

**RESOLUTION  
OF  
THE BATTLEMENT MESA SERVICE ASSOCIATION**

**SUBJECT:** Clarification of whether Delegate approval is required for the acquisition, holding, encumbering or conveyance of money of the Association.

**PURPOSE:** To provide notice of the Association's adoption of a Resolution which clarifies whether Delegate approval is required for the Association to acquire, hold, encumber or convey money.

**AUTHORITY:** The Declaration and Colorado law.

**EFFECTIVE DATE:** November 16, 2010

**RESOLUTION:**

WHEREAS, Article IV, Section 4.2 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Battlement Mesa provides that one of the duties of the Association is to:

Accept title to any property transferred to the Service Association as Service Association Properties, including any Improvements thereon, provided that such transfer and property are not inconsistent with the terms of this Amended and Restated Declaration. "Title" interests transferred to the Service Association may include fee simple title, easements, leasehold interests and contractual rights or other rights or licenses to use property. Any property or interest in property transferred to the Service Association shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Service Association free and clear of all liens (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Amended and Restated Declaration and of any applicable Supplemental Declaration.

WHEREAS, Article IV, Section 4.3(a) of the Declaration states the Association has the power, in pertinent part, to:

Acquire property or interests in property for the common benefit of Owners, including Improvements and personal property, and construct Improvements on property and demolish existing Improvements. . .

WHEREAS, Article IV, Section 4.3(h) of the Declaration provides the Association has the power to:

With the approval of Delegates representing at least two-thirds (2/3) of the Membership votes, grant, convey, dedicate or transfer any Service Association Properties or facilities owned by the Service Association to any public or governmental agency or authority, for such purposes and subject to such terms and conditions as the Service Association shall deem appropriate, subject to the other provisions of this Amended and Restated Declaration.

WHEREAS, Article 9, Section 9.1(i) of the Amended and Restated Bylaws of Battlement Mesa Service Association states the Board of Directors has the power to:

Acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real or personal property pursuant to the consent requirements set forth in the Declaration and Articles of Incorporation, if any, and upon approval of two-thirds (2/3) of the membership votes of the Association.

WHEREAS, Article I, Section 1.38 of the Declaration defines Service Association Properties as:

[A]ll real and personal property, including Improvements: now or hereafter owned by the Service Association; or which the Service Association has a contractual right to use; or which the Service Association maintains, holds or uses for the common use and enjoyment of all or certain of the Members or for other purposes which may be permitted by this Amended and Restated Declaration.

WHEREAS, the Declaration and the Bylaws are ambiguous in relation to whether money is property or personal property in relation to whether Owner or Delegate approval is required for the acquisition, holding, encumbering or conveyance of money.

WHEREAS, the Board has a legal right to clarify ambiguities in the Declaration through a resolution.

NOW THEREFORE, the Board of Directors adopts the following to clarify the whether money is considered to be "property" or "personal property" in relation to the acquisition, holding, encumbering or conveying of money:

1. Money or funds of the Association collected through assessments or otherwise shall not be deemed to be "Service Association Property", "real property" or "personal property" in relation to the provisions of the

Declaration and Bylaws quoted in the Recitals above. Accordingly, the Board of Directors may acquire, hold, encumber, convey, transfer and/or spend the money or funds of the Association without Delegate or Member approval, subject to any other applicable limitations contained in the Declaration.

2. All of the provisions of the Declaration and Bylaws quoted above shall apply, however, to any real or tangible personal property owned by the Association (i.e., Service Association Properties). Accordingly, pursuant to Article IV, Section 4.3(a) of the Declaration and Article 9, Section 9.1(i) of the Bylaws, the Association shall not acquire, hold, encumber or convey any such real or tangible personal property, such as real estate or physical/tangible personal property without the approval of Delegates representing at least 2/3 of the Membership votes.

**PRESIDENT'S  
AND  
SECRETARY'S**

**CERTIFICATION:** The undersigned, respectively being the President and Secretary of the Battlement Mesa Service Association, a Colorado nonprofit corporation, certify that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on November 16, 2010, and in witness thereof, the undersigned have subscribed their names.

**BATLEMENT MESA SERVICE  
ASSOCIATION,**

a Colorado nonprofit corporation,

By:   
Its: President

ATTEST:

By:   
Its: Secretary