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PORT OF OLD MISSION CONDOMINIUMS NO. III

ASSOCIATION BY-LAWS

ARTICLE I

ADOPTION OF CONDOMINIUM BY-LAWS

The Condominium By-Laws of FORT OF OLD MISSION CONDOMINIUMS NO. III (the "Condominium By-Laws"), as attached to the Master Deed and recorded in Liber _____, Pages _____ through _____, Grand Traverse County, Michigan Records, are hereby incorporated by reference and adopted in their entirety as a part of the By-Laws of this Corporation. The Corporation is therein and hereunder referred to as the "Association".

ARTICLE II

MEETINGS

Section 1 - Procedure. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors. Voting shall be as provided in the Condominium By-Laws. Meetings of the Association shall be conducted in accordance with Roberts Rules of Order or some other generally recognized manual of parliamentary procedure, when not otherwise in conflict with the Articles of Incorporation, these By-Laws, the Condominium By-Laws, the Master Deed or the laws of the State of Michigan.

Section 2 - Meetings. The first meeting of members of the Association shall be held in accordance with Article III, Section 1, of the Condominium By-Laws. The date, time and place of the first meeting shall be set by the Board of Directors, and at least ten (10) days' written notice thereof shall be given to each member. Thereafter, annual meetings of members of the Association shall be held on the second Monday in June in each succeeding year at such time and place as shall be determined by the Board of Directors. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Article III of these By-Laws and Article IV, Section 1 of the Condominium By-Laws. The

members may also transact at annual meetings such other business of the Association as may properly come before them.

Section 3 - Special Meetings. Special meetings of the members of the Association shall be held in accordance with the provisions of Article III, Section 4, of the Condominium By-Laws.

Section 4 - Notice. It shall be the duty of the Secretary (or other Association officer designated by the President in the Secretary's absence) to serve notice of each annual, special or other meeting, stating the purpose thereof as well as the time and place where it is to be held, upon each member of record, at least ten (10) days but not more than sixty (60) days prior to such meeting. The mailing, postage prepaid, of a notice to the representative of each member at the address shown in the notice required to be filed with the Association by Article II, Section 3, of the Condominium By-Laws shall be deemed notice served. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, shall be deemed due notice.

Section 5 - Adjournment. If any meeting of members cannot be held because a quorum, as defined in the Condominium By-Laws, is not in attendance, the members who are present may adjourn the meeting for not more than thirty (30) days.

Section 6 - Attendance via Conference Telephone or Similar Communications Equipment. A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 1 - Number. As provided in the Condominium By-Laws, the affairs of the Association shall initially be governed by a Board of three (3) Directors. Subsequently, the number of persons composing each Board shall be at least three (3) but not more than seven (7) members. The number of persons composing each Board shall be determined by a vote of the members before the establishment of the Board. If a motion is not made and carried to increase or decrease the number of Directors, the Board shall consist of the same number of persons as composed the previous Board of Directors. All Directors must be members of (or Directors or Officers of members of) the Association. Directors shall serve without compensation.

Section 2 - Election: Terms. The first Board of Directors and their appointed successors, shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened at the time required by Article II, Section 2, of these By-Laws. Such successor Board of Directors shall be elected by the Developer and by the non-Developer members, as provided by Article IV, Section 1 of the Condominium By-Laws. The Directors shall serve one (1) year terms, unless they sooner resign, are removed pursuant hereto or are replaced in accordance with the provisions of the Condominium By-Laws. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3 - Powers. The Board of Directors shall have the powers and duties set forth in the Condominium By-Laws.

Section 4 - Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by

vote of the majority of the remaining Directors. Each person so elected shall be a Director until a successor is elected to fill the remainder of the term at the next meeting of the Association.

Section 5 - Removal. At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, and subject to the requirements of Article II hereof, any one or more of the Directors may be removed with or without cause by a vote of those members entitled to vote in an election of such Director's replacement, unless the votes cast against the Director's removal would be sufficient to elect the Director if then cumulatively voted in an election in which that Director would be standing for election. At that time, a successor shall then and there be elected to fill the vacancy thus created. A successor Director so elected shall serve until the end of the term of the person he was elected to replace. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6 - Initial Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 7 - Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least three (3) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, either by mail, telephone or telegraph, at least ten (10) days prior to the date named for such meeting.

Section 8 - Special Meetings. Special meetings of the Board of Directors may be called4

by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which Notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

Section 9 - Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof unless his appearance is for the purpose of protesting the holding of such meeting. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10 - Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 11 - Bonding. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE IV
(Original says Art XI)

OFFICERS

Section 1 - Designation. The officers of the Association shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors.

Section 2 - Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3 - Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purpose.

Section 4 - President. The President shall be the Chief Executive Officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5 - Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 6 - Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to

the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time to time, be designated by the Board of Directors. He shall ensure that expenditures for the maintenance and repair of common elements and any other expenses incurred by or on behalf of the Condominium are properly recorded. In accordance with Article V, Section 3, of the Condominium By-Laws, the Treasurer shall prepare and distribute to each member at least once per year the Association financial statement.

Section 7 - Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE V

SEAL

Section 1 - Description. If so determined by the Board of Directors, the Association shall have a seal, which shall have inscribed thereon the name of the Corporation, and the words "Corporate Seal" and "Michigan."

ARTICLE VI

FINANCE

Section 1 - Handling. The finances of the Association shall be handled in accordance with the Condominium By-Laws.

Section 2 - Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 3 - Depository. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or order of

officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Association Director and officer as provided in Article IV, Section 6, of the Condominium By-Laws.

ARTICLE VIII

AMENDMENTS

Section 1 - Method. These By-Laws (but not the Condominium By-Laws) may be amended by the Association, at a duly constituted meeting for such purpose, by an affirmative vote of a two-thirds (2/3) majority of the members present in person or by proxy, as provided in the Condominium By-Laws.

Section 2 - Proposed. Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon the vote of the majority of the Directors or by one-third or more in number of the members of the Association, whether meeting as members or by instrument in writing signed by them.

Section 3 - Meeting. Upon any such amendment being proposed, a meeting for consideration of the same shall be fully called in accordance with the provisions of Article II, Section 3, of these By-Laws.

Section 4 - Amendments Prior to Initial Meeting. Prior to the first meeting of members, these By-Laws may be amended only by the Board of Directors of the Association upon the motion of a Director, so long as such amendments shall not increase or decrease the benefits or obligations, or materially affect the rights, of any member of the Association.

Section 5 - Effective Date. Any amendment to these By-Laws shall become effective

upon adoption of the same in accordance with Section 1 or 4 of this Article VIII without approval by the State of Michigan and without recording in the office of the Register of Deeds.

Section 6 - Distribution. A copy of each amendment to these By-Laws shall be furnished to every member of the Association after adoption, but failure to make such distribution shall not affect the validity of any amendment otherwise duly adopted.

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Act, and with the duly recorded Master Deed of the Condominium and Exhibits A and B attached thereto. In case any of these By-Laws conflict with the provisions of the Act, or any other applicable law, or with the provisions of said Master Deed or the Exhibits thereto, the provisions of the Act, law and said Master Deed shall be controlling, as set forth in ARTICLE XVI of the Condominium By-Laws.