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**ARTICLE III**  
**BOARD OF DIRECTORS**

**SECTION 3.01**     **GENERAL POWERS.** The business and affairs of the Association shall be managed by or under the direction of its Board of Directors (individually a "Director" and collectively, the "Directors"). All actions required or permitted to be taken by the Association under the Covenants shall be taken by the sole action of the Board of Directors without any requirement that any Owners or Mortgagees consent to or such actions.

**SECTION 3.02**     **NUMBER, TENURE AND QUALIFICATIONS.**

(a) The initial number of Directors of the Association shall be three (3) as set forth in the Articles of Incorporation. From and after the first annual meeting of the Members, the number of Directors of the Association shall be five (5). Each Director shall hold office until his or her successor shall have been elected and qualified. ~~Directors need not be residents of the State of Alabama or Members of the Association.~~

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(b) Each Director shall hold office until his or her successor shall have been elected and qualified.

(c) At the first annual meeting (or ballot vote) of the Members of the Association, the Members shall elect five (5) members of the Board of Directors to serve the following terms: two (2) candidates shall serve three (3) year terms on the Board of Directors, two (2) candidates shall serve two (2) year terms on the Board of Directors and one (1) candidate shall serve a one (1) year term on the Board of Directors. Such candidates shall be nominated pursuant to the provisions of Sections 3.03(b) and 3.03(c) below and shall be elected for the following terms: (i) the two (2) candidates receiving the first and second highest number of votes shall each be elected to three (3) year terms, (ii) the two (2) candidates receiving the third and fourth highest number of votes shall each be elected to two (2) year terms and (iii) the candidate receiving the fifth highest number of votes shall be elected to a one (1) year term. All such elected members of the Board of Directors shall serve until such time as their respective successors have been duly elected. At each subsequent annual meeting of the Members (or any ballot of vote held in lieu of any annual meeting), the Members shall elect Directors for terms of three (3) years each to fill the position of any expired terms of any Director.

**SECTION 3.03**     **ELECTION, REMOVAL AND REPLACEMENT OF DIRECTORS.**

(a) Prior to the first annual meeting of the Members, the initial members of the Board of Directors shall appoint a nominating committee consisting only of Members (or Persons who constitute officers, directors, shareholders, partners, members or managers of a Member or who are employees of a Member) of the Association. At least ten (10) days prior to the first annual meeting of the Members (or any ballot vote held in lieu of any annual meeting), the nominating committee shall provide written notice to all Members identifying those individuals who have been nominated by such nominating committee as candidates for the five (5) positions on the Board of Directors. Each subsequent year after the first annual meeting of the Members, the Board of Directors shall appoint a nominating committee consisting of

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