

FUTURE OF RBHOO COMMITTEE REPORT MAY 11, 2013

Bobbie Polacsek, President of the RBHOO, appointed RBHOO board members Sandy Richard and John Seitz as co-chairs and invited five other interested RBHOO members to serve on a committee to discuss whether RBHOO should continue as an organization, and if so, the direction RBHOO should take in the future.

The committee members were:

Sandy Richard and John Seitz, co-chairs
Mary Lou Foster
Gail Noble
Harvey Phillips
Paul Serbu
Ray Wallace

Several other RBHOO members expressed an interest in serving on the committee, but it was decided not to have a larger committee. Nevertheless, each one of these individuals was contacted and requested to submit their thoughts in writing. Most of them did so. The committee received additional unsolicited comments and ideas from other RBHOO members.

Vivian King, a member of the RBCAI Board, was requested to serve as a liaison between the committee and the RBCAI Board. She attended the April 8 committee meeting, presented the committee's request for feedback to the RBCAI Board, and reported back on the RBCAI input. The response from the RBCAI Board is made a part of this report.

The committee met two times at the CAC on March 27 and on April 8, 2013. All discussions were open, frank, respectful, and divergent in opinion. Over the course of two meetings, some of the committee members revised their initial thoughts.

The framework of the committee discussions were as follows:

1. What was the background of the founding of RBHOO?
2. What services has it offered to the community since its founding?
3. Do any of these services continue to be beneficial to the Rarity Bay community?
4. Could or should some of the RBHOO functions be merged into the RBCAI Board or transferred to a committee of the RBCAI Board?
5. Should RBHOO continue as a separate entity, and if so, for how long?

6. If RBHOO continues as a separate entity, what services should it focus upon?

7. Should the RBHOO mission statement (i.e. the purposes section of the RBHOO bylaws) be revised?

Discussions regarding the points set out above took into account the current independence of the resident RBCAI Board, the ongoing Ross/Stooksbury lawsuit, including the developer-declarant rights being held as assets of the receivership, and the possibility of the appearance of a redeveloper for Rarity Bay in the near future who might acquire the declarant rights.

1. What was the background of the founding of RBHOO?

The following is based on statements by persons knowledgeable of the original formation of RBHOO. RBHOO was founded in 2003. RBHOO grew out of the frustration on some homeowners' parts in getting their concerns addressed by the RBCAI Board. There were several infrastructure problems that the residents felt were not being addressed by the Board in a timely manner. RBHOO was formed to give these residents a forum in which to express their concerns and to have an organization for homeowners to deal with community issues independent of the developer, Mike Ross. The board of RBHOO could then relay those concerns to the RBCAI Board and speak as one voice rather than have individuals show up at Board meetings. The founders felt that the issues RBHOO would deal with were primarily resident issues rather than investor issues. The bylaws, therefore, distinguished between a "Homeowner Member" and a "General Member."

RBHOO also was formed to interact with the community outside of Rarity Bay. For several years, one or two members attended council meetings in both Monroe and Loudon Counties and in Vonore and Madisonville and reported back items of interest to the RBHOO Board. It was also felt that it was important that the communities outside the gates be aware of Rarity Bay's desire to be a "good neighbor."

Emergency medical services were of additional concern to the residents, and RBHOO set out to address those services.

2. What services has RBHOO offered?

- A. Speakers providing presentations on governmental, technical, community, local history, health and other issues
- B. Highway 72 clean up
- C. Radon testing
- D. House Buddy program
- E. Sewer line mapping
- F. Information on road closings and safety issues via email
- G. Reverse 911 –coordination with government
- H. Funding for First Responders

- I. Appreciation events for RBCAI employees
- J. Maintenance of documents and lists on the RBHOO website, including the bylaws, standing committees, contractor and service provider lists and home improvement resources, lending items, volunteer opportunities, and travel resources
- K. Welcome activities for new residents
- L. Public forum for introducing candidates for the RBCAI Board
- M. Long range planning committee
- N. Improvements and furnishings for the Community Activity Center, including painting the interior of the CAC and donation of the art hanging system, tables, chairs, and chair racks
- O. Acquisition of projector, portable sound system and flip charts for presentation by community groups
- P. Poison control and other stickers to members
- Q. Septic tank system solutions
- R. Recycling efforts, including Cartridges for Kids
- S. Information on solving pin hole leaks in water system
- T. Spotlight column in "Life at the Bay" regarding matters of interest for homeowners

3. Do any of these services continue to provide a benefit to the Rarity Bay community?

It was the unanimous opinion of the committee that services provided by RBHOO benefit the Rarity Bay community and should be continued. The issue the Committee debated was whether these services should be provided by the RBHOO or under the umbrella of the RBCAI Board.

4. Could or should some of the RBHOO functions be merged into the RBCAI or transferred to a committee of the RBCAI?

Several committee members expressed their opinion that some of the activities described in the RBHOO bylaws and performed by the RBHOO standing committees could be performed by the RBCAI Board, e.g., financial and long range planning and governmental relations committees, at least so long as the RBCAI Board was not controlled by a redeveloper. One committee member and several nonmember residents expressed their concerns that efforts were being duplicated, talent was being spread between two organizations, and it would be better if RBHOO's activities were managed under the RBCAI Board. The committee requested Vivian King, liaison with the RBCAI Board, to ask the RBCAI Board's opinion on whether some or all of the RBHOO activities should be transferred. Her response below sets forth the feedback from the RBCAI Board:

"John,

Here is the feedback from the Board.

1. While RBHOO is no longer a watchdog for the residents in reference to a developer, they could develop a new direction and still be significant to the community.
2. They are a valuable service provider to the community regarding important issues not in the arena of the CAI.
3. Because there will be in the future a new developer, it will be most important for RBHOO to be established and viable.

In summary, the Board agreed that RBHOO could formulate a new direction and continue a viable mission. Also, the Board agreed that at this time, the CAI would not be in a position to take over any duties of the RBHOO.

John, regarding the question on taking over some of RBHOO's duties/projects, the Board is carrying a huge load with daily operations, transition, and legal. Also, we are not able to quickly staff the committees as we did in early January. Some committees are not getting volunteers at all, and this is delaying some needed projects. At this time, we, the Board, are at capacity.

As your liaison to the Board, I wish I had better news to meet your expectations. Please let me know if I can assist you again.

Vivian”

The response from the RBCAI Board makes much of the committee's discussions moot. If the services offered by RBHOO are considered beneficial and desirable for the Rarity Bay Community, then RBHOO will need to continue to provide these services as an independent organization and explore other community services. The situation could change significantly with a new developer; one member stated that his recommendations are fluid until such time as a clearer picture emerges on the governance and operation of Rarity Bay.

5. Should RBHOO continue as a separate entity, and if so, for how long?

The consensus of committee members, with perhaps one exception, was that RBHOO should continue as an independent organization until the long-term independence of the RBCAI Board as a non-developer board is assured, and it is clear that a redeveloper would not adversely affect the independence of our RBCAI Board. Some committee members expressed the opinion that RBHOO should continue as a community betterment organization regardless of the independence of the RBCAI Board. Everyone agreed that if RBHOO remained an independent organization, it should cooperate with the RBCAI Board, should avoid duplication of efforts, and that so long as the RBCAI Board is independent, should be apolitical and not be involved in governance or fiscal issues entrusted to the RBCAI Board.

6. If RBHOO continues as a separate entity, what services should it focus upon?

Most committee members expressed their belief that RBHOO should focus upon community betterment, quality of life, educational efforts, and serve as a funding source for community improvements for the benefit of Rarity Bay homeowners and residents. If the RBCAI Board ceases to be an independent resident-run board, then RBHOO should offer assistance on relations with a redeveloper and resume its role as a watchdog group for the community.

Other members said that RBHOO should offer services to newcomers, e.g. to educate them on community rules, furnish them practical information about Rarity Bay and nearby communities, and meet with them periodically for community orientation and to listen to their concerns and questions.

One committee member and a nonmember resident said RBHOO should continue to serve as a watchdog group to protect Rarity Bay quality of life issues and property values. Both said they wanted RBHOO to have legal capacity to file legal actions if the membership felt it was necessary, to establish a standing committee to monitor the status of current legal matters, and to provide relevant legal information to RBHOO members. Other committee members raised reservations as to whether this was desirable or fiscally possible for RBHOO to file lawsuits, and some questioned whether RBHOO would have standing to file a legal action as an unincorporated non-profit organization. The legal standing issue would need to be answered by Tennessee legal counsel, or RBHOO would need to incorporate as a Tennessee non-profit corporation if legal standing was determined to be necessary.

7. Should the RBHOO mission statement (i.e. the purposes section of the RBHOO bylaws and the committee structure) be revised?

The Committee members had a variety of suggestions regarding the RBHOO bylaws. At this time, the suggestions are merely summarized for further discussion. No attempt was made to reach consensus on recommended language changes.

Several members and non-member residents suggested that paragraphs 1 and 2 of the purposes section in the bylaws (protect and enhance property values and independent organization for communication, etc.) be deleted or modified. Others said that so long as there could be a redeveloper with declarant rights, that these paragraphs should remain as is, with perhaps a modification to indicate cooperation with the RBCAI Board. Many said the bylaws should not indicate unnecessary duplication with RBCAI activities or have overlapping committees.

Several members said the purposes section could be revised to emphasize RBHOO's primary mission as a community service organization for community betterment and quality of life.

Specific proposed changes to the bylaws included:

(a) Changing paragraph 1 of the purposes section to read: Augment the functions of the RBCAI Board in the areas of community service, improved quality of life and common interests for the Rarity Bay Community,

(b) Deleting paragraph 4 of the purposes section (communicating with political bodies and communities) (this could be taken over by the RBCAI Board committee on public relations), and likewise delete Article 10 C Community Relations (handled now by RBCAI Board).

(c) in the Committee list included in the bylaws, delete the Community Relations Committee and the Long Range Planning Committee.

One member suggested that the purposes section of the bylaws be modified to reflect RBHOO's mission to provide education to residents on personal and property issues, serve as a conduit for information and presentation by experts on programs that could affect, negatively or positively, Rarity Bay residents, be proactive in providing community betterment, beautification and quality of life efforts that would enhance Rarity Bay and the well-being of its residents, support existing organizations of Rarity Bay with supplemental funding when available and when requested, and serve as a forum for residents to discuss areas of concern and, if advisable, to bring these concerns to the RBCAI Board for resolution.

One committee member and a nonmember Rarity Bay resident asked that the bylaws continue to include sections 1 and 2 regarding RBHOO's watchdog role and that the organizational structure of RBHOO allow it to have legal standing to file lawsuits if the RBHOO membership felt such an action was necessary and advisable.

Some committee members said that RBHOO members should continue to pay dues for the purposes of attracting educational speakers and providing supplemental funding for other community services and community improvements. Others thought that RBHOO should not be a due paying organization and waiving the dues would make RBHOO more inclusive, and when treasury funds are spent, then fundraisers could be held.

Finally, one member suggested that an RBHOO committee meet at least yearly to review whether its mission statement is being met satisfactorily, if a new direction should be recommended for RBHOO, and whether mission statement changes were advisable. Another member agreed that RBHOO should conduct a review from time to time, but that this could be event driven, rather than set by a calendar. If new circumstances arise, e.g. a redeveloper or new legal issues, then a committee should revisit the role of RBHOO in the Community.

Respectfully submitted,
Sandy Richard and John Seitz, Committee Co-chairs