

BYLAWS OF SUNSHINE ESTATES PROPERTY OWNERS, INC.

**PROPOSED 2022 AMENDMENTS TO BYLAWS OF
SUNSHINE ESTATES PROPERTY OWNERS, INC.**

A PROPERTY OWNERS ASSOCIATION

A NON-PROFIT CORPORATION

1957 West Michigan Drive

Harlingen, TX 78550

PREAMBLE

Confirming the original policy and intent of the developers of Sunshine Country Club Estates, Inc. subdivision that it is a Senior Citizen Retirement community, the members of Sunshine Estates Property Owners, agree, authorize and direct that all necessary steps, of whatever nature, shall be taken by members of the Corporation and the Board of Directors of the above named Corporation to establish and permanently maintain Sunshine Country Club Estates, Inc. subdivision as a 55 or Over Housing Community, as defined in Section 100.304 of the Fair Housing Amendments Act of September 13, 1988, which amends the Civil Rights Act of 1968, and as published in the Federal Register, Vol. 54, No. 13, dated January 23, 1989; and by taking this action, provide an affirmative defense against discrimination suits due to enforcement of the 55 or Over Housing provisions in Sunshine Country Club Estates, Inc. subdivision by the Board of Directors or members of Sunshine Estates Property Owners, their heirs or assigns. Members of Sunshine Estates Property Owners wish to acknowledge actions of HUD to further refine the Fair Housing Act as it applies to 55 and over housing. Said actions are contained in Amended Section 807 (b) of the Fair Housing Act (42U.S.C.3607) as amended by the Housing for Older Persons Act of 1995. It is the intent of these members to follow the directions of said amendment to maintain Sunshine Estates Property Owners as a 55 or Over Housing Community.

Sunshine Country Club Estates, Inc. subdivision attempts to keep regulations consistent with current Texas Law, but should Texas law conflict with Sunshine Country Club Estates, Inc. regulations, Texas law takes precedence.

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 written, printed, handelectronically delivered and / or mailed to each owner as hereinafter provided and shall state the day, 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, or electronic 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 later~~ than ~~thirty (30)~~ the 10th day, nor ~~more earlier~~ than ~~fifty (50) days~~ the 60th day 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.~~ The Board of Directors may also employ electronic notice of Board meetings, as an alternative method of notice, in compliance with state code, with 144 hours notice of said meeting, via electronic mail and/or posting on signage that is conspicuous for the membership to see on the property.

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~~ Bylaws, to be in compliance with the methods prescribed by the Texas Property Code and Texas Business Organizations Code, as such may be amended in the future.

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 the end of the term of the position being filled.

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 two (2) years past the end of service as a Director.

4.02b Once the list of candidates for election to the Sunshine Country Club Estates Board of Directors has been finalized, same shall be presented to the membership at a duly called meeting. Floor amendments to the candidates shall be allowed prior to vote. After a being-seated-upon-a-successful election to theat Board of Directors,all and within (ten) 10 days after said election all newly incomingelected directors must complete a course of instruction before being sworn into the office as a Board Director. seated-upon-a-successful-election-to-that Board-of-Directors- Said course of instruction will include as a minimum:

- a) A review of the governing documents of the corporation, (Covenants, By-Laws, Policies & Procedures, Rules and Regulations pertaining to non-compliance to Covenants Fee Schedule and other governing documents that may be implemented in the future)
- b) A review of Texas law as it applies, particularly Title 11, Chapter 209.051.
- c) An on-site property boundary tour including a discussion of applicable easements.
- d) Employee Handbook.
- e) Calendar of monthly required functions.

Appointees selected by the Board to fill a vacancy on the Sunshine Country Club Estates Board of Directors must also complete the above course of instruction before being sworn into the office as a Board Director.

4.02 c 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.

Furthermore, upon notice of same to the Board of Directors, any Director ~~that has been~~ convicted of a crime of moral turpitude within the past twenty (20) years, shall be immediately removed from such position.

Open Meetings

4.03 All meetings of the corporation's Board of Directors shall be open to the public and shall be made available to the owners by using any electronic and / or telephonic communication. Regular and special Board meetings are open to owners, subject to the right of the Board to abate Board meetings and reconvene in closed Executive Session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the property owners' ASSOCIATION attorney, matters involving the invasion of privacy of individual owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board. Following an Executive Session, any decision made in the Executive Session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual owners, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary will include a general explanation of expenditures approved in Executive Session.

Regular Meetings

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 are to be held monthly, or more often as needed, upon call of the President, or two (2) or more Directors ~~Monthly meetings may be, unless~~ by the President during the summer months of April through September.

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 via; email, telephone conference and or other available means to conduct such a conference meeting. ~~Conference calls, electronic or telephonic communication. A Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners if each Board member is given a reasonable opportunity to express the Board member's opinion to all other Board members and to vote. Any action taken without notice to owners must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special Board meeting.~~

The Board may not, unless done in an open meeting for which prior notice was given to owners consider or vote on:

- Fees,
- fines,
- damage assessments,
- initiation of foreclosure actions,
- initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety,
- increases in assessments,
- appeals from a denial of architectural control approval,
- a suspension of a right of a particular owner before the owner has an opportunity to attend a Board meeting to present the owner's position, including any defense, on the issue,
- lending or borrowing money,
- the adoption or amendment of a dedicatory instrument,
- the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent,
- the sale or purchase of real property,
- the filling of a vacancy on the Board,
- the construction of capital improvements or
- the election of an officer

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 Members shall be held on shorter given notice if all Directors are present, of the date, hour, place, and general subject of a regular or waive special Board meeting, including a general description of any matter to be brought up for deliberation in Executive Session and shall include

instructions for owners to access any communication method, telephonic or electronic. The notice in writing shall be:

1. mailed to each property owner not later than the 10th day or earlier than the 60th day before the date of the meeting; or

2. provided at least 144 hours before the start of the meeting by:

(A) posting the notice in a conspicuous manner reasonably designed to provide notice to property owners' ASSOCIATION members:

1. in a place located on the ASSOCIATION's common property or, with the property owner's consent, on other conspicuously located privately owned property within the subdivision; or

2. on any Internet Web site maintained by the ASSOCIATION or other Internet media; and

(B) sending the notice by e-mail to each owner who has registered an e-mail address with the ASSOCIATION.

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.

Treasurer

5.07 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

5.08 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 via email, electronic and / or the US Postal Service 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 electronically and / or on the ~~Office~~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 a 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 shall be delivered electronically and / or via US Postal Service ~~must be hand-delivered or mailed~~ to all members of record (Article II) along with notice of the Annual Meeting. Each returned ballot and / or electronic response 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~~tabulate the paper and / or electronic 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 Sunshine Estates Property Owners 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~~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 CPA 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. In the event the proposed budgeted item is in excess of fifty thousand (\$50,000.00) dollars, the Board of Directors shall solicit and obtain bids from proposed vendors, and upon receipt of same, shall determine in the Board of Director's best judgment which vendor's bid is the most suitable for the ASSOCIATION.

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 evidence 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. a member of the Board of Directors, and include the position to which officer is currently serving at the time of execution of such check, draft, or order for the payment of money. Copies of any such monetary transfer shall be provided to the Treasurer upon receipt of same, and the Secretary shall be notified of any such obligation imposed upon the ASSOCIATION. 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 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 guidelines and the proposed budget for the coming year as approved and adopted by the S.E.P.O. Sunshine Estates Property Owners Board of Directors 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. The ASSOCIATION is authorized by the Texas Property Code 209.0051 to create, at its discretion, policies and regulations related to costs and distribution of ASSOCIATION records.

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.~~ The ASSOCIATION has assumed the management responsibilities from the Developer, including the transfer of all covenants, restrictions, obligations, and ownership of common areas of responsibility, and accordingly to same, shall continue to exercise and have all of the rights and duties enumerated in Article IV of the Subdivision Protective Covenants, as amended from time to time.

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, fraud 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 and/or fiduciary duty to the Corporation, (II) for acts or omissions not in good faith or which involve intentional misconduct, fraud 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.

DRAFT

These Bylaws originally adopted this 12th day of July, 1988
SUNSHINE ESTATES PROPERTY OWNERS, INC.

Signature of 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