

Revised December 26, 2022, by SEPO Board of Directors

**Formally approved by the Board at the Board Meeting on December 13, 2022,
knowing there would be minor revisions made for the 2023 Election.**

SEPO

SEPO Board Election Committee Process Guide

SEPO Board Election Committee Process Guide

ELECTION COMMITTEE

1. The SEPO (Sunshine Estates Property Owners) Board of Directors shall, at least sixty (60) days prior to the date of the scheduled February Annual Shareholders Meeting (third Tuesday in February each year) when election results are revealed, appoint an Election Committee chairperson.
2. The Election Committee chairperson will appoint a committee consisting of five (5) to ten (10) Sunshine Estates Property Owners and provide those names to the SEPO Board.
3. The committee shall prepare the election ballots, stuff envelopes, man the registration tables at the Annual Shareholders Meeting, count votes cast in the ballots provided and report election results to the Board and Shareholders.
4. Depending on the number of ballots needed, four (4) to five (5) Election Committee members shall be considered as adequate for ballot envelope stuffing. If there is a large number of Covenants and / or Bylaws ballots, more Owners may be appointed by the Election Committee chairperson, as determined by that person's sole discretion.

ELECTION COMMITTEE PROCESS TIMELINE

1. Immediately after the January SEPO Residents & Directors Meeting, the Board shall validate the status of the nominated members, as defined under Article II of the SEPO Bylaws.
2. After this validation is complete, the Election Committee will post the names of validated nominees electronically and / or on the SEPO Office bulletin board for a ten (10) day period.
3. On or about noon of the tenth day, a ballot shall be prepared, under the direction of the SEPO Board of Directors, to include those persons who have been determined to be eligible to be placed on the upcoming election ballot along with other SEPO Board items authorized by the Board to appear on the ballot.

Election Committee CHAIRPERSON Shall Cause the Creation of Needed Ballots and Other Related Documents as follows:

1. Print the following for each property address of record, in accordance with ARTICLE II – Membership, of the SEPO Bylaws.
(As of December 1, 2022) this number is 304 lots with a total of 306 total ballots / votes).
 - a. Notice of Annual Shareholders Meeting Letter **(Attachment 1)**
 - b. Voting Instructions for completing attached ballot(s) **(Attachment 2)**
NOTE to Election Committee: *Ballot Numbers depend on how many items authorized by the SEPO Board are to appear on the ballot. It's possible there won't be any.*
 - c. A copy of the biography for each Board Director candidate **(Attachment 3)**
(These BIOs were previously submitted by each nominee to the Nominating Committee or obtained from each candidate nominated from the floor.)
 - d. 'Voting' Proxy Statement **(Attachment 4)**
(Prepared in accordance with SEPO Bylaws, Article III, Proxies.)

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- e. Election Ballot of persons duly nominated for the positions of SEPO Board of Directors **(Attachment 5 - Example)**
(The 'order' of the names shall be rotated in the printing of the ballots so that each candidate's name shall generally appear equally in the order of position on the ballot. It has been determined the relative position on the ballot does have an impact on outcomes of elections, and this provides more equality in lieu of sorting the names alphabetically.)
 - f. Ballots for proposed Bylaws and Covenants changes (if any) **(Attachment 6 - Example)**
(To facilitate counting, each separate Covenants ballot and each separate Bylaws ballot shall be printed on different colored paper.)
2. Prepare three envelopes:
- NOTE:** If a homeowner is not residing in Sunshine at the time of the election, and it is determined they may not receive the ballot(s) in time to return it/them by the due date, then, upon their request to the SEPO office their election materials should be sent to an alternate address provided by the homeowner. Such a request should be in writing, via email or phone message.
- a. Address one **#10** envelope to each homeowner using SEPO's return address.
 - b. Address another **#10** envelope to SEPO with the return address containing the Sunshine street address of the homeowner. The 'attendance' proxy statement (for the purpose of determining a quorum) **(Attachment 7)** shall be placed on the flap of this envelope.
 - c. Print **BALLOT ENVELOPE** on the front and back of a **#9 envelope** and place only the Sunshine street address on the upper right hand corner of this envelope.

REQUIRED MATERIALS TO BE MAILED TO EACH HOMEOWNER WITHIN THE ENVELOPE NOTED IN 2a ABOVE, IF USING THE US MAIL SYSTEM

1. Notice of Annual Shareholders Meeting letter **(Attachment 1)**
2. Voting Instructions for completing attached ballot(s) **(Attachment 2)**
3. A copy of the biography for each Board Director candidate **(Attachment 3)**
4. 'Voting' Proxy Statement *(Only used by owner if unable to return the ballot(s) to SEPO in time to be counted in the election.)* **(Attachment 4)**
5. Election Ballot of persons duly nominated for the positions of SEPO Board of Directors **(Attachment 5 - Example)**
6. Ballots for proposed Bylaws or Covenants changes (if any) **(Attachment 6 - Example)**
7. Envelopes described in items 2b and 2c above (to include the 'attendance' proxy statement) **(Attachment 7)**

Place all the above items in the large envelope (2a above) addressed to each homeowner (see 'NOTE' in 2 above).

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MAILING BALLOTS

1. Notice of the election of Directors of the Corporation stating the place, day and hour, and including the ballots, shall be hand delivered and / 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 (Annual Shareholders Meeting, third Tuesday in February each year).
2. Postage cost will vary depending upon the number of ballots being mailed. Take one envelope containing all ballots to the Post Office to determine mailing cost and purchase necessary stamps.
3. At least one board member must accompany the Election Committee chairperson to the Post Office to mail ballots.
4. Keep an accounting of the ballot mailing date.

VOTING PROCESS

1. Place the locked ballot box outside the office immediately after mailing ballots.
 - a. The Election Committee chairperson will have the only ballot box key.
2. **Once a ballot is placed in the ballot box it cannot be retrieved for any reason.**
3. Two to three days before the Annual Shareholders Meeting the Election Committee chairperson and at least one other Election Committee person will open the ballot box. They will count, record and separate signed 'Attendance' Proxy ballots from the ballot envelopes.

The Election Committee chairperson will obtain a listing by homeowner names and Sunshine street addresses to tally the number of homeowners who signed an 'Attendance' Proxy. These sheets shall be used to sign in homeowners at the Annual Shareholders Meeting.

ANNUAL SHAREHOLDERS MEETING DAY

1. Prior to the start of the Annual Shareholders Meeting, a table for each Sunshine street needs to be placed in Retzlaff Hall. Large signs will be placed, either in front of each table or on the wall behind each table, for street identification. Each table shall be manned by one or two persons (chosen by the Election Committee chairperson and not necessarily from the Election Committee) to facilitate signing in all homeowners attending the meeting in person.
2. The day of the Annual Shareholders Meeting, the Election Committee chairperson and one Election Committee person will re-open the ballot box ninety (90) minutes before the start of the 'Quorum Determination portion' of the meeting. They will count and record the number of 'Attendance' Voting Proxies received after the initial count/recording 2-3 days prior.
3. At the start of the Annual Shareholders 'Quorum Determination' Meeting the SEPO Board President will ask the Election Committee chairperson to report if a quorum has been reached.
(A quorum is defined as 51% or more of the homeowners who are signed in as present along with the signed 'Attendance' proxies.)

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4. At this time the Election Committee chairperson will report to the SEPO President if a quorum has been reached.
5. If it is determined a quorum has been reached, the meeting will adjourn and the Election Committee will proceed to tally the ballots.
(It is permissible for Owners to witness the tallying of these ballots, but they may not address the members of the Election Committee in any manner during this process.)
6. When the Annual Shareholders meeting is reconvened at 3 PM, election results will be reported by the Election Committee chairperson. The total number of votes for each candidate, Covenants changes and Bylaws changes will be reported. A copy of the ballot(s) results will be provided to the SEPO Board Secretary after the meeting is adjourned.
7. Once the results have been reported, the signed 'Attendance' Proxies and ballots will be locked in the SEPO office safe for a period of four (4) years. Along with these documents, also keep one complete set of the election materials provided to the homeowners marked "void".

BOARD OF DIRECTORS

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 SEPO Board of Directors.

COVENANTS AND BYLAWS

1. For a Bylaws change to pass, it requires a **51%** vote of '**property owners eligible to vote**' for that specific election.
(This currently means, $0.51 \times 306 \text{ votes} = 156.06$, or 157 positive votes needed to amend our Bylaws.)
2. For a Covenants change to pass, it requires a **2/3** vote of the '**votes of homeowners**'.
(This currently means, $0.67 \times 306 \text{ votes} = 205.02$, or 205 positive votes needed to amend our Covenants.)

VOTE RECOUNTS

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 as defined under Article VI of the SEPO Bylaws.

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ATTACHMENTS

1. Attachment 1 –

NOTICE OF ANNUAL SHAREHOLDERS MEETING LETTER

Sunshine Estates Property Owners, Inc.

1957 W. Michigan Dr.

Harlingen, TX 78550

****NOTICE OF ANNUAL SHAREHOLDERS MEETING****

The **ANNUAL SHAREHOLDERS MEETING** of the members of **SUNSHINE ESTATES PROPERTY OWNERS, INC.** will be held **DAY, MONTH DATE, YEAR AT 1:00 PM** in Retzlaff Hall at Sunshine Country Club Estates in accordance with section 3.01 of the Bylaws.

The agenda for the meeting consists of those items described in the Bylaws, including election of Sunshine Estate Property Owners (SEPO) Board Directors and any other business as may come before the meeting.

The annual meeting will be called to order at **1:00 PM**. Members present and 'attendance' proxies submitted will be counted to determine if there is a quorum. If a quorum exists, the meeting will be adjourned until **3:00 PM** to allow the Election Committee to count ballots. **At 3:00 PM the meeting will be reconvened and all regular business will be conducted.**

Your election packet contains one ballot for the election of SEPO Directors and a separate ballot for each (if any) Covenants or Bylaws revisions being voted on. Put all marked ballots in the ballot envelope and place the sealed ballot envelope in the large envelope that has been **addressed to SEPO**. This envelope has an 'attendance' proxy statement printed on the back.

Please sign the 'attendance' proxy statement located on the back of the envelope that you return to SEPO containing your completed ballots. By doing this you will **only be giving SEPO permission to 'count' the signed 'attendance' proxies**, which along with the number of members present and signed in at the Annual Meeting at 1:00 PM will constitute a quorum to continue the Annual Meeting and allow the counting of votes.

We need 51% of property owners to be present at the opening of the Annual Shareholders meeting or have enough submitted signed 'attendance' proxy statements for a quorum to be established. Once it has been determined that a quorum exists, the vote count can proceed after 1:00 PM on the day of the Annual Shareholders meeting.

BY SIGNING THE 'ATTENDANCE' PROXY STATEMENT, YOU DO NOT GIVE UP ANY OF YOUR VOTING RIGHTS.

Board of Directors
Sunshine Estates Property Owners, Inc.

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2. Attachment 2 –

VOTING INSTRUCTIONS FOR COMPLETING ATTACHED BALLOT(S)

VOTING INSTRUCTIONS

Enclosed you will find:

- Notice of Annual Shareholders' Meeting to be held **Month Day, Year** at 1:00 PM.
- Voting Instructions for completing attached ballot(s).
- A resume (BIO) of each person nominated for the SEPO Board of Directors.
- 'Voting' Proxy Statement (*Use only if owner is unable to return the ballot(s) to SEPO in time to be counted in the election.*)
- Ballot Number 1: Nominees for members of the SEPO Board of Directors.
You may vote for # nominees. You don't have to vote for all # but you may not vote for more than # (or your ballot will be void).
- Ballot Number 2 thru X: A proposed amendment/addition to the Covenants or Bylaws.
Mark your approval or disapproval.

EACH BALLOT YOU HAVE "VOTED ON" MUST BE FOLDED AND PLACED INTO THE SMALL 'BALLOT' ENVELOPE AND SEALED.

THEN PLACE THE SMALL 'BALLOT' ENVELOPE INTO THE LARGER ENVELOPE THAT IS ADDRESSED TO SEPO WITH YOUR SUNSHINE ADDRESS IN THE RETURN ADDRESS.

IN THE EVENT YOU MAY NOT BE ABLE TO ATTEND THE MEETING ON **MONTH DAY, YEAR AT 1:00 PM, WHEN A QUORUM MUST BE DETERMINED, PLEASE SIGN THE 'ATTENDANCE' PROXY STATEMENT FOUND ON THE BACK OF THE ENVELOPE YOU ARE RETURNING TO SEPO.**

Return your ballot(s) to the SEPO Office ballot box or mail to the SEPO address. It must be received by 1:00 PM on **MONTH DAY, YEAR.**

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3. **Attachment 3 –**

A COPY OF THE BIOGRAPHY FOR EACH BOARD DIRECTOR CANDIDATE

Each Candidate must submit their BIO, of one page or (preferably) less, to the Nominating Committee. The BIO should contain the following at the top of the document.

SEPO Board Member Candidate Bio for year: _____

Candidate Name: _____

Candidate Bio:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

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4. Attachment 4 -

PROXY STATEMENT for Purpose of Voting

Sunshine Estates Property Owners, Inc.

1957 W. Michigan Dr.

Harlingen, TX 78550

****HOMEOWNER PROXY****

I _____,

the undersigned Homeowner at

_____, Harlingen, Texas 78550

designate (PRINT NAME) _____

to act as my proxy to cast my ballot in the YEAR Sunshine Estates Property

Owners, Inc (SEPO) election of officers to be held on MONTH DAY, YEAR.

Print Name: _____

Signature: _____

Date: _____

Fax or mail this document to the SEPO office.

SEPO fax number: **956 425 1420**

SEPO address:

Sunshine Estates Property Owners

1957 W Michigan Ave

Harlingen, TX 78550

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5. Attachment 5 –

ELECTION BALLOT OF PERSONS DULY NOMINATED FOR THE POSITIONS OF SEPO BOARD OF DIRECTORS

SUNSHINE ESTATES PROPERTY OWNERS, INC.
BALLOT FOR MEMBERS OF THE BOARD OF DIRECTORS IN YEAR

_____ Name of Candidate #1
_____ Name of Candidate #2
_____ Name of Candidate #3
_____ Name of Candidate #4
_____ Name of Candidate #5
_____ Name of Candidate #6
_____ Name of Candidate # (however many are running)

Vote for (#) of Candidates.

SUNSHINE ESTATES PROPERTY OWNERS, INC.
BALLOT FOR MEMBERS OF THE BOARD OF DIRECTORS IN YEAR

_____ Name of Candidate #1
_____ Name of Candidate #2
_____ Name of Candidate #3
_____ Name of Candidate #4
_____ Name of Candidate #5
_____ Name of Candidate #6
_____ Name of Candidate # (however many are running)

Vote for (#) of Candidates.

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6. Attachment 6 (Example 1) –

BALLOTS FOR PROPOSED BYLAWS OR COVENANTS CHANGES (IF ANY)

SUNSHINE ESTATES PROPERTY OWNERS, INC. BALLOT

This is a proposed “change” to the Covenants.

ARTICLE VIDEO: USE RESTRICTIONS - SECTION 6.10 PETS

(Current language is)

No more than two (2) dogs, cats or other household pets may be kept and in no event shall they become a nuisance. All pets are to be maintained and controlled as outlined in rules published by DECLARANT. All pets must be kept on a leash when not confined to OWNERS’ lot.

(Proposed language showing changes)

No more than two (2) dogs, cats or other household pets may be kept and in no event shall they become a nuisance. All pets are to be maintained and controlled as outlined in rules published by DECLARANT. All pets must be kept on a leash except when ~~not confined to~~ located on the OWNERS’ lot or within the SEPO designated dog parks.

(Proposed language would be)

No more than two (2) dogs, cats or other household pets may be kept and in no event shall they become a nuisance. All pets are to be maintained and controlled as outlined in rules published by DECLARANT. All pets must be kept on a leash except when located on the OWNERS’ lot or within the **SEPO designated dog parks.**

The Board of Directors recommends this change to Covenants requiring a 2/3 vote of the ‘votes of homeowners’.
(This currently means, (0.67 x 306 votes = 205.02, or 205 positive votes needed to amend our Covenants.)

Cut here and return ballot in envelope marked BALLOT.

BALLOT (Covenants)

ARTICLE VI: USE RESTRICTIONS - SECTION 6.10 PETS

APPROVE _____

DISAPPROVE _____

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6. **Attachment 6 (Example 2) –**

BALLOTS FOR PROPOSED BYLAWS OR COVENANTS CHANGES (IF ANY)

SUNSHINE ESTATES PROPERTY OWNERS, INC.
BALLOT

This is a proposed “addition” to the Bylaws.

ARTICLE III - MEETING OF MEMBERS

Regular Meetings

(Proposed Addition Is)

3.02 Regular 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 regular meeting shall be written, printed, hand or electronically delivered and / or mailed to each owner as hereinafter provided and shall state the place, day and hour of each meeting and agenda thereof. Multiple items may be stated in the agenda. The agenda may be amended once the Regular meeting has started.

The Board of Directors recommends this addition to the Bylaws that requires 51% of the votes cast.

Cut here and return ballot in envelope marked BALLOT.

BALLOT (Bylaws)

ARTICLE III - MEETING OF MEMBERS

Regular Meetings

APPROVE _____

DISAPPROVE _____

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7. Attachment 7 –

'ATTENDANCE' PROXY STATEMENT for purpose of Quorum Determination

To be placed by the Election Committee on the flap on the #10 envelope in 2b (prepare three envelopes) above.

I appoint the SEPO Board President, or any Board member, to appear for me and in my stead at the Annual Meeting of shareholders to be held on _____ at 1:00 PM as my proxy for the purpose of "attendance only" to establish a quorum. This will in no way affect my vote.

Signature _____ Date _____