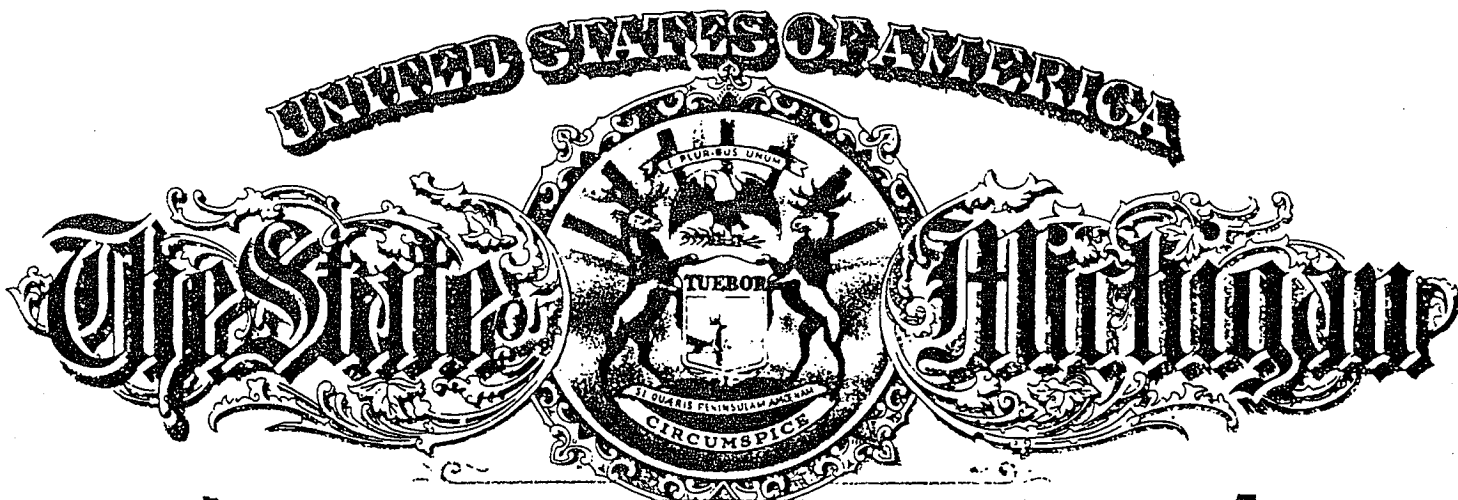


**ORCHARD PLACE CONDOMINIUM  
ASSOCIATION CERTIFICATE OF INCORPORATION**



Michigan Department of Commerce

Lansing, Michigan

*This is to Certify That Articles of Incorporation of*

**ANN ARBOR ORCHARD PLACE CONDOMINIUM ASSOCIATION**

*were duly filed in this office on the* 26TH *day of* JUNE *, 19* 90 *,*

*in conformity with Act 162, Public Acts of 1982.*

*In testimony whereof, I have hereunto set my  
hand and affixed the Seal of the Department,  
in the City of Lansing, this* 26TH *day*  
*of* JUNE *, 19* 90 *.*

*Leroy L. Meyer* Director

**ORCHARD PLACE CONDOMINIUM  
ASSOCIATION ARTICLES OF INCORPORATION**

RECEIVED

747 289

7028#0087 3604 DRG&FI \$20.00

FILED

JUN 20 1990

NON-PROFIT

JUN 26 1990

MICHIGAN DEPT. OF COMMERCE  
CORPORATION DIVISION

ARTICLES OF INCORPORATION

Administrator  
MICHIGAN DEPARTMENT OF COMMERCE  
Corporation & Securities Bureau

These Articles of Incorporation are signed by the incorporator for the purpose of forming a non-profit corporation under the provisions of Act No. 162 of the Public Acts of 1982, as amended, as follows:

ARTICLE I.

The name of the corporation is Ann Arbor Orchard Place Condominium Association.

ARTICLE II.

The purpose or purposes for which the Association is formed are as follows:

- (a) To manage and administer the affairs of and to maintain Orchard Place, a condominium (hereinafter called the "Condominium");
- (b) To levy and collect assessments against and from the members of the Association and to use the proceeds thereof for the purposes of the Association, to enforce assessments through liens and foreclosure proceedings when appropriate, and to impose late charges for nonpayment of assessments;
- (c) To carry insurance and to collect and allocate the proceeds thereof;
- (d) To rebuild improvements to the common elements after casualty;
- (e) To contract for and employ persons, firms or corporations to assist in the management, operation, maintenance, and administration of said Condominium;
- (f) To make reasonable rules and regulations governing the use and enjoyment of the Condominium by members and their tenants, guests, employees, invitees, families and pets and to enforce such rules and regulations by all legal methods, including, without limitation, imposing fines and late payment charges, or instituting eviction or legal proceedings;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, or any interest therein, including, but not limited to, any unit in the Condominium, any easements or licenses or any other real property, whether or

20

not contiguous to the Condominium, for the purpose of providing benefit to the members of the Association and in furtherance of any of the purposes of the Association;

- (h) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien;
- (i) To enforce the provisions of the Master Deed and By-Laws of the Condominium and of these Articles of Incorporation and such By-Laws and Rules and Regulations of the Association as may hereafter be adopted;
- (j) To do anything required of or permitted to it as Administrator of said Condominium by the Condominium Master Deed or By-Laws or by Act No. 59 of Public Acts of 1978, as from time to time amended;
- (k) In general, to enter into any kind of activity, to make and perform any contract and to exercise all powers necessary, incidental or convenient to the administration, management, maintenance, repair, replacement, and operation of said Condominium and to the accomplishment of any of the purposes thereof.

ARTICLE III.

Said Association is organized upon a non-stock membership basis.

The amount of assets which said Association possesses is:

Real Property	None
Personal Property	None

Said Association is to be financed under the following general plan:

Assessment of Members

ARTICLE IV.

Location of the first registered office is: 700 City Center Building, Ann Arbor, Michigan 48104.

Post office address of the first registered office is: 700 City Center Building, Ann Arbor, Michigan 48104.

The name of the first resident agent is: Karl R. Frankena.

ARTICLE V.

The name and place of business of the incorporator are as follows:

Karl R. Frankena  
700 City Center Building  
Ann Arbor, MI 48104

ARTICLE VI.

Any action required or permitted to be taken at an annual or special meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by members having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all members entitled to vote therein were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to members who have not consented in writing.

ARTICLE VII.

The qualifications of members, the manner of their admission to the Association, the termination of membership, and voting by such members shall be as follows:

- (a) Each co-owner (including the Developer) of a unit in the Condominium shall be a member of the Association, and no other person or entity shall be entitled to membership.
- (b) Membership in the Association shall be established by acquisition of fee simple title to a unit in the Condominium, or purchase of a unit on a land contract, and by recording with the Register of Deeds of Washtenaw County, Michigan, a deed or other instrument establishing a change of record title to such condominium unit and the furnishing of evidence of same satisfactory to the Association (except that the Developer of the Condominium shall become a member immediately upon establishment of the Condominium), the new co-owner thereby becoming a member of the Association, and the membership of the prior co-owner thereby being terminated.
- (c) The share of a member in the funds and assets of the Association cannot be assigned, pledged, encumbered, or transferred in any manner except as an appurtenance to his unit in the Condominium.
- (d) Voting by members shall be in accordance with the provisions of the By-Laws of the Association.

ARTICLE VIII.

A volunteer director shall not be personally liable to the Association or its co-owners for monetary damages for breach of the director's fiduciary duty, except where there is:

- (a) A breach of the director's duty of loyalty to the Association or its co-owners;
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (c) A violation of Michigan Statutes Annotated Section 21.200(551);
- (d) A transaction from which the director derived an improper personal benefit; or
- (e) An act or omission that is grossly negligent.

If the Michigan Nonprofit Corporation Act is subsequently amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended.

Any repeal or modification of the foregoing provisions of this Article by the co-owners of the Association shall not adversely affect any right or protection of a director of the Association existing at the time of such repeal or modification.

ARTICLE IX.

These Articles of Incorporation may be amended, altered, changed, or repealed only by the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Association; provided, that in no event shall any amendment make changes in the qualification for membership or the voting rights of members without the unanimous consent of the membership.

I, the incorporator, sign my name this 31st day of May, 1990.

  
\_\_\_\_\_  
Karl R. Frankena

13:CONDOS:AAORCHPL

**ORCHARD PLACE CONDOMINIUM ASSOCIATION**

**PROPOSED ANNUAL BUDJET**



ANN ARBOR ORCHARD PLACE CONDOMINIUM ASSOCIATION

PROPOSED ANNUAL BUDGET

35 Units  
Annualized

ADMINISTRATIVE

Legal and audit	\$300.00	
Liability insurance	400.00	
Management fee	None	
Miscellaneous	<u>100.00</u>	\$ 800.00

GROUNDS MAINTENANCE

Landscaping/mowing	\$400.00	
Snow removal	<u>300.00</u>	

Total operating expenses \$ 700.00

RESERVE FOR REPAIR AND  
REPLACEMENT

180.00

TOTAL OPERATING BUDGET

\$1,680.00

\$4.00/unit/month  
\$48.00/unit/year

SEE NOTES TO BUDGET

13:144:opdisst

## NOTES TO BUDGET

1. The information set forth in the budget is based upon actual costs and estimates. All values are subject to change.
2. No amount for insurance premiums have been included as there are no general common elements to insure in this project.
3. The Developer has elected, for an indeterminate period, to manage the project at no cost to the co-owners. If a management agent is retained at a later date, the budget will be increased to cover the management fee.
4. Utilities are individually metered and each co-owner will pay his own utility costs. Real estate taxes will be separately assessed against each unit and are the responsibility of each co-owner.
5. The reserve standard for major repairs and replacements has been estimated at approximately 10%.
6. There are no fees, payments, or services which are paid or furnished, directly or indirectly, by the Developer which will later become an expense which must be borne by the co-owners, other than as identified in paragraph 3, above.
7. Each co-owner will pay an equal annual assessment. Assessments will be due on a date established by the Board of Directors of the Association. If assessments are not paid when due, they will bear interest at the highest legal rate permitted under Michigan law. Past due assessments will be secured by a lien on the defaulting co-owner's unit. A purchaser will be required to pay an annual assessment prorated to the month in which he purchases his unit. The Developer, prior to the first annual meeting of the Association, is not liable for Association assessments. Prior to the first annual meeting, the Developer will pay a proportionate share of the Association's current maintenance expenses actually incurred based upon the number of improved units owned by the Developer at the time the expense is incurred to the total number of improved units in the project.

13:144:opdisst