 ->



MARKUP #1 · POTENTIAL ISSUE FOR REVIEW

BOARD & COUNSEL REVIEW

Sec. 1. (p. 4): Potential Issue for Review: Uploaded documents do not include 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 - look for this language in other governing documents, standalone board policies/resolutions, Rules & Regulations, or amendments that were not included in this review (and confirm any applicable statutory threshold).

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:

NAME. This organization shall be known as the LAKEWOOD SHORES PROPERTY OWNERS' ASSOCIATION, INC. Its place of business shall be Oscoda Township, Iosco County, Michigan. This organization shall be an association of property owners in LAKEWOOD SHORES SUBDIVISIONS and shall be a nonprofit corporation, with its fiscal year starting January first, ending...

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

First look for this language in other governing documents, standalone policies/resolutions, or amendments not included in this review. If not already addressed in another document (and if applicable to this community), incorporate: 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...