

# ROSEMOUNT PLACE OWNERS ASSOCIATION



Amended 2018

## **BYLAWS**

[www.rosemountplace.org](http://www.rosemountplace.org)

**BYLAWS OF  
ROSEMOUNT PLACE OWNERS ASSOCIATION**

**ARTICLE I  
BACKGROUND**

The following are Bylaws of Rosemount Place Owners Association, a nonprofit corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the "Nonprofit Corporation Act"). These Bylaws provide for operation of Rosemount Place Owners Association, (the "Association") created pursuant to the Declaration recorded with the Pierce County with Auditor under Auditor's File No. 20608250023 (the "Declaration") and the Plat of Rosemount Place recorded under Pierce County Auditor's File No. 200608255003 (the "Property").

These Bylaws apply to the entire Property, each Lot therein, and all Common Areas and Common Amenities. Each owner automatically, by virtue of such ownership, becomes a Member of the Association. All present and future Owners, Mortgagees and their encumbrances, lessees, tenants, licensees, and occupants of the Lots, and their guests and employees, and any other person who will use the facilities of the Property are subject to these Bylaws, the Declaration, and the rules and regulations of the Association, if any. Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws.

**ARTICLE II  
NAME AND LOCATION**

The name of the nonprofit corporation is Rosemount Place Owners Association, herein referred to as the "Association". The principal office mailing address of the Association is the address of the Rosemount Place Owners Association President, which may change from time to time, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors. The Plat is located upon the legally described land in Exhibit A.

**ARTICLE III  
DEFINITIONS**

**Section 1. Original Declaration Definitions.**

Unless otherwise indicated herein, the capitalized terms used in these Bylaws shall have the same meaning as those used in the Declaration.

**Section 2.**      **Lot**

“Lot” will mean a Lot created by the Plat of Rosemount Place or an amendment thereto.

**Section 3.**      **Member**

Member will mean every person or entity that owns a Lot and holds membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

**Section 4,**      **Board of Directors / Officers**

The Board consists of the President, Vice-President, Secretary, Treasurer and a designated representative of Merrill Gardens, Tacoma as long as Merrill Gardens owns at least seven single-family cottages (lots). The Officers consist of the President, Vice-President, Secretary, Treasurer and the Designated Representative of Merrill Gardens, Tacoma. The terms “the Board” or “Board of Directors” and “Officers” may be used interchangeably. The Board of directors is made up of the officers.

**ARTICLE IV**  
**MEETINGS OF MEMBERS**

**Section 1.**      **Annual Meetings**

Annual meeting of the Members shall be held in August as designated by the Board of Directors.

**Section 2.**      **Special Meetings**

Special meetings of the Members may be called at any time by the president, vice president, a majority of the Directors, or by owners having 10% or more of votes in the Association, not less than ten (10) nor more than sixty (60) days in advance of the meeting.

**Section 3.**      **Notice of Meetings**

Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by electronic mail, by hand delivery or by mailing a copy of such notice, postage prepaid, at least ten (10) days before but not more than fifty (50) days before such meeting to each Member entitled to vote at the meeting, addressed to the Member’s physical or

electronic address last appearing on the books of the Association, or supplied in writing by such Member to the Association for the purpose of notice, unless waived in writing. Such notice shall specify the time and place of the meeting, and the items on the agenda to be voted on by the Members, including the general nature of any proposed amendment to the Declaration, or Articles of Incorporation, changes to previously approved budget that result in assessment obligations, and any proposal to remove a Director or Officer. Notice of meeting may be waived before or after meetings. All meetings shall be held at such a place as is convenient for the Members as determined by the Board of Directors.

**Section 4.**      **Quorum**

The presence at the beginning of any meeting of twenty-five percent (25%) or more of the total number of votes able to be cast shall constitute a quorum throughout that meeting for any action. If a quorum is not present or represented at any meeting, the Members entitled to vote may 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 5.**      **Manner of Voting**

At all meetings of Members, each Member may vote in person, by US mail, electronic mail or by proxy. Members voting by electronic mail must have a signed and dated electronic mail permission form on file with the Board prior to voting.

Proxies may be made by any person entitled to vote. Such voting agent shall be designated by the Owner or Owners of a Lot by written notice signed by each party with an ownership interest, which notice shall be filed with the Secretary of the Board of Directors. The voting agent need not be an Owner. Any designation of voting agent may be revoked at any time by any one of the parties with an ownership interest in the Lot on written notice filed with the Secretary of the Board of Directors. Such designation shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetency of the Owner of the Lot, or the conveyance of such ownership interest. When no designation is made, or where designation has been made and revoked and no new designation has been made, the voting agent shall be the person or group composed of all Owners of that Lot who attend any meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

**ARTICLE V**  
**BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE**

**Section 1.**      **Number of Directors**

The affairs of the Association shall be managed by a Board of Directors. The initial Board will consist of one (1) directors appointed by the Declarant and succeeded by three (3) Directors elected by the Owners, which must be Owners. An Owner may include directors, partners and trustees of Owners.

Thereafter, the number of Board of Directors is increased from four (4) members to five (5) members.

**Section 2.**      **Compensation**

No Director shall receive compensation for any service rendered to the Association as a Director.

**Section 3.**      **Term of Office**

The Board of Directors shall be elected to open positions by the Association Members and shall hold the Director position for a period of two (2) years, or until that Director's successor is elected, unless the Director sooner resigns, or shall be removed, or otherwise is disqualified to serve. The election of new Board Members shall be held at the annual meeting.

Effective in August of 2018 immediately following the Annual Meeting, the Board position of At-Large Director will be replaced by a Designated Representative for Merrill Gardens, hereafter called the MG Representative. The MG Representative is a non-elected position but has the full duties and responsibilities of a Board Member. *See Article III, Section 4.*

**Section 4.**      **Resignation and Removal**

Board Members absent from more than three unexcused Board or Membership meetings may be subject to removal from the Board by the remaining Directors.

Any Director may be removed from office with or without cause by the Membership upon a two-thirds affirmative vote of the total number of votes able to be cast that are present, in person or by proxy, at a properly called meeting at which a quorum is present. Any Director 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 such notice or at a later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

No Director shall continue to serve on the Board if, during his or her term of office, he or she ceases to be an Owner, provided however, if a Lot is owned by a corporation, partnership, limited liability company, or other entity, then the entity may appoint an agent on its behalf and that agent may serve as Director even though that Director does not own a Lot personally.

**Section 5. Vacancies**

Vacancies on the Board of Directors caused by any reason other than removal of a member thereof by a vote of the Owners (which would then be replaced by a vote of the Owners), shall be filled by a vote of a majority of the remaining members of the Board of Directors, and each person so elected will be a member of the Board of Directors for the remainder of the unexpired term of the member and thereafter until a successor is elected by a vote of the Owners.

**Section 6. Action Taken Without a Meeting**

The Directors have the right to take any action in the absence of a meeting that they would take at a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Owners.

**Section 7. Waiver of Notice**

Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. If all of the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 8. Order of Business**

The order of business at annual meetings and as far as practical at all other meetings, shall be

- (1) Election of chairman of the meeting;
- (2) Calling of the roll and certification of proxies;
- (3) Proof of due notice of meeting or waiver of notice;
- (4) Reading and disposal of any unapproved minutes;

- (5) Reports of officers;
- (6) Reports of committees;
- (7) Election of inspectors of election;
- (8) Election of directors (if necessary);
- (9) Unfinished business;
- (10) New business; and
- (11) Adjournment

**ARTICLE VI**  
**STANDARD OF CARE FOR DIRECTORS**

**Section 1. Standard**

A Director shall perform the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use in similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more members or employees of the Association whom the Director believes to be reliable and competent in the matter presented;
- (b) Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or,
- (c) A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or Bylaws, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 2.      Amendment**

However, if the statutory standard of care is, at any time, different than the standard of care set forth in these Bylaws, the Bylaws shall be deemed amended so that the standard of care shall be the standard set forth statutorily for nonprofit corporations in the State of Washington. This section shall not apply where the consequences of an act, omission, error, or negligence are covered by the insurance obtained by the Board.

**ARTICLE VII  
MEETINGS OF DIRECTORS**

**Section 1.      Regular Meetings**

Regular meetings of the Board of Directors shall be held no less than one (1) time a year at such place and hour as may be fixed by the Board of Directors. Notice shall be given annually to the Members of the next year's meeting times.

**Section 2.      Special Meetings**

Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any Director, after not less than three (3) days' notice to all Directors. The meeting shall be held at the same place as the regular meetings, unless unavailable, in which event the president shall designate the place of the special meeting.

**Section 3.      Quorum shall be regarded as an act of the Board.**

A quorum is deemed present throughout any meeting of the Board of Directors if a majority of the Board of Directors is present at the beginning of the meeting. Members present through use of telephone shall be deemed present for purposes of a quorum, and may vote by telephone. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present is an official act of the Board and minutes shall be kept of such meeting.

**Section 4.      Open Meetings.**

Except as provided in this subsection, all meetings of the Board of Directors shall be open for observation by all owners of record and their authorized agents. The board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all owners. Upon the affirmative

vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving the possible liability of an Owner to the Association. The motion shall state specifically the purpose of the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

## **ARTICLE VIII POWERS AND DUTIES OF BOARD OF DIRECTORS**

### **Section 1. Powers**

The Board of Directors shall have the power to do the following:

- (a) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (b) As necessary to pursue the Association responsibilities, employ an independent contractor, or such employees as the Board deems necessary, and to prescribe their duties; and,
- (c) Enforce all covenants, restrictions, and conditions of the Declaration and as amended (this power does not in any way reduce the power of any member to enforce such covenant, nor does it require enforcement unless the Board of Directors deems such enforcement necessary).

The Board shall not act on behalf of the Association to:

- (a) Amend the Declaration in any manner that requires the vote or approval of the Owners;
- (b) Amend the Articles of Incorporation;
- (c) Take any action that requires the vote or approval of the Owners;

- (d) Terminate the Plat or Association; or,
- (e) Elect members of the Board of Directors or determine the qualifications, powers, and duties, or terms of office of members of the Board of Directors; provided, however, that the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.

**Section 2.**     **Duties**

It shall be the duty of the Board of Directors to do, in their discretion, as follows:

- (a) Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by any one of the Members who are entitled to vote;
- (b) Supervise all agents, and employees of this Association, and see that their duties are properly performed.
- (c) Operate, care, upkeep and maintain the Common Areas and Common Amenities;
- (d) Determine the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Property;
- (e) Collect assessments from the Owners;
- (f) Employ and dismiss the personnel necessary or advisable for the maintenance and operation of the Common Areas and Common Amenities. The Directors shall have the authority to enter into a contract for professional management of the Association;
- (g) Adopt and amend rules and regulations covering the details of the operation and use of the Property, including adoption of reasonable fines and penalties for violating the rules and regulations, subject to the right of the Members to overrule the Board;
- (h) Open bank accounts on behalf of the Association and designate the signatories required therefor;
- (i) Establish a reserve fund in the annual budget exclusively for capital improvements and replacement of Common Areas and Common Amenities as needed that shall be separate from regular assessments and placed in an interest-bearing bank account;

- (j) Obtain insurance for the Property;
- (k) Make repairs, additions and improvements to, or alterations of, the Property;
- (l) Grant or relocate easements, provided, however, that no new easements shall be created or granted nor existing easements relocated that would change the function or use of the Property or affect the rights of any Owners, without the unanimous vote of all affected Owners;
- (m) Issue, or cause an appropriate officer to issue, on demand by any person, a statement signed by the treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment.
- (n) Enforce covenants as provided in the Declaration when deemed necessary by a vote of a majority of the Directors (this power of enforcement is in addition to the powers of the enforcement of any individual Owner);
- (o) Procure and maintain adequate liability insurance for the members of the Board of Directors; and,
- (p) Perform any and all other functions expressly set forth in the Declaration and those that are necessary for maintenance and continuance of the Association.
- (q) Procure an audit of the financial records of the Association by a certified public accountant when there is a change of treasurer. On all other years, the audit can be waived annually by 67% vote of the owners; however, an Association audit must be performed at a minimum of at least once every three years.

Generally accepted accounting principles are recommended; however, financial and other records must be sufficiently detailed to enable the association to fully declare to each owner the true statement of its financial status.

## **ARTICLE IX OFFICERS AND THEIR DUTIES**

### **Section 1. Enumeration of Officers**

The officers of this Association shall be a president, vice-president, secretary and treasurer, and the Designated Representative of Merrill Gardens. These officers serve as the Board of Directors. An

Officer position shall not be combined i.e. Secretary/Treasurer position must be held by two individuals.

**Section 2.**      **Election of Officers**

The election of officers shall take place at the annual meeting of the Members.

**Section 3.**      **Resignation and Removal**

Any officer may be removed from office with or without cause by the Membership upon a two-thirds affirmative vote of the total number of votes able to be cast that are present, in person or by proxy, at a properly called meeting at which a quorum is present. 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 such notice or at a later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4.**      **Vacancies**

A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer who is replaced.

**Section 5.**      **Duties**

- (a) **President:**      The president shall preside at all meetings of the Board of Directors or Members, shall see that orders and resolutions of the Board are carried out; and shall sign all written instruments and promissory notes.
  
- (b) **Vice President:** The vice president shall preside at all meetings of the Board of Directors or Members in the absence of the president; see that all orders and resolutions of the Board are carried out to the extent required by the president; sign all written instruments in place of the president when authorized by the Board of Directors, and do any and all other actions required of it on behalf of the Board of Directors.
  
- (c) **Secretary:**      The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify and record

Amendments to the Declaration on behalf of the Association; and 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 Association and shall: disperse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of accounts; serve as chair to the Finance/Budget committee and, prepare an annual budget and a statement of income and expenditures as set forth above. The desired time for preparation shall be prior to the regular annual meeting so that the budget and statement can be presented to the membership at its regular annual meeting.
- (e) **Designated Representative of Merrill Gardens:** The Designated Representative of Merrill Gardens has the full duties and responsibilities of a board member and attends and participates in board meetings and votes on all the issues decided by the Board.

## **ARTICLE X COMMITTEES**

The Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose.

Committee chairs will be appointed by the Board each August, serving for a term of one year. A committee chair, whenever possible, will not be held by a Board Member. Exception: the Budget/Finance committee must be chaired by the Treasurer. In the event a Board Member serves in the capacity of a Committee chair, that he/she shall recuse themselves from any vote regarding an appeal of a committee rule or decision.

A committee is a recommending body, and committee recommendations may or may not be approved by the Board and/or membership due to other considerations.

The committees are:

### **Mandatory committee**

- Architectural Control Committee (ACC)

### **Advisory committees**

- Finance / Budget
- Governance
- Social / Welcome
- Communication
- Maintenance
- Landscape

Within committees, alternating leadership is recommended to give a leadership opportunity to the members.

Maintenance Committee Defined:

- A. This committee, in concert with Merrill Gardens management, oversees and seeks to maintain the mechanics, hardscape and workings within the Common Area and Common Amenities of Rosemount Place.
- B. The committee assists homeowners with exterior home maintenance decisions and responsibilities.

Landscape Committee Defined:

- A. This committee, in concert with Merrill Gardens management, oversees and seeks to maintain the landscape and vegetation within the Common Area and Common Amenities of Rosemount Place.
- B. The committee assists homeowners with maintenance decisions and responsibilities with individual lots.

**Ad-hoc Committees**

These task oriented committees cease to exist once the assigned task has been completed.

**ARTICLE XI  
BOOKS AND RECORDS**

The books, records and papers of the Association shall at times, during normal business hours as determined by the Board, be subject to inspection by any Member, holder of a mortgage on a Lot, and their respective agents on reasonable advance notice. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at reasonable cost.

**ARTICLE XII  
AMENDMENTS**

**Section 1. Bylaws**

Except when prior written approval by the Owners is required in accordance with the Declaration, these Bylaws may be amended by the Board of Directors upon: proper notice to all directors prior to any Board meeting at which a proposed amendment is considered; (ii) a Board resolution adopting

the proposed amendment; and (iii) an approval by 3 of the Board members. A copy of any such adopted Amendment shall be delivered to all Members within thirty (30) days of adoption.

**Section 2.**      **Conflict**

In the case of any conflicts between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIII**  
**INDEMNIFICATION OF DIRECTORS**

**Section 1.**      **Rights of Indemnification.**

The Association shall indemnify its Directors against all liability, damage, or expenses resulting from the fact that such person is or was a Director, to the maximum extent and under all circumstances permitted by law.

**Section 2.**      **Effect on Other Rights**

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right, which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of Members, or disinterested Directors or otherwise.

**Section 3.**      **Insurance**

The Association may maintain insurance, at its expense, to protect itself and any Director, officer, employee, or agent of the Association, or another association, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Association would have the power to indemnify such person against such expense, liability, or loss under the Washington Nonprofit Corporation Act. The Association may enter into contracts with any Director or officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including, without limitations, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

**Section 4.      Advance Payment**

The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

**ARTICLE XIV  
TRANSACTIONS INVOLVING DIRECTORS**

**Section 1.      Transactions**

No contracts or other transactions between this Association and any other corporation, and no act of this Association shall in any way be affected or invalidated by the fact that any Director of this Association is pecuniarily or otherwise interested in, or is a trustee, director, or officer of, such other corporation.

**Section 2.      Disclosure**

Any Director, individually, or any firm of which any Director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the Association; provided, that the fact that such Director or such firm is so interested shall be disclosed to or shall have been known by the Board of Directors or a majority thereof.

**ARTICLE XV  
ATTORNEY FEES**

Should any dispute arise regarding the terms of these Bylaws, the Declaration, the Articles of Incorporation, or the rules and Regulations of the Association, the prevailing party shall recover reasonable attorney fees and costs, including those for appeals.

**ARTICLE XVI  
VENUE**

Venue, for purposes of these Bylaws, shall be Pierce County, Washington.

**ARTICLE XVII  
FISCAL YEAR**

The fiscal year of the Association shall be the calendar year, unless determined otherwise by the Board of Directors.

\*\*\*\*\*

BY WITNESS WHEREOF, I, being the Director of Rosemount Place Owners Association, have hereunto set my hand this 25th day of April 2018.



---

Carol Smythe, Board President