Section 4 - Sample Provision Excerpt (Public Preview)

The Board of Directors shall meet at least once in each month at a place and date to be designated by the Board of Directors. Special meetings of the Board of Directors may be called by the President or Secretary, or by a majority of the Board of Directors, upon two days notice to the members thereof, said notice to give the time and place of the special...

ISSUE #1

MARKUP #1 ->

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. 4 (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:
The Board of Directors shall meet at least once in each month at a place and date to be designated by the Board of Directors. Special meetings of the Board of Directors may be called by the President or Secretary, or by a majority of the Board of Directors, upon two days notice to the members thereof, said notice to give the time and place of the special...

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...