

California Tradewinds Homeowners Association

**POLICY REGARDING COMPLIANCE WITH THE
CORPORATE TRANSPARENCY ACT**

Recitals

- A. The federal government, through the United States Department of Treasury, is implementing the Corporate Transparency Act ("CTA"). Pursuant to the CTA, corporations with less than \$5 million in annual gross receipts and fewer than 20 full-time employees which are not exempt from taxation pursuant to Section 501(c)(4) of the Internal Revenue Code are required to file information on-line with the Financial Crimes Enforcement Network ("FINCEN") of the Treasury Department.
- B. Among other things, the FINCEN reporting requires corporations to submit information regarding the individuals who exercise "substantial control" over the corporation and its finances.
- C. California Tradewinds Homeowners Association ("Association") seeks to comply with the CTA and submit appropriate disclosures to FINCEN.
- D. In the event that one or more Board members or officers of the Association object to the FINCEN reporting and refuse to comply with the same, the Board of Directors is adopting the following policy to protect the Association from fines/penalties which may result from noncompliance.

NOW, THEREFORE, the Board hereby adopts the following policy:

Policy

Any Association director or officer who refuses to cooperate with and submit reports to FINCEN for compliance with the CTA will be:

- (1) Removed by the Board from any office he/she holds with the Association, such as President, Vice President, Secretary or Treasurer; and
- (2) The Board of Directors will form an Executive Committee of the Board excluding therefrom the noncompliant/noncooperating Board member(s).

The Executive Committee will be given the full authority of the Board of Directors to the extent permitted by California Corporations Code Section 7212. Accordingly, upon formation of the Executive Committee by Board resolution, noncooperating Board member(s) excluded therefrom will not exercise substantial control over the Association and its finances since the Association's

business will be overseen and conducted by the Executive Committee upon which the noncooperating Board member(s) do not serve.

Certificate of Secretary

The undersigned certifies that he/she is the duly appointed Secretary of the California Tradewinds Homeowners Association and that the foregoing policy was duly moved and adopted by the requisite majority of a quorum of the Board of Directors of the California Tradewinds Homeowners Association at a duly noticed and agendized meeting held on November 6, 2024, at Temecula, California.

Dated: 11/6/2024

Mike McEntee
Secretary, California Tradewinds
Homeowners Association