

Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

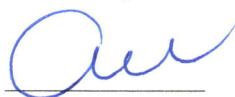
ARTICLE 1: NAME AND LOCATION

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:

1. Provide an independent organization and committee structure to pursue matters of interest or benefit to all 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. (RBCAI) and other community organizations or committees.
2. Provide a forum to consider and address issues of mutual concern primarily affecting homeowners and lot owners building, or about to build, in Rarity Bay.
3. Share information on topics affecting our members and the Rarity Bay community through speakers and educational programs, forums, the RBHOO website and other means of communication as appropriate.
4. Encourage member participation in RBHOO, its projects and other volunteer activities in Rarity Bay and the surrounding communities.
5. Through member involvement, strengthen and enhance the quality of life in Rarity Bay.
6. Working to protect and enhance the property rights and property values of the owners of residences and lots in Rarity Bay.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

ARTICLE 3: ORGANIZATION

A. Officers

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

B. Board of Directors

The Organization shall be directed by a board of directors consisting of and 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 at-large directors. There will be three (3) or five (5) at-large directors; thus making seven (7) or nine (9) directors on the board.

It is desired to have at least one member of the board of directors from the Rarity Bay Condominiums, who is also a resident/owner; provided a HOMEOWNER from the condominiums wishes to run for one of the Officers or at-large Board positions.

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 for conducting 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 Rarity Bay Homeowners Organization, members, prospective members, the Rarity Bay community, and the broader community outside of Rarity Bay. They shall use all available forms of communication 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



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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. Compensation

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. Bonding

No member of the Board shall be required to post bond.

ARTICLE 4: MEMBERSHIP AND VOTING

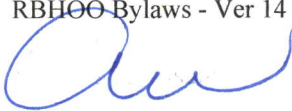
A. Classes of Membership

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. This would include contract buyers, but excluding those having an interest only as security for the performance of an obligation.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

C. Applying for Membership

An Owner may apply for membership in this organization upon becoming a recorded 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.

Rights and privileges include but are not limited to:

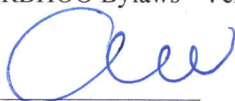
- Right to attend Organization and Annual meetings
- Right to speak at Organization and Annual meetings
- Right to serve on any committee including the Nominating Committee
- Right to Chair any committee
- Right to Inspect/Copy Records as outlined in Article 12.

G. Good Standing Status

To participate in the 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.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

ARTICLE 5: MEETING AND QUORUM RULES

A. Meeting Rules

All meetings will be conducted under the provisions of Robert's 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 the Board members shall be required to conduct its business. Attendance will include Zoom attendance or in-person attendance. Votes may in-person, by Zoom (followed up by email confirmation). E-mail voting may be employed in accordance with the approved board procedure reviewed and adopted by each new board.

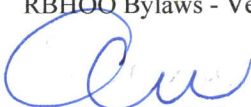
2. Organization Meetings

The Organization membership will meet at least annually, or at the call of the President. A quorum of 5% of HOMEOWNER MEMBERS shall be required to conduct business at any Organization membership meeting.

Special meetings of the Organization membership may be called by the Board when contacted by a group representing five percent (5%) or more HOMEOWNER MEMBERS.

3. Annual Organization Meeting

An annual meeting will be held on a date set by the Board of Directors during the last quarter of the year, at which an election of Board members to fill vacant positions for the next fiscal year shall be held. A quorum as described in Article 5.B.2 is required.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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 after January 1st to September 1st will be members of the current year. New members joining in September, October, November, or December shall have their dues payment inclusive for the following year.

C. Unpaid Dues

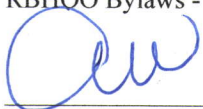
Members whose dues remain unpaid as of February will be dropped from the membership rolls.

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 August 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 Membership Meeting. The Nominating Committee shall propose one or more HOMEOWNER MEMBERS to be included on the ballot for each vacancy, with the consent of each nominee having been obtained in advance. The nominations will begin on September 1st and cease on September 30th.

2. Only HOMEOWNER MEMBERS may hold elected office.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

B. Elections and Filling of Vacancies

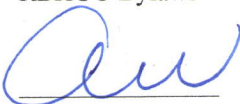
1. All elections shall be by secret ballot. The ballot may be by means of an electronic ballot or paper / proxy ballots. Electronic voting will commence the second Wednesday in October right after the General meeting and continue through the first business day of November. Results of the election will be announced at the November Annual General Meeting on the second Wednesday of November. Candidates receiving the most votes for the number of open positions will then meet with the Board to discuss the open positions to determine the 'best fit' for the Board. The Board will then vote each of those candidates into the open positions.
2. Only HOMEOWNER MEMBERS shall be permitted to vote who are in good standing as of the first business day of November. A HOMEOWNER MEMBER is entitled to only one (1) vote – regardless of the number of properties owned.
3. Paper/proxy votes from HOMEOWNER MEMBERS shall be accepted, provided that the proxy vote is dated, signed by a HOMEOWNER MEMBER, and mailed to the RBHOO post office box and MUST be postmarked on or prior to the first business day of November. 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

Elected Board members holding Officer positions shall serve a term of two (2) years with the terms commencing January 1st.

B. Term Limits - Officers



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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

C. Length of Term – At-Large Directors

Directors shall serve for a term of two (2) years with the terms commencing on January 1st.

D. Term Limits – At-Large Directors

There are no term limits for At-Large Directors.

E. Removal of Board Member

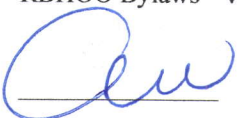
Board members may be removed for cause at the sole discretion of the Board. The Board will meet with the “for cause” member to try to rectify the situation. If no agreement can be reached, the Board will vote on removal of the Board member. A simple majority is required to removal a Board member for cause.

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 other members appointed by the Board, maintain the official membership list for communication purposes. The Treasurer is the owner of the membership list.
6. Sign with the Secretary all legal and documentary papers upon proper authorization of the Board.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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

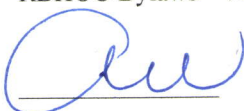
The Vice-President shall:

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's 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's 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 other members appointed by the Board, maintain the official membership list for communication



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

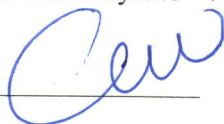
purposes. The Treasurer is the owner of the official membership list and status of the members.

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 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 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's membership.
5. Prepare, subject to approval by the Board, the Organization's budget for the following fiscal year.



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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 the official master membership list of the HOMEOWNER MEMBERS and GENERAL MEMBERS, along with their status and dues paid. The Secretary will receive the distribution list from the Treasurer for communication purposes.

ARTICLE 10: COMMITTEES AND THEIR RESPONSIBILITIES

Permanent Committees

A. Communication and Community Relations

The Communication and Community Relations Committee shall establish and maintain two-way communication among the Organization, its members, its prospective members and elements of the surrounding community. They shall use all available forms of communication including email and ordinary mail, as well as all appropriate forms of public media.

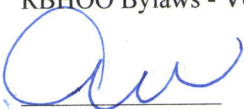
The committee shall ensure the Organization is aware of activities in Rarity Bay and the surrounding community and ensure the surrounding community is familiar with the goals and objectives of the Organization. This committee will work in conjunction with the Rarity Bay Community Association's Government Relations committee to monitor regional, state, and federal issues to assess their impact on Rarity Bay.

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.

Temporary 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-



Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

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 recorded, 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

Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

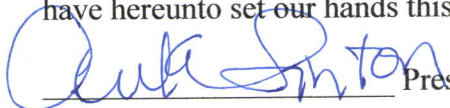
The right of inspection includes the right to make copies or extracts at the expense of the inspector.

ARTICLE 13: ORGANIZATION INDEBTEDNESS

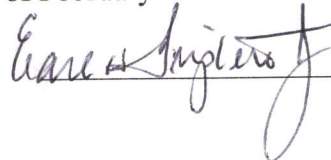
A. Fiscal Position

The Organization must pass a balanced budget for each fiscal year. In addition, the Organization cannot incur actual expenditures that exceed actual revenue in any fiscal year. The Organization cannot borrow money.

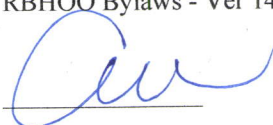
In witness whereof, we, being duly elected officers of the Rarity Bay Homeowners Organization, affirm that these by-laws were accepted and ratified by a 2/3rd majority vote of all voting Organization members at an organization meeting held on the 14th day of February 2024, in the Counties of Monroe and Loudon, State of Tennessee, and we have hereunto set our hands this 14th day of February 2024.



President



Vice-President





Rarity Bay Homeowners Organization

By-Laws

Amended October 8, 2025

Modifications to By-Laws

September 2023 – removed first sentence of Article 8.E Removal of Board Members

No RBHOO Officer or Director may sit on both the RHBOO and RBCAI boards. If elected to the RBCAI Board, the Officer or Director must resign prior to the first RBCAI board meeting.

February 2024 – modified Article 6.C Unpaid Dues from March 1st to February 1st.

October 2025 – modified Article 3.b Board of Directors - number of at large directors from 'five (5)' to 'three (3) or five (5)' and total directors from 'nine (9)' to 'seven (7) or nine (9)'.

