

Rarity Bay Homeowners Organization  
By-Laws (as most recently amended January 9, 2019)

ARTICLE 1. NAME AND LOCATION

The name of this organization is the Rarity Bay Homeowners Organization (hereinafter referred to as the “Organization” or RBHOO), a not-for-profit organization, located in the development known as “Rarity Bay on Lake Tellico” (hereinafter referred to as “Rarity Bay”) in Monroe and Loudon Counties, Tennessee.

ARTICLE 2. PURPOSE

The purpose of this organization shall be to:

Provide an independent organization and committee structure to pursue matters of interest or benefit to homeowners and other property owners in Rarity Bay. In this regard, RBHOO shall endeavor to work with, and avoid unnecessary duplication of the efforts of, the rarity Bay community Association, Inc., and other community organizations or committees.

Provide opportunities to consider and address issues of mutual concern primarily affecting homeowners and those building, or about to build, in Rarity Bay.

Share information on topics affecting members and the Rarity Bay community through speakers and educational programs, forums, the RBHOO website and other means of communication as appropriate.

Encourage member participation in RBHOO, its projects and other volunteer activities in Rarity Bay and the surrounding communities.

Through member involvement, strengthen and enhance the quality of life in Rarity Bay.

ARTICLE 3. ORGANIZATION

A. Officers

The Organization shall have four officers: a President, a Vice President, a Secretary, and a Treasurer.

B. Board of Directors

The Organization shall be directed by a board of directors elected by the HOMEOWNER MEMBERS of the Organization. The Board of Directors will consist of the President, the Vice President, the Secretary, the Treasurer, and the other at-large

directors. The number of HOMEOWNER MEMBERS of the Organization will determine the number of at-large directors, as follows:

Up to 500 HOMEOWNER MEMBERS 4  
500-1,000 HOMEOWNER MEMBERS 4  
Over 1,000 HOMEOWNER MEMBERS 5

C. Duties of Board of Directors

The Board of Directors (hereinafter referred to as the "Board") shall determine the policies appropriate to carry out the purposes of the Organization. The Board shall also formulate the goals, plans and strategies to implement and attain the purposes and policies of the Organization. The board shall approve the appointment of all committee chairpersons and committee members. The Board shall also be responsible to make an annual review of these bylaws and to recommend any changes considered necessary for amendment under the provisions of Article 11 below.

The Board shall also establish and maintain two way communications among the Organization, its members, prospective members, the Rarity Bay community, and the broader community outside of Rarity Bay. They shall use all available forms of communications including email and ordinary mail, as well as all appropriate forms of public media.

D. Committees

Such committees as deemed necessary by the Board shall be established to carry out the purposes of the Organization in accordance with the provisions of Article 10 below. Permanent committees and provisions for establishing special committees are covered in Article 10.

E. Fiscal Year

The Organization's fiscal year shall begin on January 1st and end on December 31st of each calendar year.

F. Compensation and Bonding

1. All officers, directors, and committee members shall serve without compensation, except that such individuals may be reimbursed for reasonable expenses incurred in the performance of their duties.
2. No member of the Board shall be required to post bond.

## ARTICLE 4. MEMBERSHIP AND VOTING

### A. Classes of Membership

There shall be two (2) classes of membership in this organization:

- (1) HOMEOWNER MEMBER – Owner of a residence which is completed or under construction (with the intent to occupy) in Rarity Bay.
- (2) GENERAL MEMBER – Owner of an unimproved lot in Rarity Bay or a resident renter of a property.

### B. Owner

The term “Owner” shall mean and refer to the recorded owner, whether one or more persons or entities, of the title to any lot within Rarity Bay, including contract buyers, but excluding those having an interest only as security for the performance of an obligation.

### C. Applying for Membership

An Owner may apply for membership in this organization upon becoming a record owner as described above, and shall cease being a member of this organization when their record title is conveyed to others.

### D. Change in Membership Class

An Owner of an unimproved lot may apply for change in membership from GENERAL MEMBER to HOMEOWNER MEMBER when a building permit for the construction of a single-family residence on the unimproved lot is issued, or when the Owner purchases a completed residence in Rarity Bay.

### E. Number of Membership Classes

An Owner may not have more than one membership classification, notwithstanding the number of residences or lots that may be recorded in the Owner’s name.

### F. Rights of Members

A GENERAL MEMBER shall have the same rights and privileges in this organization as a HOMEOWNER MEMBER, except the right to vote and to hold an elected office in the organization.

### G. Good Standing Status

In order to participate in activities of the Organization, MEMBERS must be current in the payment of their dues to the Organization.

#### H. Votes Per HOMEOWNER MEMBER

A HOMEOWNER MEMBER shall be a voting member and shall have only one vote, regardless of the number of properties owned or the number of individuals residing in the household.

### ARTICLE 5. MEETING AND QUORUM RULES

#### A. Meeting Rules

All meetings will be conducted under the provisions of Roberts Rules of Order, as they are generally accepted. The Organization Vice-President will be its official parliamentarian, and will adjudge any matter, which may be disputed under Roberts Rules.

#### B. Meeting Frequencies and Quorums

##### 1. Board Meetings

The Board will meet every month at the call of the President. A quorum of at least 50% of its members shall be required to conduct its business.

##### 2. Organization Membership Meetings

The Organization membership will meet annually, or at the call of the president. Special meetings of the Organization membership may be called by a group of five or more HOMEOWNER MEMBERS. A quorum of 5% of HOMEOWNER MEMBERS shall be required to conduct business at any Organization membership meeting.

Beginning in 2004, an Annual Meeting shall be held, on a date set by the Board of Directors during the last quarter of the year, at which an election of Officers and Directors for the next fiscal year shall be held.

### ARTICLE 6. DUES

#### A. Amount

The dues shall be set at an amount necessary to cover the anticipated budget expenses for the ensuing year. The dues amount will be fixed by a majority vote of the Board.

#### B. Period

Dues shall be payable in January of each year. The membership year is January 1 through December 31. New members joining in October, November, or December shall have their dues payment inclusive for the following year.

### C. Unpaid Dues

Members whose dues remain unpaid as of March 15th will be dropped from the membership role.

## ARTICLE 7. ELECTION OF OFFICERS AND DIRECTORS

### A. Nominations

1. There shall be a Nominating Committee, consisting of a Chairperson and two (2) other members, appointed by the President on or about September 1st. The Nominating Committee shall propose a slate of Officers and Directors to replace those board members whose terms are expiring in the current year to be presented to and voted upon at the Annual Organization membership meeting. The Nominating Committee shall propose one (1) or more HOMEOWNER MEMBERS to be included on the ballot for each vacancy to be filled, with the consent of each nominee having been obtained in advance.
2. At the Organization membership meeting, nominations may be made from the floor providing the nominee has given his or her approval in advance.
3. Only HOMEOWNER MEMBERS may be nominated for any elected office.

### B. Elections and Filling of Vacancies

1. All elections shall be by secret ballot. The candidate receiving a majority of votes shall be declared as elected to that office. If no candidate receives a majority of the votes, a run-off election between the two candidates with the most votes will be held as soon as possible.
2. Only HOMEOWNER MEMBERS shall be permitted to vote. A HOMEOWNER MEMBER is entitled to only one (1) vote – regardless of the number of properties owned.
3. Proxy votes from HOMEOWNER MEMBERS shall be accepted, provided that the proxy vote is dated, signed by a HOMEOWNER MEMBER, and filed with the Secretary prior to the vote being taken. A proxy shall be valid only for the specific election for which it is given. Only a HOMEOWNER MEMBER can be designated as a proxy.
4. Should a vacancy occur in any of the elected positions the vacancy will be filled by an appointment by the President, who shall coordinate with the Board in making a selection for the appointment. The person filling the vacancy shall serve until the expiration of the term being filled or until the next annual Organization meeting, whichever occurs first. At that time an election will be held to fill the position for the balance of the original term.

## ARTICLE 8. TERMS OF OFFICE

### A. Length of Term – Officers

The first slate of Elected Officers (President, Vice President, Secretary, and Treasurer) shall serve until December 31, 2004. Subsequent Elected Officers shall serve a term of two (2) years with the terms commencing January 1st.

In order to better achieve better continuity through staggered terms for the four Elected Officers, for the year 2007, the Vice President and Treasurer will be elected for a term of one (1) year, and the President and Secretary for a term of two (2) years. Thereafter each Elected Officer shall be elected for a term of two (2) years

### B. Term Limits - Officers

Elected Officers (President, Vice President, Secretary, and Treasurer) can serve a maximum of two (2) consecutive full terms in the office for which they were elected.

### C. Length of Term – At-Large Directors

The first slate of three (3) At-Large Directors was elected in May, 2003 to serve until December 31, 2005. In order to achieve better continuity through staggered terms, the three (3) Directors so elected shall draw lots to determine which Director shall serve until the ends of fiscal years 2004, 2005 and 2006, respectively. Subsequent Directors shall serve for a term of two (2) years, with the terms commencing on January 1st.

When the Organization has grown to the point where additional At-Large Directors are required pursuant to Article 3, section B, the terms shall be adjusted so that, to the degree possible, an equal or balanced number of Director seats are up for election.

### D. Term Limits – At-Large Directors

There are no term limits for At-Large Directors.

## ARTICLE 9. DUTIES OF OFFICERS

### A. Duties of Officers – President

The President shall

1. Preside at all meetings of the members.
2. Represent the Rarity Bay Homeowners Organization as instructed by the Board.
3. Schedule meetings of the membership and the Board.
4. Prepare and publish Organization meeting agendas.
5. In conjunction with the Secretary or another members appointed by the Board, maintain membership list of communication purposes.

6. Sign with the Secretary all legal and documentary papers upon proper authorization of the Board.
7. Present at the annual Organization meeting a summary of the prior year's activities with a written copy placed on file.
8. Be authorized to deposit and withdraw funds of the organization in the absence of the Treasurer.

#### B. Duties of Officers – Vice-President

The Vice-President shall

1. Serve as the official parliamentarian for the Organization at any of its meetings, be prepared to answer any question about the pertinence of Robert Rules of Order to the proceedings in the meeting, and adjudge any dispute about the proper application of these rules.
2. If for any reason the President does not complete the elected term of office, serve as President to fulfill that incomplete term.
3. Perform the duties of the President in the absence of the President.
4. Be authorized to deposit and withdraw funds of the organization in the absence of the Treasurer.

#### C. Duties of Officers – Secretary

The Secretary shall

1. Record the proceedings of all meetings of the Board and the meetings of the Organization membership, and distribute to all HOMEOWNER MEMBERS a copy of the minutes of each meeting of the Board in a timely fashion.
2. Distribute copies of the minutes of all Board meetings to all members of the Board within one week after the meeting.
3. Serve as corresponding secretary for the organization, except concerning actions more properly handled by a committee, in which event the committee will provide the Secretary with a copy of all such correspondence and the responses for the records of the Organization.
4. In conjunction with the President or another member appointed by the Board, maintain a membership list for communication purposes.
5. Sign with the President all legal and documentary papers upon proper authorization of the Board.
6. Maintain a file of Organization records in a permanent Minutes Book and in electronic form, and make this record available at all meetings for reference and approval of the members of the Board.
7. Prepare ballots and other necessary documentation for the Board's and members' use at the meetings.
8. Be authorized to deposit and withdraw funds of the organization in the absence of the Treasurer.

#### D. Duties of Officers – Treasurer

The Treasurer shall

1. Be entrusted with and have custody of all funds of the Organization, including dues as collected, and keep and maintain an accurate record of all receipts and expenditures.
2. Deposit and disburse funds of the organization from a checking account to be established in a local bank approved by a majority vote of the Board. With the exception of the next paragraph, the Treasurer's signature is the one signature required for disbursement of Organization funds.
3. Sign all checks, vouchers and other evidence of payment by the Organization at the direction of the Board. All checks, vouchers, and other evidence of payment by the Organization in excess of \$500 shall require the signature of two (2) officers of the Organization.
4. Present a quarterly financial report to the Board and an annual financial report to the Organization membership.
5. Prepare, subject to approval by the Board, the Organization budget for the following fiscal year.
6. Make available upon request for audit by any Organization member(s) in good standing all Organization financial records, receipts and disbursement documentation.
7. Maintain list of the HOMEOWNER MEMBERS and GENERAL MEMBERS, and their dues paid status.

#### ARTICLE 10. COMMITTEES AND THEIR RESPONSIBILITIES

##### A. Safety & Security

The Safety & Security Committee shall focus on issues and projects which enhance the safety and security of members, members' property and work with any other organization's committee with similar interests.

##### B. Membership

The Membership Committee shall identify and articulate the benefits of membership. They shall formulate and execute plans to ensure every person eligible to be a member is offered the opportunity.

##### C. Nominating

A nominating committee shall be formed to identify and nominate members to be candidates for Organization offices. The committee shall be composed of Organization members. This committee shall assist the Secretary in organizing and conducting the election. The committee shall be disbanded upon completing the annual election process.



#### **D. Committees of Specific Interest**

Committees of Specific Interest shall be formed from time to time to address specific Organization interest. The Board shall create these committees to address a specific area of interest. The specific area of interest shall have a defined short-term objective. The committees shall be disbanded as the objectives are accomplished.

### **ARTICLE 11. AMENDMENTS AND REVISIONS**

#### **A. Procedure to Amend**

These BY-LAWS may be amended as follows:

1. By a majority vote of the Board PLUS
2. An affirmative vote of 2/3rd of all votes of the HOMEOWNER MEMBERS cast at an annual Organization membership meeting or at any special Organization membership meeting called to consider such amendments.

#### **B. Notification of Proposed Amendments**

Proposed amendments or revisions shall be distributed to all HOMEOWNER MEMBERS at least thirty (30) days prior to the meeting at which the vote is to be cast.

#### **C. Voting on Amendments and Revisions**

Only HOMEOWNER MEMBERS may vote at such a meeting, either in person or by proxy as is provided in Article 7, Paragraph B, Item 3.

### **ARTICLE 12. INSPECTION OF RECORDS**

#### **A. Right to Inspect**

The books of account, minutes of past meetings of the members, and minutes of any committee meetings available shall be made available for inspection by any member of any classification at any reasonable time at the offices of the Secretary and/or Treasurer. Such inspection shall be for a purpose reasonably related to his or her interest as a MEMBER.

#### **B. Right to Copy**

The right of inspection includes the right to make copies or extracts at the expense of the inspector.

## ARTICLE 13. ORGANIZATION INDEBTEDNESS

### A. Fiscal Position

The Organization cannot borrow money.

In witness whereof, we, being duly elected officers of the Rarity Bay Homeowners Organization, affirm that these by-laws were accepted and ratified by a 2/3rd majority vote of all voting Organization members at an Organization meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2003, in the County of Monroe State of Tennessee, and we have hereunto set our hands this \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_ President \_\_\_\_\_ Vice-President

### Record of Amendments to these Bylaws:

2004: Bylaws were amended in seven places at a meeting on January 14, 2004. A notation appears at each amended section or paragraph. In general the changes do the following: (1) added a 5th purpose for the Organization, (2) make the Board responsible for communications (and abolishes the standing Communications Committee, (3) allow the Board to set the date for the Annual Meeting (rather than having a fixed date), (4) changes when the Nominating Committee is appointed, (5) creates Safety & Security as a standing committee, and (6) deletes a sentence which barred the Board from spending money collected in a prior year.

2005: Bylaws amended at a meeting on September 14, 2005 (a) to delete “, Inc.” in the four places it appeared, and (b) to require the Nominating Committee to propose “one (1) or more” candidates for each open office rather than “two (2).”

2006: Bylaws amended at a meeting on September 13, 2006 by adding a paragraph to Article 8, Section 1, for the purpose of creating staggered terms for the 4 officers.

2008: Bylaws amended at annual meeting on November 12, 2008:

- Eliminating Article 8 Section E. This allows current office to move to another office within their current commitment.
- Article 9, Section C, duty 5 modified to have secretary keep a communications list of paid up members.
- Article 9 Section D, duty 7 added to have Treasurer keep a list of members and their dues paid status.
- Article 9, Section C, duty 7 modified to allow Secretary to keep minutes in a minute's book and in electronic form.