Section 7.7 - Sample Provision Excerpt (Public Preview)

Act of the Governing Board. The Governing Board shall take action by the affirmative vote of a majority of directors constituting a quorum present at the duly held meeting, except where Chapter 317 requires the affirmative vote of a larger proportion or number. Directors may not vote by proxy.

ISSUE #1

MARKUP #1 ->

MARKUP #1 · MANDATORY RESERVE & DEFICIT DISCLOSURE

BOARD & COUNSEL REVIEW

Sec. 7.7 (p. 3): Governing documents omit the mandatory MCIOA requirement to fund adequate replacement reserves and re-evaluate reserve adequacy at least once every third year.

Statutory / Legal Reference: Minn. Stat. § 515B.3-114(a)(2) & 515B.3-1141

Statutory Comparison: Under Minn. Stat. §§ 515B.3-114(a)(2) and 515B.3-1141, the association must include adequate replacement reserves in its annual budget and must re-evaluate the adequacy of its budgeted replacement reserves at least every third year after the recording of the declaration.

CURRENT WORDING IN DOCUMENT:

Act of the Governing Board. The Governing Board shall take action by the affirmative vote of a majority of directors constituting a quorum present at the duly held meeting, except where Chapter 317 requires the affirmative vote of a larger proportion or number. Directors may not vote by proxy.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to Minn. Stat. §§ 515B.3-114 and 515B.3-1141, the Association shall include in its annual budgets replacement reserves projected by the Board to be adequate to fund the replacement of all common elements that the Association...