

Michigan Department of Consumer and Industry Services

Filing Endorsement

*This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT
for
ISLAND LAKE SHORES NORTH ASSOCIATION*

ID NUMBER: 771744

*received by facsimile transmission on June 25, 2003 is hereby endorsed filed on
June 26, 2003 by the Administrator. The document is effective on the date filed,
unless a subsequent effective date within 90 days after received date is stated in the
document.*



*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, 2003.*

A handwritten signature in black ink, appearing to read "Andrew J. Mitchell".

, Director

Bureau of Commercial Services

06/13/2003 12:04 FAX 248 642 5241

JACKIER GOULD

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CIS-511 (REV. 8/95)

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES - BUREAU OF COMMERCIAL SERVICES		
Date Received		(FOR BUREAU USE ONLY) This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.
George W. Day, Esq. Jackier, Gould, Bean, Upfal & Eizelman Second Floor, 121 West Long Lake Road Bloomfield Hills, Michigan 48304-2719		EFFECTIVE DATE:

† Document will be returned to the name and address you enter above †
 If left blank document will be mailed to the registered office.

RESTATED ARTICLES OF INCORPORATION

For use by Domestic Nonprofit Corporations

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Restated Articles:

1. The present name of the corporation is: ISLAND LAKE SHORES NORTH ASSOCIATION
2. The corporation identification number (CID) assigned by the Bureau is: 771744
3. All former names of the corporation are:
4. The date of filing the original Articles of Incorporation was: June 26, 2001

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:

ARTICLE I - NAME

The name of the corporation is: ISLAND LAKE SHORES NORTH ASSOCIATION

ARTICLE II - PURPOSES

- The purpose or purposes for which the corporation is organized are:
- (a) To manage and administer the affairs of and to maintain certain condominium developments known as Island Lake Shores North and Island Lake Shores South (hereinafter referred to herein as the "Condominiums");
 - (b) To levy and collect assessments against and from the members of the corporation and to use the proceeds thereof for the purposes of the corporation;
 - (c) To carry insurance and to collect and allocate the proceeds thereof;

ARTICLE II - PURPOSES (Continued)

- (d) To rebuild improvements after casualty;
- (e) To contract for and employ persons, firms, or corporations to assist in management, operation, maintenance and administration of said Condominiums;
- (f) To make and enforce reasonable regulations concerning the use and enjoyment of said Condominiums;
- (g) To own, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease (as landlord or tenant) any real and personal property, including, but not limited to, any Unit in either of the Condominiums, any easements or licenses or any other real property, whether or not contiguous to the Condominium, or the purpose of providing benefit to the members of the corporation and in furtherance of any of the purposes of the corporation;
- (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 Deeds and Bylaws of the Condominiums and of these Articles of Incorporation and such Bylaws and rules and regulations of this corporation as may hereinafter be adopted;
- (j) To do anything required of or permitted to it as administrator of said Condominiums by the Condominium Master Deeds or Bylaws or by any other law or public policy of this or any other state;
- (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 Condominiums and to the accomplishment of any of the purposes thereof.

ARTICLE III - BASIS OF ORGANIZATION AND ASSETS

Said corporation is organized upon a non-stock, membership basis.

The value of assets which said corporation possesses is:

Real Property:	None
Personal Property:	None

Said corporation is to be financed under the following general plan: Assessment of members.

ARTICLE IV - ADDRESS AND RESIDENT AGENT

1. The address of the registered office is:
30500 Northwestern Highway, Suite 400
Farmington Hills, Michigan 48334
2. The mailing address of the registered office if different than above:
3. The name of the resident agent is: Keith L. Anderson

ARTICLE V - INCORPORATOR

The name of the incorporator is Toll MI II Limited Partnership, a Michigan limited partnership, and its place of business is 30500 Northwestern Highway, Suite 400, Farmington Hills, Michigan 48334.

ARTICLE VI - EXISTENCE

The term of corporate existence is perpetual.

ARTICLE VII - MEMBERSHIP AND VOTING

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

- (a) The Developer of the Condominiums and each Co-owner of a Unit in either of the Condominiums shall be members of the corporation, and no other person or entity shall be entitled to membership; except that the subscriber hereto shall be a member of the corporation until such time as his membership shall terminate, as hereinafter provided.
- (b) Membership in the corporation (except with respect to the incorporator, who shall cease to be a member upon the recording of the Master Deed of Island Lake North Bay) shall be established by acquisition of fee simple title to a Unit in either of the Condominiums and by recording with the Registrar of Deeds of Oakland County, Michigan, a deed or other instrument establishing a change or record title to such Unit and the furnishing of evidence of same satisfactory to the corporation (except that the Developer of Island Lake North Bay shall become a member immediately upon establishment of that Condominium,) the new Co-owner thereby becoming a member of the corporation, and the membership of the prior Co-owner thereby being terminated. The Developer's membership shall continue until the Developer no longer owns any Unit in either of the Condominiums.
- (c) The share of a member in the funds and assets of the corporation cannot be assigned, pledged, encumbered or transferred in any manner except as an appurtenance to the Co-owner's Unit in one of the Condominiums.
- (d) Voting by members shall be in accordance with the provisions of the By-Laws of this corporation.

ARTICLE VIII - LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

No volunteer director and/or volunteer officer, as those terms are defined in Act 162, Public Acts of 1962, as amended ("Act"), shall be personally liable to the corporation or its members for monetary damages for breach of the director's or officer's fiduciary duty, provided that the foregoing shall not eliminate the liability of a director or an officer for any of the following: (i) breach of the director's or officer's duty of loyalty to the corporation or its members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) a violation of Section 551(1) of the Act; (iv) a transaction from which the director or officer derived an improper personal benefit; (v) an act or omission occurring before the effective date of the provision granting limited liability; or (vi) an act or omission that is grossly negligent. If the Act hereafter is amended to authorize the further elimination of limitation of the liability of directors or officers, then the liability of a director or an officer of the corporation, in addition to the limitation on personal liability contained herein, shall be limited to the fullest extent permitted by the amended Act. No amendment or repeal of this Article VIII shall apply to or have any effect on the liability of any director or officer of the corporation for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

ARTICLE IX - ASSUMPTION OF LIABILITY OF VOLUNTEERS

The corporation hereby assumes liability for all acts or omissions of all volunteer directors, volunteer officers, or other volunteers, if all of the following are met: (i) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority; (ii) the volunteer was acting in good faith; (iii) the volunteer's conduct did not amount to gross negligence or willful and wanton misconduct; (iv) the volunteer's conduct was not an intentional tort; and (v) the volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in Section 3135 of the insurance code of 1956, Act No. 218 of the Public Act of 1956, being Section 500.3135 of the Michigan Compiled Laws.

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS

The requirements of this Article shall govern the corporation's commencement and conduct of any civil action except for actions to enforce the Bylaws of the Corporation or collect delinquent assessments. The requirements of this Article will ensure that the members of the corporation are fully informed regarding the prospects and likely costs of any civil actions the corporation proposes to engage in, as well as the ongoing status of any civil actions actually filed by the corporation. These requirements are imposed in order to reduce both the cost of litigation and the risk of improvident litigation, and in order to avoid the waste of the corporation's assets in litigation where reasonable and prudent alternatives to the litigation exist. Each member of the corporation shall have standing to sue to enforce the requirements of this Article. The following procedures and requirements apply to the corporation's commencement of any civil action other than an action to enforce the Bylaws of the Corporation or to collect delinquent assessments.

(a) The Association's Board of Directors ("Board") shall be responsible in the first instance for recommending to the members that a civil action be filed, and supervising and directing any civil actions that are filed.

(b) Before an attorney is engaged for purposes of filing a civil action on behalf of the corporation, the Board shall call a special meeting of the members of the corporation ("litigation evaluation meeting") for the express purpose of evaluating the merits of the proposed civil action. The written notice to the members of the date, time and place of the litigation evaluation meeting shall be sent to all members not less than twenty (20) days before the date of the meeting and shall include the following information copied onto 8-1/2" x 11" paper:

(1) A certified resolution of the Board setting forth in detail the concerns of the Board giving rise to the need to file a civil action and further certifying that:

- (a) it is in the best interests of the corporation to file a lawsuit;
- (b) that at least one Board member has personally made a good faith effort to negotiate a settlement with the putative defendant(s) on behalf of the corporation, without success;
- (c) litigation is the only prudent, feasible and reasonable alternative; and
- (d) the Board's proposed attorney for the civil action is of the written opinion that litigation is the corporation's most reasonable and prudent alternative.

(2) A written summary of the relevant experience of the attorney ("litigation attorney") the Board recommends be retained to represent the corporation in the proposed civil action, including the following information: (a) the number of years the litigation attorney has practiced law; and (b) the name and address of every condominium and homeowner association for which the attorney has filed a civil action in any court, together with the case number, county and court in which each civil action was filed.

(3) The litigation attorney's written estimate of the amount of the corporation's likely recovery in the proposed lawsuit, net of legal fees, court costs, expert witness fees and all other expenses expected to be incurred in the litigation.

(4) The litigation attorney's written estimate of the cost of the civil action through a trial on the merits of the case ("total estimated cost"). The total estimated cost of the civil action shall include the litigation attorney's expected fees, court costs, expert witness fees, and all other expenses expected to be incurred in the civil action.

(5) The litigation attorney's proposed written fee agreement.

(6) The amount to be specially assessed against each Unit in the Condominiums to fund the estimated cost of the civil action both in total and on a monthly per Unit basis, as required by subparagraph (f) of this Article.

ARTICLE X - JUDICIAL ACTIONS AND CLAIMS (continued)

(c) If the lawsuit relates to the condition of any of the Common Elements of either of the Condominium, the Board shall obtain a written independent expert opinion as to reasonable and practical alternative approaches to repairing the problems with the Common Elements, which shall set forth the estimated costs and expected viability of each alternative. In obtaining the independent expert opinion required by the preceding sentence, the Board shall conduct its own investigation as to the qualifications of any expert and shall not retain any expert recommended by the litigation attorney or any other attorney with whom the Board consults. The purpose of the independent expert opinion is to avoid any potential confusion regarding the condition of the Common Elements that might be created by a report prepared as an instrument of advocacy for use in a civil action. The independent expert opinion will ensure that the members of the corporation have a realistic appraisal of the condition of the Common Elements, the likely cost of repairs to or replacement of the same, and the reasonable and prudent repair and replacement alternatives. The independent expert opinion shall be sent to the members with the written notice of the litigation evaluation meeting.

(d) The corporation shall have a written fee agreement with the litigation attorney, and any other attorney retained to handle the proposed civil action. The corporation shall not enter into any fee agreement that is a combination of the retained attorney's hourly rate and a contingent fee arrangement unless the existence of the agreement is disclosed to the members in the text of the corporation's written notice to the members of the litigation evaluation meeting.

(e) At the litigation evaluation meeting the members shall vote on whether to authorize the Board to proceed with the proposed civil action and whether the matter should be handled by the litigation attorney. The commencement of any civil action by the corporation (other than a suit to enforce the Condominium Bylaws or collect delinquent assessments) shall require the approval of a majority in number and in value of the members of the corporation. Any proxies to be voted at the litigation evaluation meeting must be signed at least seven (7) days prior to the litigation evaluation meeting. Notwithstanding any other provision in these Articles, no litigation shall be initiated by the corporation against the Developer of the Condominium until such litigation has been approved by an affirmative vote of seventy-five (75%) percent of all members of the Association in number and value attained after a litigation evaluation meeting held specifically for the purpose of approving such action. For purposes of this Article X, the members of the Association shall include the Co-owners of Units in both Condominiums.

(f) All legal fees incurred in pursuit of any civil action that is subject of this Article shall be paid by special assessment of the members of the corporation ("litigation special assessment"). The litigation special assessment shall be approved at the litigation evaluation meeting (or any subsequent duly called and noticed meeting) by a majority in number and in value of all members of the corporation in the amount of the estimated total cost of the civil action. If the litigation attorney proposed by the Board is not retained, the litigation special assessment shall be adjusted to an amount equal to the retained attorney's estimated total cost of the civil action, as estimated by the attorney actually retained by the corporation. The litigation special assessment shall be apportioned to the members in accordance with their respective percentage of value interests in the Condominium and shall be collected from the members on a monthly basis. The total amount of the litigation special assessment shall be collected monthly over a period not to exceed twenty four (24) months.

(g) During the course of any civil action authorized by the members pursuant to this Article, the retained attorney shall submit a written report ("attorney's written report") to the Board every thirty (30) days setting forth:

(1) The attorney's fees, the fees of any experts retained by the attorney, and all other costs of the litigation during the thirty (30) day period immediately preceding the date of the attorney's written report ("reporting period");

(2) All actions taken in the civil action during the reporting period, together with copies of all pleadings, court papers and correspondence filed with the court or sent to opposing counsel during the reporting period.

(3) A detailed description of all discussions with opposing counsel during the reporting period, written and oral, including, but not limited to, settlement discussions.

(4) The costs incurred in the civil action through the date of the written report, as compared to the attorney's estimated total cost of the civil action.

(5) Whether the originally estimated total cost of the civil action remains accurate.

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JACKIER GOULD

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ARTICLE X - JUDICIAL ACTIONS AND CLAIMS (continued)

(h) The Board shall meet monthly during the course of any civil action to discuss and review:

- (1) the status of the litigation;
- (2) the status of settlement efforts, if any; and
- (3) the attorney's written report.

(i) If, at any time during the course of a civil action, the Board determines that the originally estimated total cost of the civil action or any revision thereof is inaccurate, the Board shall immediately prepare a revised estimate of the total cost of the civil action. If the revised estimate exceeds the litigation special assessment previously approved by the members, the Board shall call a special meeting of the members to review the status of the litigation, and to allow the members to vote on whether to continue the civil action and increase the litigation special assessment. The meeting shall have the same quorum and voting requirements as a litigation evaluation meeting.

(j) The attorneys' fees, court costs, expert witness fees and all other expenses of any civil action subject to this Article ("litigation expenses") shall be fully disclosed to the members in the corporation's annual budget. The litigation expenses for each civil action subject to this Article shall be listed as a separate line item captioned "litigation expenses" in the corporation's annual budget.

ARTICLE XI - AMENDMENTS

These Articles of Incorporation may only be amended by the affirmative vote of two-thirds (2/3's) of all members of the corporation.

5. These Restated Articles of Incorporation were duly adopted on the 12th day of June, 2003, in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate and do further amend the provisions of the Articles of Incorporation and were duly adopted by the vote of the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 12th day of June, 2003

By: 
Ronald J. Boshaw, President

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