

of the

Nob Hill Road Special Road District (NHRSD)

Douglas County, Oregon

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of the

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Article I Name and Purpose

Section 1 Name

This organization shall be known as the Nob Hill Road Special Road District “NHRSD”. Herein also referred to as “The District” or “District”.

Section 2 Purpose

NHRSD is established solely for the orderly and equitable finance, maintenance and improvement of Nob Hill Road, located in Douglas County, Oregon.

Section 3 Principal Address and Registered Agent

The Address of the District and Registered Office shall be the current address of the President. The Registered Agent of the District shall be the then current President.

Article II Board of Directors, Officers and Committees

Section 1 Board of Directors

The officers of the District shall be the President, Secretary and Treasurer, each of whom shall be elected by and from the membership of the Board of Directors with the exception of the initial Board appointed by the Douglas County Board of Commissioners.

If future elections are not held or are inconclusive and the current Board declares an impasse, the Commissioners of Douglas County, at the current Board’s request, may appoint a District Board and an orderly dissolution of the District at the District’s expense.

Section 2 Powers of Board of Directors

The Board of Directors shall have general supervision over all affairs of the District. The Board of Directors shall formulate policies of this District. The Board of Directors shall do any and all other things necessary to accomplish the purposes of this District.

Section 3 Term of Office

Boards of Directors shall consist of three members elected by the membership for staggered 3-year terms: Initial Elected President: 1-year, Initial Elected Secretary: 2-years; and Initial Elected

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Treasurer: 3-years. Subsequent elections shall be for 3- year terms for each position. An officer may not serve more than two consecutive years in any given office unless a vacancy of indeterminant length would occur without the exception.

Prior to the end of the fiscal year, the Board of Directors will convene a Nomination Advisory committee to recruit and nominate a slate of candidates for soon-to-be vacant positions on the Board of Directors. The election of officers should take place prior to the last meeting of the fiscal year and new officers installed to begin the new fiscal year.

Prior to the end of the fiscal year, the Board of Directors will convene a By Laws Review Advisory Committee to review the then current By Laws and submit a written report to the Board of Directors that confirms their review and provides recommendation for changes which will be included on the year-end ballot.

Section 4 Officers Duties and Qualifications

Each officer shall, at the time of election, at the time of taking office, and throughout the term of office shall be Eligible Voters of the District who are able to fulfill the duties and obligations of their office.

The President presides over District meetings and is responsible for the preparation and official signing of minutes. They also serve as ex-officio member of all NHRSD committees. The President appoints committee chairpersons unless otherwise appointed herein. The President oversees the Budget process and submits the proposed budget for approval by the general membership. The President also performs other duties necessary to carry on the functions of the District.

the Secretary shall act as President pro tempore In the absence the President. The Secretary shall be responsible for notices of public meetings, communication with the membership, arranging each meeting place and time and ensuring that accurate minutes of District proceedings are kept as required by Oregon law, and shall, by signature affixed thereon, attest to all duly adopted ordinances and resolutions of the District and all contracts so required.

It is also the duty of the Secretary to communicate with the Secretary of State per ORS 198, register the Address, and Registered Agent with the Oregon Secretary of State as the Office of President changes.

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The secretary shall be primarily responsible for maintenance of the District website: nhersd.org, and its email: info@nhersd.org.

The Treasurer is responsible for ensuring that all requirements of Oregon's Local Budget Law are followed, and for overseeing financial operations of the District. The Treasurer shall cause to be provided regular financial updates to the Board at least as often as every Regular Meeting. The Treasurer shall cause to be provided regular written financial updates, at anytime, without cause, upon request of the President.

Section 5 Advisory Committees

Advisory Committees may be appointed from time to time as necessary. Upon appointment each Advisory Committee shall be given a specific scope, and timeline by the Board of Directors.

Meetings of Advisory Committees are not subject to Public Meeting Law.

Suggested Advisory Committees include Nominations, Road Work and Budget and Financial Review.

Section 6 Vacancies

Except for vacancy in the office of the President, any vacancy in office shall be filled by appointment by the President, subject to the approval of the Board of Directors, within 60 days of the vacancy. The President shall consider the recommendations from a Nomination Advisory Committee.

Section 7 Disqualification and Removal

In the event a Director is no longer eligible to serve as a Director, resigns their position as a Director or appointed as official of a unit of local government which is a member, or exercises direct control over the District, their position shall be declared vacant by the Board of Directors and another person from the membership shall be appointed by the President pro tempore to fill the remaining term of office.

A position on the Board of Directors shall be declared vacant by the Board of Directors when the person holding such position fails to attend at least 2 (two) duly called regular meetings in a calendar year for which such person has received notification, except when such person is previously excused by the President or Secretary. 3 (three) consecutive absences, whether or

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not excused, will be considered an abandonment of the position and a vacancy will be declared as the first agenda item of the meeting during which the third absence occurs. If the board member who is absent fails to request an excused absence, the absence shall be deemed unexcused.

A director may also be removed for cause by a vote of two-thirds of the members of the Board.

Article III

Definitions

- Apportionment - A formula as decided by the Membership to be used to divide fees equitably and to define who has the authority to cast a vote during any balloting / election process.
- Budget – An amount of money, as proposed by an appointed committee, decided by a membership vote, and approved by the District Board of Directors, that is raised for the legitimate functions of the District.
- Elector – An Eligible Voter, as described herein, authorized to cast a vote on behalf of other property owners of the same property, or on the behalf of another property through the Proxy process. The group of Electors is known as the Electorate.
- Eligible Vote – A single vote is afforded in accordance with the Apportionment of Votes, regardless of the number of individuals or entities listed as owners of record for any given property. An Eligible Vote is cast by an Elector, as defined above.
- Eligible Voter – Any property owner of record within the legal boundary of the District is eligible to cast a vote if they are registered to vote in National Elections of the United States of America and they have not issued a Proxy to another Eligible voter. Only Eligible Votes (see above) are counted in any ballot / election.
- Fees – Monies charged to Members according to an apportionment formula decided by the membership, to support the approved Budget for a given period.
- Property of Record or Property – A defined area of land and improvements attached that is shown on the County Assessor’s map.
- Proxy Voting - A form of [voting](#) whereby an Elector, as defined above (“the Principal”), delegates their voting power to another Elector, to enable a vote in their absence. The representative (The “Proxy”) must be an Eligible Voter in the District and an Elector. Proxies remain in effect until a stated expiration date and time or is withdrawn in writing to the District Registered Agent.

Article IV

District Authority, Liability, Domain and Membership

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Section 1 Authority

The NHRSD is formed under ORS 198 and by declaration of the Commissioners of Douglas County Oregon on March 5, 2025.

Nob Hill Road is a Public Road. All users must obey County, State and federal laws regarding use of public roads. Additionally, each property owner, guests and all users of the public conveyance known as Nob Hill Road, fall under the authority of ordinances passed by the NHRSD in its authority as a Special Road District for the State of Oregon and Douglas County.

Section 2 Liability

NHRSD shall hold Officers, Committee Members, and District Members harmless from individual or personal liability while they are performing faithfully within the scope and authority of their position or as volunteers.

Section 3 Domain

The authority of NHRSD is restricted to matters concerning the maintenance, repair and improvement of Nob Hill Road and its associated drainage to include the road bed and surface, drainage ditches and culverts necessary to allow natural drainage. Driveway culverts on private properties are the landowners' responsibility and must be constructed and to allow free and natural drainage. Natural drainage from landowners' properties must be diverted into the road's drainage ditches and not allowed to drain and erode the road's surface. Trees on private properties are the landowners' responsibility and must be trimmed to allow unimpeded traffic.

Any work on the road, with exception of cleanup, must be done with prior approval of the Board of Directors and in a manner that does not degrade the useability of the road.

Section 4 Membership Rights and Responsibilities

Each person, over the age of 18 years, or entity, listed as a property owner of property on Douglas County Tax roles that lies within the boundaries of the District is considered a member.

Although meetings are public, only members may participate in discussions and voting, or polling, regarding motions, amendments and policies before the Board of Directors.

Abandonment of a property does not absolve the property owner(s) of obligations to the District as members.

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All members, as property owners, must disclose to potential buyers that their property is included within the District. Non-disclosure by previous owners, does not exclude future property owners from membership in and obligations to the District.

Article V

Budget, Membership Fees and Fee Apportionment

Section 1 Budget Method

Each year an Advisory Committee appointed by the Board of Directors, will meet to develop a proposed budget. The proposed budget is submitted in writing with supporting documentation as necessary, to the Board of Directors for acceptance. The Board will submit the proposed and accepted budget to the membership for a vote of approval. The Board will tally the votes and announce the results at the next regular meeting. The newly accepted budget will dictate the membership fees and take effect on the beginning of the next fiscal year.

Section 2 Membership Fees

Membership fees are the major source of funding for the activities of the District. Fees will be assessed to each owner of record of a property within the boundaries of the District and as shown on the District Boundary map accepted by the Oregon State Department of Revenue.

Each year, after the budget has been accepted, or in the case of a special assessment, the Treasurer will send invoices to each property owner for their membership fee for that property. Invoices may be emailed with return receipt request, or mailed at the request of each property owner. The fees shall be due and payable immediately and considered late after 30-calendar days without payment in full. Upon non-payment an initial late notice with a 14-calendar day deadline will be sent. Upon non payment after the initial notice, a final notice, due immediately, will be sent by Registered Mail and include a late fee to cover the costs incurred. Registered Mail will be considered received in 3 (three) business days after sending. If payment is still not received within 5 business days, the Secretary is directed to prepare and record a lien against the property in question for the amount of delinquency plus costs of \$150.00 or actual costs, whichever is greater.

Requests for delays or time payments may be considered on a case-by-case basis, but no longer than 30-day delay or monthly time payment for no more than 3-months.

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Owners of multiple properties, regardless of contiguity, are responsible for the fees, as apportioned herein, for each property. That is, by example, an owner of 2 (two) properties will be responsible for 2 (two) fees, and so forth.

Section 3 Fee Apportionment Method

Fees may be apportioned based on a number of methods, each one creating an adverse effect on some property owners. The fee apportionment method can be changed by a process involving petition to the Board of Directors wherein at least 51% of the electorate has signed the petition.

The Fee Apportionment method is:

A flat fee, equal for all property owners, equal to the Approved Budget amount divided by the number of properties, as defined in Section 2.

Section 4 Special Assessment Fees

When the income of the NHRSD is not sufficient to carry out the goals and responsibilities of the District, the Board may entertain a motion for a special assessment from the membership to cover the shortfall. This motion, once seconded and discussed along with any amendments, will be presented to the Electorate for vote. The Board shall accept the motion as passed when 51% or greater of the Electorate approves the motion.

☐ Emergency Road Repair Assessment – If the road becomes impassable for any users, the Board may declare an emergency and convene an Emergency Meeting to decide the action to be taken. IF unallocated budget amounts are insufficient to cover the costs, an additional assessment to members of an amount equal to the repair cost in accordance with the Fee Apportionment may be considered

Special assessments may also be applied to individual properties under certain circumstances such as:

- Excess wear or damage to The Road due to runoff after a notice to remedy has been issued and no effort to mitigate the damage:
- Excess wear or damage to The Road due to persistent excessive speed or reckless driving by residents or guests;

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- Excess wear or damage to The Road due to heavy equipment greater than 15,000 lbs GVW;
- Excess wear or damage to The Road due to any commercial enterprise undertaken by a property owner or renter that entails increased traffic by the public or delivery services.

Article VI

Elections and Voting

Section 1 Elections

A Vote or Ballot may be by in-person voting (See Quorum) or by hard-copy ballot that is presented to Members and collected by the Secretary. Ballots may contain more than one issue or election of Officer(s). The process, whether in-person or hard copy ballot, is at the discretion of the Board of Directors unless otherwise proscribed herein. Only Electors are able to cast a vote, whether in-person or by hard copy ballot.

The preliminary vote count may be posted on the NHRSD website but is not final until accepted by a simple majority of the Board at the next meeting of the Board of Directors

Section 2 Proxy Voting

Any Eligible Voter may invoke a Declaration of Proxy Vote in writing to the Registered Agent of the District. Proxies will, at a minimum, state the Principal's name, the proxy's name, the inclusive dates of validity of the Declaration of Proxy Vote and have an original (if by hard copy) or certified digital signature (if by email) affixed. The Proxy is effective on the date and hour received, if by email, by the Registered Agent of the District or 3-days after sending by registered mail. The recipient Proxy must be an Elector within the District and agree to assume the Proxy responsibility. A Declaration of Proxy Vote may be revoked at any time in writing by the Principal and sent to the Registered Agent of the District per above methods. In the absence of an expiration, all proxies shall expire on June 30 of each fiscal year.

Section 3 Apportionment of Votes

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The apportionment of votes shall mirror the method for apportionment of fees. Owners of multiple properties, regardless of contiguity, will have 1 (one) vote for each property. That is, by example, an owner of 2 (two) properties will be able to cast 2 (two) votes, and so forth.

Section 4 Quorum

A quorum at any of the meetings of the Board is a minimum of 50% of the Officers.

No specific quorum of the membership is required to hold a meeting, however, in order to hold an in-person vote, other than a straw poll, there must be at least 51% of Eligible Votes (See Apportionment of Votes) present for a Simple Majority and 60% of Eligible votes present for a Super Majority to be valid.

Article VII Meetings (virtual attendance) (rules, petitions, motions)

Section 1 Public Meeting Law

All Meetings of the Board and standing committees, convened to conduct official business, are considered public meetings and must adhere to public meeting laws. At a minimum they must:

- Post reasonable notice of the meeting. This is considered at least 2-weeks for Regular Meetings, 7 days for Special Meetings and 3-Days for Emergency Meetings.
- Posting of Meetings will be by physical signage within the District, email to each Member who opts in to email communications and on the NHRSD website: NHRSD.ORG . Typically public notice will not be mailed.
- All reasonable efforts to send the proposed agenda with the notice will be made. If it is not possible to send the proposed agenda with the notice, the agenda will be sent by email to opt-in Member by email as soon as practicable prior to the meeting.
- Regular communication will be by email to Electors and, eventually, on the NHRSD website.
- Minutes of each meeting will be recorded and available for public viewing.

Advisory or Ad Hoc Committees are exempt from the Public Meeting requirement.

Section 2 Rules Governing Meetings

Rules of Order may be used, however, whenever possible meetings shall be conducted as informally as possible promoting collaboration, inclusivity and productivity. Attendees are

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expected to listen attentively, avoid interrupting and side conversations, and engage in respectful, constructive dialogue, even when disagreements arise.

If necessary, and at the discretion of the Board of Directors, Rosenberg's Rules of Order shall govern the meeting of the members insofar as such rules are not inconsistent or in conflict with these Bylaws. Decisions made outside of the rigors of Rosenberg's Rules of Order shall not be deemed invalid simply due to non, or partial, use of Rosenberg's rules.

Regular Public Meetings shall be held at least once per quarter, with one meeting prior to the end of the fiscal year, devoted to acceptance of a Budget and one meeting devoted to election of Officers.

Special Meetings may be called by an affirmative vote of two-thirds of the Board of Directors with notice given to the membership at least seven days prior to the meeting. The notices shall state the purposes of the meeting.

Emergency Meetings may be called at any time by the President or Secretary, in the President's absence, with notice given to the membership at least three days prior to the meeting unless circumstances require immediate action. The notices shall state the purposes of the meeting.

Executive Sessions may be called at any time by the President or Secretary, in the President's absence, only as authorized by, or required by, Oregon Revised Statutes chapter 192. Executive Sessions may be called at a Regular, Special or Emergency meeting. Before going into executive session, the President, or his or her designee, shall announce the statute(s) authorizing the executive session. No final votes may be taken in executive session.

A Work Session of the Board of Directors and invited members, are not public meetings and used solely for the purpose of organizational issues. No official business can be conducted and no decisions made during a Work Session.

Section 3 Virtual Attendance

In-Person attendance at any public meeting is not required in order for an Officer to have full deliberative and voting rights at the meeting. An Officer may attend a Meeting by telephone or other electronic means, provided the chosen electronic means does not interfere with the ability of the Board, and Membership in attendance, to fully, clearly, and expeditiously deliberate and vote on the matters to be decided and the members of the public in attendance to clearly hear and understand all deliberations as they occur.

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Article VIII

Financial Accounts and Controls

Section 1 Financial Accounts

The Treasurer shall be responsible to open and maintain a checking account at a local financial institution, that offers checking and savings accounts. Such account(s) shall be opened upon approval by the Board by Simple Board Majority, at any Regular Meeting, utilizing monies previously collected prior to the formation of the District to initially fund the account.

All disbursements by check will require 2 (two) Officer's signatures.

The Treasurer may, upon their discretion, maintain a petty cash account of no more than \$100.00

Section 2 Financial Controls

No funds greater than \$500 singly or \$1500 in aggregate for the fiscal year shall be disbursed unless authorized by the adopted budget and only in furtherance of the purposes of the District, unless an emergency is declared by unanimous vote of the Board during an Emergency meeting or, under extraordinary conditions. Any expenditure greater than \$1500 in aggregate for the fiscal year shall be placed before the membership for approval by Super Majority vote of cast ballots.

The Treasurer will be responsible for a written report of financial condition inclusive of all accounts, by calendar month and delivered at each Regular Meeting. Each report, once reviewed, is subject to approval and acceptance by vote of the Board of Directors.

The treasurer will convene a Financial Review Advisory Committee each year prior to the Regular Meeting devoted to the Budget. The purpose of the Financial Review Advisory Committee is to independently review the accounts of the District and submit a written report to the Board of Directors that includes the completeness and accuracy of the financial accounts, their opinion of the financial management and recommendations, if any, for improvements.