

SUGARLOAF MOUNTAIN OWNERS' ASSOCIATION, INC.

BOARD OF DIRECTORS SPECIAL MEETING MINUTES DECEMBER 7, 2024

PRESENT: John Larson, David Cravens, David Sarricks, Patricia Grymala and Aileen Law.

David Sarricks collected the written certifications, in compliance with Chapter 47, Article 16 of the NM Homeowners' Association Act, from each Board member before the meeting was called to order.

Special Meeting called to order at 10:07 am at the home of John Larson.

This meeting was called to address three pressing matters: 1) Beneficial Owner Information reporting requirements under the Corporate Transparency Act, 2) recent variance requests from Freddie Fuentes and Linda Loewen, and 3) Certificate of Deposit maturity/bank account relationships.

Corporate Transparency Act/Beneficial Owner Information

Aileen Law presented the Board with an outline of the statutory requirements of the Corporate Transparency Act (CTA), which includes the requirement that each director provide identifying information for the Beneficial Owner Information Report (BOIR) to be filed by the Association, a "reporting company" under the CTA. The CTA is part of the Anti-Money Laundering Act of 2020 (AMLA) and authorizes the Financial Crimes Enforcement Network (FinCEN) to collect beneficial ownership information and share it with recipients including federal law enforcement.

Under the CTA, beneficial ownership information (BOI) includes the following personal information: full legal name, date of birth, current address, unique identifying number and issuing jurisdiction, and image of the director in the form of a non-expired US passport, State driver's license or Identification document issued by a state, local government or tribe. To help protect an individual's personal information, each director may obtain a FinCEN ID number to comply with the reporting requirements. A FinCEN ID is a unique identifying number that the FinCEN will issue to an individual or reporting company after it receives the above information directly and separately from the individual or reporting company. It allows a director to share just their FinCEN ID with the Association. Aileen suggested that each director register with FinCEN and obtain their own unique FinCEN ID so they would not have to disclose their personal information to the individual submitting the BOIR.

It was agreed that obtaining FinCEN IDs was the best way to comply with the law. Aileen Law agreed to file the BOIR for the Association. Compliance deadline is December 31, 2024.

Post-meeting note: An injunction was recently granted by a district court in Texas that stayed the reporting requirements. An appeal is pending. No action required at this time. We will monitor the progress of the appellate action.

Variance requests

The request by Freddie (Wolf) Fuentes to place a gate on Metate Lane was discussed. Aileen Law provided the Board with the information she gathered from the Catron County Assessor's Office. The research confirmed that the Board lacked the authority to grant the gate variance and that the Board's denial was proper. The proper process involves obtaining approval from the Catron County Board of Commissioners for a "vacation of public roads" pursuant to NM Stat § 67-2-6. A letter was drafted to send to Mr. Fuentes, via certified mail, and signed by President John Larson.

David Sarricks made a motion that the Board not object to a County Commissioner's decision to vacate the Metate Lane road; motion seconded by John Larson and unanimously approved.

The request from Linda Loewen for a variance to keep six goats was reviewed. The Board had previously denied her request and was presented with a letter to send to her via certified mail, formally denying the request. The letter was approved by the Board and signed by President John Larson.

Certificate of Deposit/bank account

David Sarricks informed the Board that the CD with First State Bank had matured on November 24, 2024 and had earned \$526.43 in interest. An unintended consequence of pulling the funds from the savings account resulted in approximately \$52.00 in bank fees being assessed. The fees were imposed because the balance in the savings account fell below \$10,000.00. Additionally, First State Bank informed the Association, in writing, that the CD would renew at a rate of 1.76%, unless instructed otherwise within ten days. David Sarricks had already instructed the bank to transfer the proceeds to the savings account.

David Sarricks outlined the account balance requirements and interest rates from First State Bank. The interest rate on the savings account is 0.20% and a \$10,000.00 minimum balance must be maintained to avoid service fees, which are approximately \$13.00/quarter. It should be noted that First State Bank does not appear to be competitive with respect to interest rates and minimum balance requirements to avoid service fees.

David Sarricks presented the Board with an overview of the fee schedule and a deposit rate sheet from Washington Federal Bank (WaFd Bank), a regional bank having a branch in Socorro, NM. Banking with WaFd Bank would be beneficial to the Association with respect to fees, minimum balance requirements and interest rates. WaFd Bank offers a no fee, free business checking account, savings account options that earn 0.80%-1.00% with a \$1,000.00 minimum balance requirement to avoid fees and a range of CD options of varying maturity dates and interest rates ranging from 3.5% to 4.5%.

David Sarricks made a motion to terminate the relationship with First State Bank and open accounts with WaFd. The motion was seconded by Aileen Law and unanimously approved.

Sarricks informed the Board that additional signers for the checking account need to be added to the account. Pat Grymala and David Cravens volunteered to be added to the account and were approved unanimously by the Board.

The Board also agreed to place \$15,000.00 in a short term CD (4-5 months).

David Sarricks made a motion to adjourn the meeting. Cravens 2nded. The motion was unanimously approved.

Meeting adjourned at 11:08 am.

Next regular Board meeting is January 11, 2025 at 10:00 am at John Larson's place.