

By-Laws
of
Durango Municipal Recreation, Inc.

Doing Business As

Hillcrest Golf Club

Revised November, 2008

Revised July, 2018

Revised November, 2018

Revised April, 2019

Revised November, 2019

Revised September, 2020

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Article I. Name of the Corporation and Corporate Powers

Section 1. This non-profit organization shall be known as Durango Municipal Recreation, Inc., doing business as Hillcrest Golf Club, located at 2300 Rim Drive, Durango, CO, 81301.

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."

Article II. Corporate Purpose

Section 1. Non-Profit Purpose. The purpose of this Corporation is to promote the health and general welfare of the citizens of Durango and the surrounding territory by providing, maintaining, and promoting adequate recreational facilities for the citizens of the City of Durango and vicinity and for visitors to this community and to that end this corporation shall have the power to receive, hold, enjoy and disburse all property and money of every kind and nature donated, bequeathed, devised, conveyed, or transferred to it and to assign and pay over from time to time to such social, civic, and charitable organizations as it may choose such proportion of its property, funds, and income as may be determined by the Board of Directors of this corporation. This corporation shall have the power to lease land and chattel property for the purpose of public recreation and to sublease and assign any lease or to sell or exchange property and may borrow money and pledge the assets of the corporation in accordance with the By-Laws and, in general, may hold such property, manage and control the same, and do all things necessary to promote recreation of all kinds, including, but not by way of limitation, golf, swimming, tennis, public playgrounds, music, municipal auditorium, public sport spectacles, and any and all other recreational activities for the public in general and may sublease or sublet lands and facilities to private non-profit organizations organized for recreational and social purposes.

- Durango Municipal Recreation, Inc. Articles of Incorporation dated June 11, 1954

Section 2. Dissolution. The properties and assets of this corporation are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of this corporation on dissolution or otherwise shall inure to the benefit of any person or any member, director, or officer of this corporation. On liquidation or dissolution, all remaining properties and assets of the corporation shall be distributed and paid over to a municipality or organization dedicated to non-profit purposes.

Article III. Membership

Section 1. The membership of the Corporation shall consist of three (3) classes: Regular Members and Junior Members, College Members 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 through the purchase of a Full Season Pass, Spouse Season Pass, Afternoon Season Pass, or Twilight Season Pass. Only Regular Members will be allowed the privilege to vote and hold office. Junior Members and College Pass holders 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 eighteen (18) years old or those enrolled full time in high school and have paid their annual dues. College Members are defined as individuals enrolled full time in a school of secondary education, including but not limited to community and

vocational colleges and four-year colleges and universities.

Section 4. Rights and Privileges. Each Regular Member shall be eligible to cast one vote in corporation elections and is eligible to become a candidate for election to the Board of Directors.

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 men 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

Article IV. Meetings of Members

Section 1. There shall be Regular Meetings of the Board of Directors at least once a month at a time and place decided by the Board. During winter months, the Board may cancel one Regular Meeting. 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. Virtual meetings via electronic media shall be allowed if the majority of Board Members approve such a virtual meeting.

Section 2. The order of business at Regular Meetings of the Board of Directors shall include, but not be limited to: Roll Call of Directors, Review of Minutes of the Previous Regular Meeting, Public Participation, Golf Professional's Report, Course Superintendent's Report, Finance Manager's Report, Old Business, Consent Agenda, New Business, Committee Reports, Calendar Items, and Adjournment.

Section 3. There shall be an Annual Meeting of the Board of Directors held once yearly. At any 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 4. The Annual Meeting of the Corporation shall be held at the clubhouse or other designated place on the third Tuesday of December at 5:30 p.m. or at a date and time in December determined by the Board President with a minimum of thirty (30) day notice to the Regular members. 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 at Annual Meetings of the Board of Directors shall include, but not be limited to: Review of minutes of the previous Annual Meeting, reports of officers, miscellaneous business, report of election results for the Board of Directors, and Adjournment.

Section 5. 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 and limited to that purpose in said application.

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

Article V. Board of Directors – Powers and Duties

Section 1. 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.

Section 2. All decisions of the Board shall be by a majority vote of the Directors, with the exception of amendments to the By-Laws as described in Article X below. Matters that require board approval by vote include, but are not limited to: approval of the annual budget; expenditures that exceed the current budget as described in the Financial Policies; the establishment or revision of By-Laws, corporate policies, employment agreements and job descriptions for managers directly reporting to the Board; fees for Club services; and any matter that obligates future boards to actions.

Section 3. The Board shall generally conduct, manage, and control the affairs and business of the Corporation and make such rules and regulations consistent with the By-laws, the Laws of the State of Colorado, and in accordance with the Articles of Incorporation on file with the State.

Section 4. The Board shall select and remove at their pleasure managerial employees of the Corporation, prescribe their duties, and fix their compensation.

Section 5. 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 6. The Board of Directors on behalf of the Corporation shall provide for the maintenance, operation, and improvement of the Corporation's assets, property, and grounds and shall secure such equipment, material, staffing, and professional consultation 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 fee. The General Manager will establish the fees for 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 7. The Board of Directors shall employ managers who report directly to the Board and are responsible to perform their duties according to their job descriptions. The Board shall determine compensation and benefits for these managers and shall perform annual performance evaluations for each manager. These managers may include, but not be limited to a General Manager, Course Superintendent, and Finance Manager.

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 serve as the avenue of appeals for all for violations of Club Policies, and personnel matters, and shall uphold, reject, or modify disciplinary actions as they shall deem necessary. The decision of the Board is final.

Section 10. The Board of Directors shall establish and adhere to a statement of Mission, Vision and Guiding Principles, and a set of Corporate Policies, which it shall revise periodically to meet the needs of the corporation. Corporate Policies shall include, but not be limited to Financial Policies and Club Policies.

Section 11. The Board of Directors shall adhere to a **Code of Conduct**, as follows:

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.

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 personnel matters 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.

Section 14. Election to the Board of Directors. The annual election of the Board of Directors shall be held electronically at the clubhouse or other place designated by the Board on the third 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 15. The President shall, at least two (2) months 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.

Should the nominating process fail to produce sufficient candidates for a Board vacancy, the Board may appoint an Interim Director for a one-year term of service for each vacant position.

Section 16. The Secretary of the Corporation will supervise the election.

Section 17. The Secretary and at least two (2) members of the Board of Directors will certify the electronic results, 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.

Section 18. 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 19. 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 on January 1 after being elected 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 Member employed by the Corporation shall be eligible to serve on the Board of Directors.

Section 20. No Board Member shall be eligible for any office of the Corporation or to vote on any matters of the Corporation policy that is delinquent in payment of any dues, rental fees, or other

charges.

Section 21. 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 22. Directors will serve on the Board without compensation.

Section 23. 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's President or Secretary prior to the meeting that he/she will be unable to attend because of a good faith reason.

Section 24. 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 25. 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 26. 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 27. 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 for the annual election of the Board of Directors.

Article VI. Officers- Powers and Duties

Section 1. Immediately after the Annual Meeting is adjourned, the Board of Directors shall meet to organize the said Board and to elect officers for the next calendar year. 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. No other business shall be conducted. Terms of officers shall commence on January 1 after the election.

Section 2. Any Officer may be removed, either with or without cause, at any time, by the affirmative vote of the majority of the Board of Directors.

Section 3. 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 4. 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.

Section 5. President. 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 6. Vice-President. 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. The President may assign additional duties to the Vice-President as warranted.

Section 7. Secretary. The Secretary shall keep a record of the finances and proceedings of the Board of Directors and of the Corporation in files kept for that purpose. He/she shall conduct official correspondence of the Corporation, shall sign all contracts, and attend to such other business as may be directed by the Board of Directors.

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.

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 8. Treasurer. The Treasurer shall be the chair of the Finance and Budget Committee and shall attend to such other business as directed by the Board. The Treasurer shall work with the Finance Manager to ensure compliance with all financial policies, procedures and internal controls.

Article VII. Committees

The President shall establish committees and appoint, or subsequently remove, Chairpersons to assist the Board of Directors in managing the affairs and business of the Corporation. Each Committee shall include one or more Board Members. The Chairperson of each committee shall formulate the committee and report its activities periodically to the Board.

Section 1. Finance and Budget Committee. The President shall appoint a Finance and Budget Committee to assist the Finance Manager in the management of all financial and budgetary operations. The Treasurer, Finance Manager and the General Manager shall be members of this Committee, and two additional members may be selected by the Committee. The Committee shall perform such other duties as the Board requires. Budget development shall include input from the General Manager, the Course Superintendent, the Finance Manager, the Treasurer and all Committees.

Section 2. House Committee. The President shall appoint a House Committee to assist in the

management of the clubhouse.

Section 3. Grounds Operating Committee. The President shall appoint a Grounds Operating Committee to assist in the management of the golf course and grounds.

Section 4. Tournament Committee. The President shall appoint a Tournament Committee to assist in:

- Overseeing all tournaments held at the Club
- Computing, 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.
- Governing 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 General Manager shall be an ex-officio member of the Tournament Committee.

Section 5. Golf Operations Committee. The President shall appoint a Golf Operations Committee to assist in the management of the Golf Shop, Carts and Range, and Food Service operations.

Section 6. 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 VIII. Corporate Staff

Section 1. Equal Opportunity. Durango Municipal Recreation, Inc. is an Equal Opportunity Employer.

Section 2. Managers Evaluation. The Board of Directors shall perform annual performance evaluations for the Corporation's managers who report directly to the Board of Directors, including, but not limited to the General Manager, Course Superintendent, and Finance Manager. Evaluations will be used to provide constructive feedback to the manager, identify goals, and adjust compensation as warranted. Annual evaluations for full time employees supervised by the Corporation's managers will be performed by each employee's direct supervisor.

Section 3. Board of Directors Chain of Command. Directives from the Board shall be conveyed to the Corporation's managers, who subsequently convey those directives to the employees under their supervision. The Board expects that each manager will provide the instruction, training, and frequent monitoring to accomplish the Board's directives. Members of the Board shall not direct the work of employees subordinate to a manager unless emergency conditions prevail.

Section 4. Stakeholder's Chain of Command. The Board of Directors shall only act on matters that have utilized remedies available at the next administrative level available to the employee, Member, or golfer.

Article IX. Indemnification

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; an act or omission not in good faith or an act or omission which involves intentional misconduct or a knowing violation of law.

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.

Article X. 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.

Revision of By- Laws

Approved and adopted by the Board of Directors on this (Date) _____.

By _____ Bryce Fauble, President

By: _____ Marcia Baxter, Secretary