

KISSING TREE®

SAN MARCOS ★ TEXAS

Kissing Tree Villas Condominiums Corporate Transparency Act Policy

Whereas, the Federal Corporate Transparency Act (CTA) aims to enhance corporate transparency and combat illicit financial activities by requiring certain corporations and limited liability companies to disclose Beneficial Ownership Information (BOI) for individuals who own or control them;

Whereas, the Kissing Tree Villas Condominiums (the “Association”) is a not-for-profit community association entity which is not federally tax exempt, and is therefore subject to the CTA;

Whereas, compliance with the CTA hinges upon adherence to filing requirements established by the Financial Crimes Enforcement Network (FinCEN), a subsidiary of the US Treasury Department;

Whereas, as of the date of this resolution, officers and directors of community associations meet the definition of a Beneficial Owner as that term is defined by the CTA and its implementing regulations;

Whereas, the above referenced filing requirements include the submission of sensitive data, and the Association does not wish to generate, distribute or store that data;

Whereas non-compliance with the CTA carries significant fines and penalties, which the Board seeks to avoid.

Now therefore be it resolved that:

1. As a condition of service on the Association’s Board of Directors (“Board”) and / or as an Officer on the Board, the Association requires its individual members to submit all of their individual BOI to FinCEN.
 - a. As of the date of this Resolution, the BOI includes name, date of birth, current address and a Federally recognized identifying number (*e.g., a non-expired driver’s license number, non-expired passport number, Social Security number, or other non-expired state-issued identification number.*)
 - b. FinCEN will make the final determination as to what information it will require a Beneficial Owner to provide. The above requirements are subject to change without notice or amendment to this Resolution.
2. Association Board members who are unwilling to share their BOI with FinCEN subject the Association to liability exposure, including criminal liability. Board members would therefore be in breach of their fiduciary duty by failing to register their BOI with FinCEN.
3. Due to data privacy concerns, neither the Association nor its managing agent should possess, assemble or house the sensitive BOI for individual Board members. Accordingly, **individual**

Board members must obtain a unique “FinCEN ID” number through FinCEN, and share their FinCEN ID number with the Association, which will allow the Association to timely complete its FinCEN filing.

4. The Association, through its Managing Agent or other engaged representative, shall diligently assemble, collect, accurately report and accurately update the Board members’ FinCEN ID numbers to FinCEN within the timeframes imposed by the CTA.
5. In light of the above condition of Board service, any Board Member who fails to obtain and submit to the Association their FinCEN ID number in accordance with timeframes imposed by the CTA shall be deemed to have voluntarily *resigned* from the Board, and their replacement may be elected or appointed in accordance with the Association’s Declaration, Bylaws or Articles of Incorporation.
6. Following a change to their BOI, any individual Board member who fails to *update* their BOI with FinCEN in accordance with timeframes imposed by the CTA shall be deemed to have voluntarily *resigned* from the Board, and their replacement may be elected or appointed in accordance with the Association’s Declaration, Bylaws and / or Articles of Incorporation.
7. Should the CTA or the regulations promulgated by FinCEN concerning the implementation of the CTA be terminated or altered in any way such that it is no longer applicable to community associations, this Policy Resolution shall immediately become null and void without further action from the Board.
8. Individual Association members may obtain additional information regarding the CTA or FinCEN by visiting www.fincen.gov.

X  11/18/24

Matt Chase Date
Board President

X  11/18/24

Laurie Meneley Date
Board Secretary