



You Are Also a Michigan Corporation – What Does That Mean?

By Jeff Vollmer

Generally, all of Michigan's condominium associations are nonprofit corporations operating according to the requirements of the Michigan Nonprofit Corporations Act as well as the Michigan Condominium Act. As such, those associations, as corporations, have all of the rights, powers and duties of a corporation. Corporations are operated by their directors and officers. Generally, the directors of associations do even more than is done by other corporate directors. In many instances they perform all of the functions on behalf of the condominium association,

although they may delegate certain tasks to management companies or officers. The members of

the condominium association are similar to shareholders and as such, they have an interest in the nonprofit corporation as a result of their ownership.

However, they do not run the association nor do they conduct its affairs or control the association's activities.



As a nonprofit corporation, the condominium association is obligated to abide by the terms of the Michigan Nonprofit Corporations Statute. [1]

The Michigan Nonprofit Corporation Statute requires that an association maintain a registered office and resident agent [2] and give the state a notice of any changes. [3]

The Statute also requires the association to hold an annual meeting, file an annual report and pay a fee in order to maintain its corporate status. [4]

Significantly, this Statute also grants the condominium association extensive powers including the standing to sue or be sued, hold and sell assets, and administer and manage the affairs of the condominium. [5]

[1] MCL 450.2101 et seq.

[2] MCL 450.2241 and 450.2242

[3] MCL 450.2402

[4] MCL 450.2911 and 2915

[5] MCL. 450.2261