

BY-LAWS

OF

SIESTA RETIREMENT
VILLAGE, INC.

Amended
February 1, 2020

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ARTICLE I
NAME AND LOCATION

The name of the Corporation is SIESTA RETIREMENT VILLAGE, INC. hereinafter referred to as either “DECLARANT” or “S.R.V.” Its mailing address shall be Siesta Village, Unit 294, Weslaco, TX 78596. The principal office of the Corporation shall be located at 2712 South International Blvd., Weslaco, Texas, but meetings of SHAREHOLDERS and Directors may be held at such places within Hidalgo County in the State of Texas as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. “DECLARANT” as described in the Declaration of Covenants, Conditions and Restrictions on Siesta Village Subdivision, shall mean and refer to SIESTA RETIREMENT VILLAGE, INC., a Texas Corporation, its successors and assigns.

Section 2. The initials “S.R.V. shall also mean and refer to SIESTA RETIREMENT VILLAGE, INC.

Section 3. “Properties” shall mean and refer to that certain Real property described in the Declaration of Covenants, Conditions and Restrictions covering the Siesta Village Subdivision, Hidalgo County, Texas, and such additions to such Declaration of Covenants as may hereinafter be brought within the jurisdiction of the S.R.V.

Section 4. “COMMON AREA” shall mean all real property and improvements thereon owned by S.R.V. for the common use and enjoyment of the Siesta Village residents.

Section 5. “SHAREHOLDER” shall mean and refer to those persons who own shares of stock in S.R.V. Each SHAREHOLDER shall have one vote for each share owned by said SHAREHOLDER. In no case shall a SHAREHOLDER have more than 5 (five) votes even if that SHAREHOLDER hold 6 (six) or more shares.

ARTICLE III
MEETING OF SHAREHOLDERS

Section 1. Annual Meetings.

The first annual meeting of SHAREHOLDERS shall be held on the last Saturday in February 1990 and each subsequent regular annual meeting of SHAREHOLDERS shall be on the last Saturday in February of each year thereafter until the year of 2015 when that year's meeting and each subsequent year's meetings will be held on the first Saturday in February, at the hour of 9:00 o'clock A.M. If the day for the annual meeting of the SHAREHOLDERS is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. Annual meetings shall be held at a place designated by the Directors no less than ten (10) days prior to the meeting.

Section 2. Special Meetings.

Special meetings of the SHAREHOLDERS may be called at any time by the President or by the Board of Directors, or upon written request from ten (10%) percent of the SHAREHOLDERS who are entitled to vote.

Section 3. Notice of Meetings.

No less than twenty (20) days prior to any meeting of the SHAREHOLDERS the Secretary shall post appropriate notice in at least two highly visible locations in the COMMON AREA and on the S.R.V. website. Electronic, written or printed notice stating the place, day, and hour of the meeting, the means of any remote communications by which SHAREHOLDERS may be considered present and may vote at the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) days nor more than sixty (60) days before the date of the meeting, personally, by electronic transmission, or by mail, by or at the direction of the President, the Board of Directors, the Secretary, or the Director or person calling the meeting, to each SHAREHOLDER entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the SHAREHOLDER at his/her address as it appears on the S.R.V. Residential Information Sheet on file in the S.R.V. Office. The notice will state the time, date, place, and purpose of the meeting in outlined form. Also attached will be a common share proxy for SHAREHOLDERS who are unable to vote in person.

Section 4. Voting

In all voting by ballot, each SHAREHOLDER or the proxy may cast one vote for each share owned but in no case shall a SHAREHOLDER or proxy, vote more than 5 (five) shares no matter how many shares in excess of 5 (five) are owned. In the

absence of objection by any SHAREHOLDER, many items of business, other than financial matters, may be voted by a showing of hands.

Section 5. Quorum

The presence at a meeting of SHAREHOLDERS entitled to cast, or of proxies entitled to cast, one fourth ($\frac{1}{4}$) of the votes of the SHAREHOLDERS shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Covenant, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the SHAREHOLDERS entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies.

At all meeting of SHAREHOLDERS, each SHAREHOLDER may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary seven (7) days prior to the posted date of the Annual Meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the SHAREHOLDER of his share(s) of Siesta Retirement Village stock.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number.

The affairs of this Corporation shall be managed by a Board of seven (7) Directors, who must be SHAREHOLDERS of the S.R.V. The number of Directors may be changed by amendment of the By-Laws of the Corporation.

Section 2. Term of Office.

The original Board of Directors, all of whom were elected at the Organizational Meeting, shall serve until the first Annual Meeting specified in Article III, Section 1. At the first Annual Meeting, by popular vote of the SHAREHOLDERS, three (3) Directors shall be elected for three (3) year terms, two (2) Directors shall be elected for two (2) year terms, and two (2) Directors shall be elected for one (1) year terms. At each subsequent Annual Meeting, by popular vote, Directors shall be elected for three, (3) year terms to fill the automatic vacancies.

Section 3. Removal.

Any Director may be removed from the Board with or without cause by a majority of the SHAREHOLDERS of S.R.V. Inc. In the event of death, resignation or removal of a Director, his/her successor shall be selected by the remaining Members of the Board. Appointed Members of the Board serve until the position is filled by election at the next Annual S.R.V. Meeting.

Section 4. Compensation.

No Director shall receive compensation for any service he/she may render to the Corporation. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action taken without a formal meeting.

Directors shall have the right to take any action in the absence of a Director meeting which could have properly been taken at a meeting by obtaining written or electronic email approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the meeting. The Nominating Committee shall consist of a chairman who shall be a member of the Board of Directors, and three (3) or more SHAREHOLDERS of S.R.V. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting to serve until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election.

The election to the Board of Directors shall be by secret written ballot. At such election each SHAREHOLDER or the proxy may cast, in respect to each vacancy, one vote for each share owned. In no case shall a SHAREHOLDER have more than 5 (five) votes even if that SHAREHOLDER holds 6 (six) or more shares. Election shall be by popular vote. The nominee receiving the most votes will fill a vacancy; the nominee receiving the second most votes will fill the next vacancy to be filled, there will be a second ballot cast, but only for the two tied candidates.

ARTICLE VI
MEETING OF DIRECTORS

Section 1. Regular Meetings.

A schedule of regular Board meetings shall be established by the Board of Directors. They will be held at such place and hour as may be fixed by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the Board of Directors shall be held when called by the President, or by any four (4) Directors, after not less than twenty-four (24) hours notice to each Director.

Section 3. Quorum.

A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers.

The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the COMMON AREA and facilities, and the personal conduct of the SHAREHOLDERS and their quests thereon.

(b) Exercise for S.R.V. all powers, duties and authority vested in or delegated to the DECLARANT and not reserved to the SHAREHOLDERS by other provisions of these By-Laws, the Articles of Incorporation, or the Covenant.

(c) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall have unexcused absences from three (3) consecutive regular meetings of the Board of Directors.

(d) Employ a manager, independent contractors, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and Corporate affairs and to present a statement thereof to the SHAREHOLDERS at the Annual Meeting of the SHAREHOLDERS, or at any special meeting for which such statement is requested in writing by one fourth ($\frac{1}{4}$) of the SHAREHOLDERS who are entitled to vote.

(b) Supervise all officers, agents and employees of S.R.V. and see that their duties are properly performed.

(c) At its discretion as DECLARANT under the provisions of the Covenant, foreclose the lien against any PROPERTY for which assessments, maintenance fees, or shareholder fees are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any SHAREHOLDER, a certificate setting forth whether or not any assessment, maintenance fees, or shareholder fees has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by S.R.V.

(f) Cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate:

(g) Cause the COMMON AREA to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Office.

The Officers of S.R.V. shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall at all times be Members of the Board of Directors, and such other Officers as the Board may from time to time by resolution create.

Section 2. Election of Officers.

The election of Officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the SHAREHOLDERS.

Section 3. Term.

The Officers of S.R.V. shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments.

The Board may elect such other Officers as the affairs of S.R.V. may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and removal.

Any officer may be removed from office without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the

Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies.

A Vacancy in any office may be filled with appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he/she replaces.

Section 7. Duties.

The duties of the Officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors and all meetings of the general SHAREHOLDERS. The President shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes, except as may be otherwise approved by the Board of Directors.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the SHAREHOLDERS, keep the Corporate seal of S.R.V. and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the SHAREHOLDERS, keep appropriate current records showing the SHAREHOLDERS of the S.R.V., and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the S.R.V. and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of S.R.V., keep proper books of account, cause an annual audit of the S.R.V. books to be made at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to deliver a copy of each to the SHAREHOLDERS.

ARTICLE IX
COMMITTEES

The Board of Directors may appoint an Architectural Committee, as provided in the Covenant, and a Nominating Committee. As provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

The Auditing Committee is composed of 3 members, knowledgeable in the area of accounting and financial reporting, serving 3 years, staggered terms. Their duties shall be to examine the Corporation's financial records, including the Annual Financial Statements and make a report to the Shareholders at the Annual Meeting.

All Financial Records shall be made available to them and they are to meet with the Treasurer at least two times a year to review these records. The Committee will recommend an Auditor to the Board of Directors.

One Member is appointed by the Board of Directors, two (2) are elected at the Annual Meeting. At the first election, one member serves for one year, one for two years. If an elected Committee Member leaves office before the end of the term, the Board of Directors will fill the vacancy until the position is filled by election at the next Annual S.R.V. meeting.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the S.R.V. shall, by appointment, with the treasurer and head auditor, and during reasonable business hours, be subject to inspection by any SHAREHOLDER. The Covenant, the Articles of Incorporation and the By-Laws of S.R.V. shall be available for inspection, by appointment, by any SHAREHOLDER at the principal office of S.R.V. where copies may be purchased at reasonable cost.

ARTICLE XI PARLIAMENTARY RULES

All meetings of S.R.V. shall be conducted according to the current edition of Roberts Rules of Order Newly Revised.

ARTICLE XII AMENDMENTS

Section 1. These By-Laws may be amended at a regular or special meeting of the SHAREHOLDERS, by a vote of a majority of a Quorum of SHAREHOLDERS present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Covenant shall control.

ARTICLE XIII
CAPITAL PROJECTS

Section 1. Any purchase project, and/or improvement to the fixed facilities and assets of S.R.V., Inc. that provides a benefit of longer than one fiscal year and greater than \$5,000 shall be deemed a Capital Project. Amounts between \$1,000 and \$4,999 can be determined to be either a capital project or an expense (repair) at the discretion of the corporate Board of Directors. Amounts less than \$1,000 shall be deemed an expense (repair). The Corporate Board is authorized to undertake Capital Projects up to the aggregate amount of \$50,000.00 in any one year provided that no individual Capital Project exceeds \$25,000.00. Capital Projects that exceed the annual aggregate amount of \$50,000.00 and Individual Capital Projects that exceed \$25,000.00 shall require specific approval of the SHAREHOLDERS at a SHAREHOLDERS' meeting or by a SHAREHOLDERS' mailing. Funds donated by individuals or groups for Corporate Board Approved improvements will not be included in the aggregate Capital Project amount and may be spent in addition to that amount.

Section 2. No Capital Projects will be started until monies for the project are on hand.

Section 3. No monies will be borrowed for Capital Projects without approval of SHAREHOLDERS.

ARTICLE XIV
SHAREHOLDER ANNUAL ASSESSMENT

Section 1. Each SHAREHOLDER agrees to pay to the Declarant an annual assessment of \$100.00 in January of each year, beginning on January 1, 2015, in addition to the Annual Assessment required in Section 3.03 of Article III, of the Eighth Amended Declaration of Covenants, Conditions and Restrictions for Siesta Village Units No. 1-4 Subdivisions.

Section 2. Each SHAREHOLDER by acceptance of a S.R.V. share certificate, is deemed to covenant and agree to pay to the Declarant the annual assessment referred to in this section in January of each year. Such assessments shall be a continuing lien upon the share certificate/residence. Each such assessment and reasonable attorney's fees (not to exceed \$500.00) shall also be the personal obligation of the SHAREHOLDER at the time when the assessment fell due.

Section 3. SHAREHOLDER Annual Assessments and lot assessments not

paid by January 1st shall bear interest from the due date at the rate of six percent (6%) per annum. The Declarant may bring an action at law against the SHAREHOLDER personally obligated to pay the SHAREHOLDER Annual Assessment or foreclose the lien against any share certificate/residence. Each SHAREHOLDER hereby expressly vests in the Declarant or its agents, the right and power to bring all actions against the SHAREHOLDER personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such lien. The lien provided for in this Article shall be in favor of the Declarant.

Section 4. Sale or transfer of any share certificate shall not affect the assessment lien.

Section 5. One share shall be required for every home owned in S.R.V. Shares shall be transferred, with the mobile home upon sale or transfer for a fee of \$200 payable to SRV Inc. Share Certificates shall not be retained by the seller of the mobile home at the time of sale or transfer.

Section 6. No homeowner may purchase more than one (1) share for each mobile home owned.

Section 7. Share Certificates shall be returned to SRV at the time of Mobile Home sale or transfer. If said certificate is lost or stolen, a fee of \$100 shall be required (in addition to the transfer fee) to issue a current certificate before the transfer can occur.

Section 8. Share Certificates requiring a name change shall be issued for a fee of \$50 payable to SRV Inc.

These amended Bylaws supersede all previous Bylaws.