

BYLAWS OF SUNSHINE ESTATES PROPERTY OWNERS, INC.

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SUNSHINE ESTATES PROPERTY OWNERS, INC.
A PROPERTY OWNERS ASSOCIATION
A NON-PROFIT CORPORATION

1957 West Michigan Drive
Harlingen, TX 78550

ARTICLE I - OFFICES

Principal Office

1.01 The Principal Office of the Corporation in the State of Texas shall be located in the County of Cameron.

ARTICLE II - MEMBERSHIP

Members

2.01 Only deeded lot owners of record of Sunshine Country Club Estates, and/or their spouse shall be considered as members of this corporation.

Voting Rights

2.02 Each member, or their spouse, shall be entitled to one vote, for each lot owned, on each matter submitted to a vote of the membership. Ownership of a fractional or partial lot will not entitle a member to additional voting rights.

i.e.

One lot - one vote

Two lots - two votes

One and 1/2 lots - one vote only

Transfer of Membership

2.03 Membership in this Corporation is transferable or assignable upon the sale of a property in Sunshine Country Club Estates, provided all fees and assessments have been paid. Upon sale or conveyance of a property in Sunshine Country Club Estates, all unpaid fees and assessments against the property shall be first paid out of the sale price or by the purchaser.

ARTICLE III - MEETING OF MEMBERS

Annual Meeting

3.01 An annual meeting of the members shall be held on the third Tuesday of February in each year, beginning with the year 1989, at a time set by the Board of Directors, for the purpose of electing Directors and for the transaction of other business as may come before the meeting. Should the meeting date fall upon a holiday, the meeting will be held the first day after the holiday.

Special Meetings

3.02 Special meetings of the members may be called by the President, the Board of Directors, or not less than a majority of the members. The notice of any special meeting shall be hand delivered or mailed to each owner as hereinafter provided, and shall state the time and place of each meeting and agenda thereof. No business shall be transacted at a special meeting which is not stated in the agenda.

Place of Meetings

3.03 The meetings of the Corporation and its members shall be held in Retzlaff Hall, located at Sunshine Country Club Estates, or other places within a 50 mile radius, as determined by the Board of Directors.

Notice of Meetings

3.04 Written or printed notice stating the place, day, hour and purpose of any meeting of members shall be hand delivered or mailed to each member entitled to vote at such meeting, not less than thirty (30) nor more than fifty (50) days before the date of such meeting, by or at the directions of the President, or the Secretary, or the Board of Directors or the persons calling the meeting. The hand delivered or mailed notice of a meeting shall be deemed to be delivered when received, or deposited in the United States Mail addressed to the member at his address as it appears on the records of the Corporation with postage thereon paid and as witnessed by two (2) Officers of the Corporation.

Quorum

3.05 The members holding the majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. Members represented by proxy shall be counted as part of a quorum. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Annual Members Meeting Reports

3.06 At such Annual Meeting of the members, called for the purpose of electing a Director or Directors, the Board of Directors shall submit a statement summarizing the major business transacted during the preceding fiscal year, and a report of the financial condition of the Corporation.

Order of Business

3.07 The order of business at all meetings of the members shall be as follows:

- (a) Roll Call
- (b) Proof of notice of a meeting, or waiver of notice.
- (c) Reading of minutes of last meeting and approval or disapproval of same
- (d) Election of Director, or Directors, if applicable.
- (e) Reports of Officers
- (f) Reports of committees, if applicable
- (g) Unfinished Business
- (h) New Business

The above order of business may be waived at any Special Meeting of members by a majority vote of the members present.

Proxies

3.08 Proxy votes shall be permitted at any meeting provided for under these bylaws.

ARTICLE IV - BOARD OF DIRECTORS

General Powers

4.01 The affairs of the Sunshine Estates Property Owners, Inc. shall be managed by its Board of Directors.

Number and Tenure

4.02a The number of Directors shall be seven (7). At each Annual Meeting there shall be an election of Directors to fill any Director's term that has expired. Notice of the election of Directors of the Corporation stating the place, day and hour shall be hand delivered or mailed to each member entitled to vote at such meeting not less than thirty (30) nor more than fifty (50) days before the date of such election. The normal term of office shall be two (2) years. At subsequent Annual Meetings, expiring terms of Director positions shall be filled by election at the Annual Meeting, and new Directors shall serve for a term of two (2) years. No Director shall serve for more than two (2) consecutive elected terms. Vacancies of the Board of Directors of the Corporation, occasioned by death, illness, resignation, removal or disqualification, or any other valid reason, shall be filled by a majority vote of the remaining Directors. Such appointment shall continue until a successor is duly elected at the next Annual Meeting. Every Director-elect of the Corporation, before he or she enters upon the duties of his or her office, shall take and subscribe the following oath or affirmation.

"I _____ do solemnly swear (or Affirm) that I will faithfully discharge the duties of the Board of Directors of Sunshine Estates Property Owners, Inc., and will to the best of my ability uphold and follow the Covenants, By-Laws, Conditions, and Restrictions of Sunshine Country Club Estates, so help me God."

Signed _____ Dated _____

Said signed Oath of Office shall be kept on file at the principal office of the Corporation for a period of 2 years past the end of service as a Director.

4.02b A Director may be removed from Office when the Board (consisting of no less than five (5) members), determine that a Director can no longer carry out the duties required of a Director. These reasons can include illness, inability to attend meetings, and/or any malfeasance of Office, as determined by no less than five (5) Members of the Board.

Open Meetings

4.03 All meetings of the corporation's Board of Directors shall be open to the public.

Regular Meeting

4.04 There shall be two required meetings of the Board of Directors. One shall be held immediately following the Annual Membership Meeting, or as soon as possible at the discretion of the Board of Directors, for the purpose of electing officers for the coming year and for organizational purposes. The other one shall be held during the first full week in January preceding the next Annual Meeting of the

Membership on a date to be determined by the Board of Directors and duly published in advance on the Bulletin Board. Additional regular meetings of the Board of Directors shall be held monthly, or more often as needed, upon call of the President, or two (2) or more Directors. Monthly meetings may be suspended during the summer months.

Special Meetings

4.05 Special meetings of the Board of Directors may be called by/or at the request of the President, or any four (4) Directors. Special meetings shall be held at any time or place and shall include conference calls.

Notice

4.06 Additional regular meetings of the Board of Directors will be held as required upon call of the President, or two (2) or more of the Directors, reasonable notice having been given by the Secretary or other officer to each Director. Formal notification is required for special meetings. However, special meetings may be held on shorter notice if all Directors are present, or waive notice in writing.

Quorum

4.07 A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

ARTICLE V - OFFICERS

Officer Appointments

5.01 The officers of the Corporation elected by the Board of Directors shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article and the Protective Covenants. The Board of Directors may appoint others to act as Assistants to the Secretary and Treasurer as they deem desirable, such persons to have the authority to perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person except the offices of President, Secretary and Treasurer. .

Election and Term of Office

5.02 The Officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected.

Vacancies

5.03 A vacancy in any office because of death, resignation, disqualification, or otherwise, may be filled by an appointment by the Board of Directors to serve for the unexpired portion of the term.

President

5.04 The President shall be the principal executive officer of the Corporation and shall, in general, supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the members and of the Board of Directors. He or she may sign, with the

Secretary/Treasurer or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation.

Vice President

5.05 In the absence of the President or in the event of his inability or refusal to act, the 1st Vice President (or in the event there be more than one Vice President, the 2nd or 3rd or 4th Vice Presidents, in that order) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Secretary/Treasurer

5.06 The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; keep a register of the post office address of each member which shall be furnished to the Secretary by each member; and in general, perform all duties incident to the office of Secretary including the preparation of election materials and other documents necessary for the Annual Meeting.

If required by the Board of Directors, the Treasurer shall be bonded for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The cost of bonding will be paid by Sunshine Estates Property Owners, Inc., should bonding be required for the Treasurer or any other officer on the Board of Directors. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for monies due and payable to the Corporation, from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws.

Remuneration

5.07 No Director or Officer or Committee Chairman of Sunshine Estates Property Owners, Inc., elected to or appointed to fill an official capacity within the corporation structure of Sunshine Estates Property Owners, Inc., shall receive any fiscal or in kind reimbursement for services rendered to the Corporation, except in the case where an officer (for example the Assistant Treasurer) may also be an employee of SEPO, Inc., A Director or Officer may be reimbursed for out-of-pocket expense approved by the Board of Directors.

ARTICLE VI-COMMITTEES

Nominations and Ballots

6.01 The Board of Directors shall, at least sixty (60) days before the election, appoint a Nominating Committee of three (3) to five (5) members to submit a slate of nominees for Directors to be placed on a ballot for hand delivery or mailing to members. The nominating committee shall post its selection of Nominees at least ten (10) days prior to the January Meeting of Residents and Directors. The Committee shall submit its nominations to the members at the January meeting of Residents and Directors and nominations from the floor will be accepted. The Board shall thereupon validate the status of members, as defined under Article II herein, and cause the committee report to be posted on the Club House bulletin board for a ten (10) day period. At or about noon of the tenth day the report

will be removed from the bulletin board. A paper ballot shall be prepared, under the direction of the Board of Directors, to include the nominations of Directors and other items authorized to appear on the ballot. The ballot must be hand delivered or mailed to all members of record (Article II) along with notice of the Annual Meeting. Each returned ballot will be held unopened until the Annual Meeting. A tally committee of which no member shall be an interested person or related to an interested person, will be appointed by the Board of Directors, from the attending members to count the ballots for Directors and other items that may be on the ballot. A PLURALITY VOTE, which is the largest number of votes to be given any candidate when three (3) or more choices are possible, will be the basis for election to the S.E.P.O. Board of Directors. A majority vote will be needed for all other By-Law changes. Results are to be announced at the proper time in the meeting. All votes cast shall be by ballot only.

Recount of Votes

6.02 Any owner may, not later than the 15th day after the date of the meeting at which the election was held, require a recount of the votes. A demand for a recount must be submitted in writing either:

(1) by certified mail, return receipt requested, or by delivery by the United States Postal service with signature confirmation to Sunshine Estates Property Owners, Inc. at 1957 W. Michigan Drive, Harlingen, TX 78550, or

(2) or in person to the association's managing agent as reflected on the latest management certificate filed, or to the address to which absentee and proxy ballots are mailed.

Said recount shall be performed pursuant to the provisions of the Texas Residential Property Owners Protection Act, Section 209.0057(c) (d).

Auditing Committee

6.03 The Board of Directors shall select a C.P.A. or accountant to prepare financial statements required by the Board of Directors, and file a copy of the same with the Board of Directors, at least ten (10) days before the Annual Meeting. The statement is to be read at the Annual Members meeting.

ARTICLE VII-CONTRACTS-CHECKS-DEPOSITS & FUNDS

Contracts

7.01a The Board of Directors may authorize, by a majority vote, any Officer's agent or agents of the Corporation, in addition to the Officers so authorized by the Bylaws, to enter into contracts or execute and deliver any instrument in the name of and on behalf of the Corporation. These contracts, or instruments, if not in reference to a budgeted item included in the last approved projected annual Budget, shall not exceed a maximum one time annual amount of twenty thousand (\$20,000) dollars. Any and all non budgeted items exceeding this amount (\$20,000), shall require no less than three written bids or estimates, and shall have to be approved by a majority (51%) of property owners. If this approved amount is not available of surplus moneys in the allocated fiscal budget, it shall be paid by a special assessment as prescribed in the Covenants.

7.01b In the event a proposal is introduced that would add a building or change the purpose or use of common ground area even when no special assessment is required because of donated monies, said project must be approved by a majority (51%) of Homeowners.

Checks and Drafts

7.02 All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by the Secretary/Treasurer, the President, or 1st Vice President or such other party authorized by a majority vote of the Board of Directors. The Board of Directors shall by resolution set necessary standards of safety concerning all disbursements and deposits.

Deposits

7.03 All funds of the corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Contingency (Reserve) Fund

7.04 All funds accumulating in this fund shall be used exclusively for the upkeep and repairs of the Streets and Water System, or for the emergency replacement of buildings, located within the Subdivision as the Board of Directors deems necessary. Any exceptions will require the majority vote (51%) of the property owners.

Gift and Memorial Fund

7.05 All funds accumulating in this fund shall be administered by a committee of five (5) members to be appointed by the Board of Directors. Each member shall serve for a term of three years with new members being appointed as vacancies occur. Duties of this committee include the keeping of detailed records of contributors including the names of those wishing to be remembered or in whose honor a contribution is made and the amount given. Although consideration will be given for a specific memorial item requested by a donor, the committee will not be restricted to that use taking into consideration the overall needs and appropriateness of particular memorials. The committee shall act as an advisory committee to the Board of Directors in the use of said funds from time to time.

ARTICLE VIII-BOOKS AND RECORDS

Accounting

8.01 The Board of Directors shall see that accounting books include a detailed account of receipts and expenditures affecting the Corporation and its administration including operating expenses and reserves to cover future maintenance of the Common Elements of Sunshine Country Club Estates. Vouchers accrediting the entries made thereon shall be kept with the books. Budgetary guide lines and the proposed budget for the coming year as approved and adopted by the S.E.P.O. Board at their November Meeting shall be followed.

Meetings

8.02 The Board of Directors shall cause minutes to be kept of all authorized meetings held by the members, Board of Directors or other committees authorized by the Board of Directors affecting the operation of Sunshine Estates Property Owners, Inc.

Record Access

8.03 All accounting, minutes and other records, required by the Corporation to do business, will be kept in the principal office of the Corporation. These records may be accessed and reviewed by any member at the principal office under the supervision of any Officer, designated by the Board to sign checks, and

one other Officer, in a reasonable period of time mutually agreed to by the necessary parties. None of the records are to be removed from the principal office.

ARTICLE IX-FISCAL YEAR

9.01 The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

ARTICLE X-ASSESSMENTS AND FEES

10.01 At such time as this Corporation shall take over management responsibilities from the developer, the Board of Directors shall have all of the rights and duties provided to the DECLARANT in Article IV of the Subdivision Protective Covenants.

ARTICLE XI-WAIVER OF NOTICE

11.01 Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice, as is attendance at the meeting.

ARTICLE XII-AMENDMENTS TO BYLAWS

12.01 These Bylaws may be amended by a majority of a quorum eligible to vote at any annual membership meeting or special membership meeting called for such purpose, if at least thirty (30) days written notice is given of an intention to amend these Bylaws at such meeting.

ARTICLE XIII-CONDUCT OF MEETINGS

13.01 All meetings of the Corporation or its Committees, will be presided over by the senior Officer present who shall conduct the meeting according to the Revised Robert's Rules of Order, to the best of their ability.

ARTICLE XIV-INTERPRETATIONS

14.01 If any provisions of the Articles of Incorporation or these Bylaws herein contained shall be susceptible of two or more interpretations, the interpretations which shall most appropriately be in accord with the purposes and intents hereof shall govern. Furthermore, should any provisions contained in the Articles of Incorporation or Bylaws be deemed illegal, such illegality shall affect that provision only and shall not invalidate any other provisions therein.

ARTICLE XV-LIABILITY

15.01 The Board of Directors and any Officer or Agent appointed by the Board of Directors, shall not incur a personal liability for any act or damage to the Corporation, unless intentional misconduct or gross negligence is proven.

15.02 Indemnification: This Corporation shall indemnify any present or former Director, Officer, Employee, Member or Volunteer of this Corporation, and each such person who is serving or who has served, at the request of this Corporation as a Director, Officer, Partner, Trustee, Employee or Agent of another corporation, partnership, joint venture, trust, other enterprise or Employee benefit plan to the

fullest extent possible against expenses, including attorneys' fees, judgments, penalties, fines, settlements and reasonable expenses, actually incurred by such Director or person relating to his conduct as a Director, Officer, Partner, Employee or Agent of another corporation, partnership, joint venture, trust, other enterprise, or Employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply (I) to a breach of the duty of loyalty to the Corporation, (II) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (III) for a transaction from which such person derived an improper personal benefit. The Corporation shall have the authority to procure insurance for such purpose.

ARTICLE XVI-COMMON AREA

16.01 The "Common Area" of Sunshine Country Club Estates, as defined in the Subdivision Protective Covenants, and the respective undivided interest therein of each property owner of record shall constitute freehold estate, and it is hereby stipulated that each such undivided interest in the Common Area shall be held and owned together with and may not be encumbered, except as otherwise provided for in these Bylaws.

(Article X)

ARTICLE XVII-COMPLIANCE

17.01 These Bylaws are set forth to comply with the requirements of the Texas Non-Profit Corporation Act and the Protective Covenants of Sunshine Country Club Estates. In case these Bylaws conflict with provisions of said Act or said Protective Covenants, it is agreed and accepted the provisions of the Texas Non-Profit Act and the Protective Covenants of Sunshine Country Club Estates shall govern.

These Bylaws adopted this 12th day of July, 1988

SUNSHINE ESTATES PROPERTY OWNERS, INC.

BY s/t Chester E. Tramel

PRESIDENT

ATTEST:

S/T Leona S. Scott

THE STATE OF TEXAS }
}
COUNTY OF CAMERON }

Acknowledged before me this 18th day of November, 1988 by CHESTER E. TRAMEL, as President of Sunshine Estates Property Owners, Inc., A Texas Corporation.

s/t Lynn Adams

NOTARY PUBLIC, STATE OF TEXAS

NOTARY SEAL ATTACHED

Revised 3/01/90

ARTICLE III-sections 3.02, 3.04 - amended 2/1/94

ARTICLE IV-section 4.02 - amended 2/19/91

ARTICLE VI-section 6.01 amended 2/15/94 and 2/2/95

ARTICLE VII-section 7.01 amended 2/15/94 and 2/21/95

ARTICLE VIII-section 8.03 amended 2/15/94

Reprinted 3/15/95

ARTICLE V-section 5.01 amended 2/18/97

Amended and reprinted 2/19/97

ARTICLE II-section 2.01 amended 2/16/99

ARTICLE III-section 3.03 amended 2/16/99

ARTICLE IV-section 4.02 amended 2/16/99

ARTICLE IV-section 4.02a amended 2/16/99

ARTICLE IV-section 4.05 amended 2/16/99

ARTICLE VII-section 7.02 amended 2/16/99

Amended and reprinted 2/16/99

ARTICLE III-section 3.06 amended 2/20/2001

ARTICLE VII-section 7.01 amended 2/20/2001

ARTICLE VIII-section 8.01 amended 2/20/2001

ARTICLE VII-section 7.01 amended 2/19/2002

ARTICLE VII-section 7.04 added 2/19/2002

ARTICLE III-section 3.03 amended 2/21/2006

ARTICLE IV-section 4.03 amended 2/21/2006

ARTICLE IV-section 4.04 amended 2/21/2006

ARTICLE IV-section 4.05 amended 2/21/2006

ARTICLE VII-section 7.05 added 2/21/2006

ARTICLE VI-section 6.01 amended 2/16/2010

ARTICLE VII-section 7.05 amended 2/16/2010

Reprinted 2/15/2011

The following amended to comply with TEXAS PROPERTY CODE in 2014

ARTICLE II-section 2.01 amended

ARTICLE IV-section 4.02A amended

ARTICLE IV-section 4.03 new

(subsequent sections re-numbered)

ARTICLE VI-section 6.01 amended

ARTICLE VI-section 6.02 new

(subsequent section re-numbered)

ARTICLE VII-section 7.01 re-numbered to 7.01a amended 2/18/2014

ARTICLE VII-section 7.01b added. amended 2/18/2014

ARTICLE V- section 5.01, 506 amended 2/16/2016

ARTICLE IV- section 4.02a amended 2/21/2017

ARTICLE VI-section 6.01 amended 2/21/2017

ARTICLE VII-section 7.01b amended 2/21/2017