

By-Laws
of
Durango Municipal Recreation, Inc.

Doing Business As

Hillcrest Golf Club

Revised November, 2008
Revised July, 2018
Revised November, 2018

Article I **Corporate Powers**

Section 1. This non-profit organization shall be known as the Durango Municipal Recreation, Inc., and the purpose of this Corporation is to maintain a golf course and such other recreation facilities as may come into being.

Section 2. The corporate seal of the Corporation shall be circular in form and shall contain the name of the Corporation, the year of its organization and the words "Seal, Colorado."

Section 3. The management of the affairs of the Club shall be vested in a Board of Directors consisting of nine resident regular members, to be elected as set forth in the Articles of Incorporation, subject to the laws of the State of Colorado and these By-laws. Five Directors will constitute a quorum and all Directors present must vote, the President voting only in case of a tie.

Article II **Elections and Meetings**

Section 1. The annual election of the Board of Directors shall be held electronically at the clubhouse or other place designated by the Board on the second Tuesday of November of each year, at which time there shall be elected to the Board of Directors the necessary number of persons to fill vacancies from the resignation/expiration of the terms of incumbent Directors. The vote shall be cast by secret ballot.

Section 2. The President shall, at least one (1) month previous to the election, appoint from the general membership a committee who shall act as a nominating committee for vacancies on the Board of Directors. No more than three regular members will be nominated for each impending vacancy, but nothing herein contained shall preclude a write-in candidate from the ballot. The nominating committee must submit its slate of candidates to the Board for formal approval. After approval by the Board, the regular members will be notified of said nominations, and the ballots shall be electronically emailed or sent by postal service to the regular members at least three (3) weeks before the election.

Section 3. The Secretary of the Corporation will supervise the election.

Section 4. The Secretary and at least two (2) members of the Board of Directors will certify the electronic results and count paper ballots received, and report to the President in writing the names of the Directors elected, and the number of votes cast for each candidate. A plurality of votes shall elect the candidate and the President shall declare the results at the annual meeting. The Secretary will record the election results in the minutes by stating who was elected and specifying their post election order of finish. The vote tally will not be recorded for those nominees not elected.

Section 5. In case two or more candidates shall have received an equal number of votes and two or more candidates cannot be elected, a ballot shall be taken from all regular members then present at the annual meeting as between such candidates having an equal number of votes only and the candidate or candidates receiving the higher number of votes shall be declared duly elected.

Section 6. Any Board member with three (3) unexcused absences out of the last twelve (12) meetings may be removed as a Director by the Board. An excused absence is notification to the Board President or Club Secretary prior to the meeting that he/she will be unable to attend because of a good faith reason.

Section 7. The term of office for each elected Director shall be for a period of three (3) years unless such Director is elected to fill a vacancy for an unexpired term. The terms of office of each elected Director shall commence immediately after the annual meeting is adjourned and shall continue until the successors of said elected Directors are elected and qualified.

The terms of the offices of the Board of Directors shall be limited to two successive terms of three (3) years each or a maximum of six (6) consecutive years, and upon expiration of said period, said Director shall not be eligible for re-election to the Board of Directors until one (1) year shall be elapsed; however, it is provided that any Director in office shall serve out his term, notwithstanding that the same may extend beyond the six-year period.

No regular member shall be nominated or be eligible to be elected to the Board of Directors unless he/she shall have been a regular member of the Club for a period of at least one (1) year prior to such nomination. No regular member employed by the Club or the Club's Golf Professional shall be eligible to serve on the Board of Directors

Section 8. No regular member shall be eligible for any office of the Corporation or to vote on any matters of the Corporation policy who is delinquent in payment of any dues. Any Board member delinquent in the payment of membership dues is ineligible to vote at Board meetings.

Section 9. Whenever any vacancy occurs in the office of Director, such vacancy shall be filled by an appointee of the Board, and the person so appointed shall hold office until the end of the term of the director being replaced.

Section 10. There shall be regular meetings of the Board of Directors at least once a month at a time and place decided by the Board. The time, place and agenda of regular meetings will be posted. Special meetings may be called at any time by order of the President or of any three (3) Directors. The Secretary shall give each Director notice of such meeting at least one (1) day previous to the date thereof.

Section 11. At any regular annual meeting of the Corporation twenty percent (20%) of the total regular membership present, in person or by proxy, shall constitute a quorum; and all other business transacted at a meeting so constituted shall be valid as if all of the regular members of the Corporation were present and voting.

Section 12. The regular annual meeting of the Corporation shall be held at the clubhouse or other designated place on the second Tuesday of November at 7:00 p.m. At that meeting the President, Secretary and Treasurer shall report on their accounts and general business of the Corporation, and such other business shall be transacted as may be brought before the meeting.

The Secretary shall call the roll at the opening of the meeting and should there be no quorum present, the President shall adjourn the meeting to any day within one (1) week thereafter.

The order of business shall be as follows:

- First-Review minutes of the previous meeting
- Second-Report of officers.

- Third-Miscellaneous business.
- Fourth-Report of election results for Board of Directors.

Section 13. Special meetings of regular members may be called by the Board of Directors with at least a seven (7) day notice being given. Regular members may, on the written application of at least ten percent (10%) of the regular members, call for a special meeting. The purpose of said meeting must be stated in said application.

Section 14. The order of business at meetings of the Board of Directors shall be as follows:

- First - Roll call of Directors.
- Second - Review minutes of the previous meeting.
- Third - Treasurer' Report
- Fourth - Old business.
- Fifth - New Business.
- Sixth - Report of committees, Golf Professional, Grounds Superintendent and officers.
- Seventh - Adjourn.

Robert's Rules of Order may be used as a guide by the President.

Section 15. Directors will serve on the Board without compensation.

Article III **Officers**

Section 1. Immediately after the annual meeting is adjourned, the Board of Directors shall meet to organize the said Board and to elect officers. They shall elect a President, Vice President, Secretary and Treasurer, each of whom must be a Director, but at the discretion of the Board of Directors, the same person may hold the office of Secretary and Treasurer.

Section 2. No Director shall be eligible to be elected President or Vice President of the Corporation unless he/she has served at least one (1) year prior thereto as a member of the Board of Directors.

Section 3. No member of the Board of Directors shall be elected President or Vice President to serve as such officer for terms exceeding a total period of three (3) successive one (1) year terms.

Article IV **Powers and Duties of the Officers**

Section 1. It shall be the duty of the President to preside at all meetings of the Corporation and Board of Directors, to see that the By-laws and such regulations as may be adopted by the Corporation are enforced, to supervise generally all affairs of the Corporation, and at the annual meeting, to make a report of the accounts and general business of the Corporation during the previous year. He/she shall appoint all committees by and with the advice and consent of the Board of Directors, and shall be an ex officio member of same. He/she shall sign jointly with the Secretary all contracts, bonds and/or other instruments of writing, except warrants or checks drawn for payment of bills in the regular conduct of the Corporation affairs.

Section 2. In the absence or inability of the President to act, the Vice President shall perform all

the duties of the President. If the President or Vice President shall be absent from any meeting, the Secretary shall call the meeting to order and a temporary chairman shall be chosen from the Board of Directors to conduct all necessary business.

Section 3. The Secretary shall keep a record of the proceedings of the Board of Directors and of the Corporation in a book kept for that purpose; and he/she shall cooperate with the Treasurer in keeping the book of accounts of the Corporation. He/she shall assist in collecting the funds for the Corporation and conduct official correspondence of the Corporation. He/she shall sign all contracts. He/she will attend to such other business as may belong to the duties of his/her office or as he/she may be directed by the Board of Directors.

For the purpose of aiding the Secretary in the performance of these duties, the Board of Directors may employ an assistant who need not be a regular member of the Corporation, at such salary as they deem proper, who shall hold office during the pleasure of the Board.

Section 4. The Treasurer shall be custodian of the Corporation funds. He/she shall deposit them in some depository under instructions from the Board of Directors. He/she shall supervise the settlement of accounts payable incurred for current expenses of the Corporation, after the approval of said accounts by the Chairman of the Committee having charge of the department in which said indebtedness was incurred and the Board of Directors. The Treasurer shall oversee the financial operations and accounting personnel of the Corporation and shall submit a statement of his/her account with proper vouchers once a month at a regular meeting of the Board of Directors.

All checks issued by the Corporation shall require two signatures, at least one by an officer of the Corporation, or a Director of the Corporation authorized to do so by the Board of Directors.

The Treasurer shall prepare or have prepared for presentation to the Board of Directors no later than January 31 of each year a summary of the annual income and expenditures for the Corporation covering the twelve (12) month period ending December 31 of said year. Upon receipt of written notification from the Board of Directors, the Treasurer shall have a certified audit prepared by a duly qualified certified public accountant of all accounts of the Corporation for the twelve (12) month period ending December 31 or for such other period or periods as may be designated by the Board of Directors in its written notification. The audit shall be completed and presented to the Board of Directors no later than sixty (60) days after receipt by the Treasurer of the written notification requesting said audit.

The Treasurer shall perform such other duties as may properly belong to his/her office or as he/she may be directed by the Board of Directors.

The Board may allow the administrative employees of the Board to make deposits of the funds of the Corporation.

Article V **Powers and Duties of the Board of Directors**

Section 1. All decisions of the Board shall be by a majority vote of the Directors.

Section 2. The Board shall generally conduct, manage, and control the affairs and business of the Corporation and to make such rules and regulations therefore, consistent with the By-laws and the Laws of the State of Colorado and in accordance with the Articles of Incorporation on

file with the State.

Section 3. The Board shall select and remove at their pleasure the employees of the Corporation and prescribe their duties, and fix their compensation .

Section 4. The Board of Directors shall have the power and authority to make the rules of conduct for the members of the Corporation and for the use of the Corporation's property.

On all questions as to the construction of the By-laws and rules of the Corporation, the decision of the Directors shall be final unless rescinded by sixty percent (60%) of the regular members voting at a general meeting.

Section 5. The Board of Directors on behalf of the Corporation shall provide for the maintenance, operation, and improvement of the Corporation and grounds and shall secure such equipment and material as they deem proper. The Board of Directors shall have the power to create such indebtedness as they deem reasonably necessary. The Board will establish the fees for membership and greens fees, cart rentals, range, food and beverage, and other services.

The Board of Directors does not have the right to make assessments against the regular membership.

Section 6. The Board of Directors shall employ a superintendent of the grounds at such compensation as they shall decide who shall have complete charge of the grounds and golf course subject to the direction of the Chairperson of the Grounds Operating Committee, or a director designated by the Board of Directors

Section 7. The Board of Directors shall employ a golf professional at such compensation as they shall decide who will have complete charge of the golf shop, cart and range services, and food and beverage operations and employees hired therein and shall be subject to the direction of the President of the Board of Directors, or a director designated by the Board of Directors.

Section 8. The Board of Directors shall authorize the President to appoint such standing or other committees as in its judgment is necessary for the proper management of the Corporation.

Section 9. The Board of Directors shall adhere to a **Code of Conduct**.

Goal

To establish a set of principles and practices for the Hillcrest Golf Club Board of Directors that will set parameters and provide guidance and direction for board conduct and decision-making.

Code

Members of the Board of Directors of the Hillcrest Golf Club are committed to observing and promoting the highest standards of ethical conduct in performance of their responsibilities on the board. Board members accept this code as a minimum guideline for ethical conduct and shall:

Professional Excellence

- Maintain a professional level of dignity, courtesy, respect, impartiality and objectivity in all Hillcrest Golf Club activities.
- Act with honesty, integrity and openness in all dealings as a board member.

Accountability

- Faithfully abide by the Hillcrest Golf Club Policies and By-laws.
- Exercise reasonable care, good faith and due diligence in club affairs.
- Fully disclose, at the earliest opportunity, any information that may result in a perceived conflict of interest.
- Remain accountable for prudent fiscal management to club members, the board, and if applicable, to the City of Durango.

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Personal Gain

- Exercise the powers invested for the good of all club members and the playing public rather than for own personal benefit.

Confidentiality/Executive Sessions

- Respect the confidentiality of sensitive information known due to board service.
- Respect the confidentiality of the content of discussions and information disclosed in Executive Sessions understanding that Executive Sessions are for discussing/obtaining legal advice, discussing employee situations or any matter that would cause embarrassment to an individual.
- Limit the sharing of confidential information in emails and digital communications.

Collaboration and Cooperation

- Respect the diversity of opinions as expressed or acted upon by the board, committees and membership and playing public, and formally register dissent as appropriate.
- Support the final decision of the board publicly.
- Promote collaboration and cooperation among club members and the playing public.

Article VI

Standing Committees

Section 1. The President shall appoint a Finance and Budget Committee consisting of three (3) or more regular members, at least two (2) of which shall be members of the Board.

It shall be the duty of the Finance and Budget Committee to furnish the Board of Directors with a consolidated budget for operation of the Corporation for the following year and perform such other duties as the Board requires.

The Treasurer, the Golf Professional and the Superintendent of Grounds shall be ex-officio members of this Committee. The Chairperson of each committee shall submit to the Budget Committee an annual estimate of expenditures No Chairperson may exceed any budget items without prior approval from the Board of Directors.

Section 2. The President shall appoint a Membership Committee whose duties will be set forth by the Board.

Section 3. The President shall appoint a House Committee to hold office during the pleasure of the Board and shall be charged with the management of the clubhouse.

Section 4. The President shall appoint a Grounds Operating Committee with the Chairperson designated by the President to hold office during the pleasure of the Board, which committee

shall, subject to the direction of the Board of Directors manage and control the golf course and grounds.

Section 5. The President shall appoint a Tournament Committee, the Chairperson to be designated by the President to hold office at the pleasure of the Board. The Tournament Committee shall:

- Oversee all tournaments held at the Club
- Compute, with regard for golfing regulations of golfing associations of which the Corporation may be a member, at suitable intervals, the handicaps earned by the members and players of the Hillcrest Golf Course and regulate the applications of handicaps in Course events. The Tournament committee may delegate its authority to a Women's Golf Committee in respect to tournaments and handicaps for women.
- Govern the play and conduct of all players on the Course according to such regulations as set forth by the U.S. Golf Association and local rules of this Club to be written and posted on the Club bulletin board. They will be charged with printing the scorecards with U.S.G.A. and local rules printed thereon.

The Golf Professional shall be an ex-officio member of the Tournament Committee.

Section 6. The President shall appoint a Policy Committee, the Chairperson to be designated by the President to hold office at the pleasure of the Board.

Section 7. The Board of Directors shall have the power to appoint other standing and special committees as they shall deem necessary from time to time.

Article VII **Membership**

Section 1. The membership of the Corporation shall consist of two (2) classes: Regular and Junior and any other classes that the Board of Directors shall deem advisable. Membership pricing is determined at the time of application and payment.

Section 2. Regular members are adults who pay full yearly membership dues and their spouses if said spouse has paid his/her annual dues. Only regular members will be allowed the privilege to vote and hold office. Junior members pay discounted yearly dues and therefore are not allowed the privilege of voting on any business of the Corporation.

Section 3. Junior members are defined as all those players under the age of eighteen (18 years).

Section 4. All property and assets of the Corporation shall belong to the Corporation's regular members.

Article VIII **Discipline of Members**

Section 1. The Board of Directors shall hear all cases of discipline for violations of rules of conduct and play and shall take such disciplinary actions as they shall deem necessary.

Article IX
Miscellaneous Regulations

Section 1. All personal and private property left on the premises of this Corporation shall be at the owner's risk. No responsibility for safekeeping or loss shall be attached to the Corporation.

Section 2. Golf professionals may be invited as guests without green fees by any member of the Grounds Operating Committee or Board of Directors or golf professional.

Section 3. Every past, present and future Director and officer shall be indemnified by the Corporation against all judgment and attorney's fees and costs and expenses reasonably incurred by or imposed upon him/her in connection with or resulting from any action, suit or proceeding to which he/she may be made a party by reason of his/her being or having been a Director or officer of the Corporation.

The Corporation does not indemnify Directors and officers for any act of gross negligence, or any act which is malicious, and/or willful and wanton in nature.

Directors shall not be personally liable to the Corporation or its members for monetary damages for breach of any fiduciary Director duty, except to the extent that such breach of duty is: a breach of the duty of loyalty to the Corporation or its members; and act or omission not in good faith or which involves omission not in good faith or which involves intentional misconduct or a knowing violation of law; or a transaction resulting in improper personal benefit to said Director. Furthermore, the scope of this limitation shall be governed by the provisions set forth in the Laws of the State of Colorado, and all amendments thereto.

Notwithstanding any provision in these By-laws to the contrary, the Corporation has the power to indemnify any Director, officer or former Director or officer to the fullest extent provided by the Laws of the State of Colorado by an affirmative vote of a majority of the Board of Directors.

Section 4. The Secretary shall cause these By-laws to be printed and shall furnish a copy thereof to each regular member at such time and in such form as the Board deems advisable.

Section 5. The women golfers of the Corporation by consent of the Board of Directors shall be allowed to form their own organization. All rules and regulations stated in these By-laws shall apply to their organization.

Section 6. The Treasurer shall be bonded under a Surety Bond in an amount deemed advisable by the Board of Directors.

Article X
Recall of Directors

Section 1. Any Director may be removed, either with or without cause, at any time, by the affirmative vote of the majority of the regular members voting at a special meeting of the membership called and held for such purpose. A special meeting of the membership for the purpose of a recall election shall be called by the President within ninety (90) days of the written request of at least twenty percent (20%) of the total regular membership. Written notice stating

the place, day and hour of the special meeting for recall purposes shall be posted on the bulletin-board in the clubhouse and shall be sent to the regular members at least sixty (60) days before the date of the recall election.

Section 2. The Secretary of the Corporation, if not subject to recall, will supervise the recall election. Otherwise, the senior Director not subject to recall will supervise same.

Section 3. If a Director is removed from office by a recall election, he/she may not serve as Director for a period of three (3) years from the date of the recall election.

Section 4. The Board of Directors shall include on the recall election ballot, a ballot to determine the regular member(s) to fill vacancies if a recall is approved by the membership. The nominating and voting procedures to fill vacancies resulting from a recall shall be the same as provided in Article II for the annual election of the Board of Directors.

Article XI **Amendments**

The power to repeal or amend any of the By-laws and adopt new By-laws is hereby delegated to the Board of Directors by an affirmative vote of seven (7) Directors. This power shall not be exercised in any case except upon one week's notice to each regular member of the Corporation, such notice shall include a copy of any By-law intended to be repealed or adopted; and if it is intended to amend the By-law, a copy of each By-law intended to be amended and said By-law as it will read when amended shall be directed to each regular member.

If twenty percent (20%) of the regular members shall, before the meeting at which the By-law is to be repealed, adopted or amended, notify the Secretary in writing that they object to the repeal, adoption, or amendment such By-law shall not be repealed, adopted, or amended except by a vote of a least sixty percent (60%) of the regular members present or by proxy at any annual meeting of the Corporation, or meeting called for that purpose.

If twenty percent (20%) of the regular members do not before such a meeting of the Board of Directors notify the Secretary in writing that they object, the Board of Directors shall have the power at said meeting to repeal, adopt, or amend any of the By-laws mentioned in the notice given the regular members in accordance with such notice.

End of By-Laws