

Mariposa Community Association, Inc. Budget & Finance Advisory Committee Charter

Effective January 29, 2025

The Board of Directors (“**Board**”) of the Mariposa Community Association, Inc. (“**Association**”) has adopted and approved this Charter, setting forth the purpose, duties, responsibilities, membership requirements, meetings and reporting of the Budget & Finance Advisory Committee (“**BFAC**”), an advisory committee of resident volunteers operating under the overall direction of the Board.

1. Purpose. The purpose of the BFAC is to serve the residents of the Association upon request of the Board and subject to Board oversight. The goal of the committee is to provide recommendations to the Board that are consistent with the Association’s long-term goals that will serve to maintain and enhance the financial stability of the Association. Additionally, the committee’s goal is to ensure that operating and reserve funds are adequately funded to maintain and replace its assets when needed to maintain and enhance property values and avoid future special assessments.
2. Duties and Responsibilities. The primary responsibility and function of the committee is to proactively review and provide recommendations to the Board with respect to the financial health, stability and affairs of the Association and the annual operating and reserve budgets to include the following:
 - A. Review and understand the operating and reserve fund budgets and the reserve study.
 - B. Review the financial package each month and provide input to the Board with respect to the management of revenue and expenditures.
 - C. Provide input to the Board with respect to the investment strategy.
 - D. Provide input to the Board regarding budget preparations for the upcoming year.
 - E. Provide input to the Board regarding the reserve study.
3. Membership. All members of the BFAC shall be residents of Mariposa who are in good standing with the Association with no open compliance violations or assessment balance due. The Board shall appoint (5) five members to the committee annually from applications solicited from the association membership. The committee members shall elect one person to serve as Chairperson. Subject to the discretion of the BFAC members, the Association’s governing documents, and New Mexico law, all residents of the Association may attend BFAC meetings.
4. Resignation and Removal of Members. A BFAC member may resign at any time or, in the case of non-compliance with the BFAC Charter or any other valid reason in compliance

with the governing documents and New Mexico law, the Board may remove a member of the BFAC at any time.

5. Terms. BFAC members shall be appointed to a one (1) year term, subject to earlier removal by the Board. Appointments shall be made by the Board from time to time as needed due to any vacancy or other reason as determined by the Board. The new member shall serve for the remainder of the term.
6. Role of Chairperson. The Chairperson is responsible for sending out meeting notices and agenda, presiding at BFAC meetings, appointing an acting chairperson in the absence of the Chairperson and communicating recommendations to the Board at each Board meeting and serving as the point of contact with the Board.
7. Meetings. The BFAC shall schedule and hold meetings on a regular scheduled basis. Notice of such meetings shall be provided in advance to the BFAC members and Mariposa residents in the same manner as notice of Board meetings is required in the Bylaws. A majority of the BFAC members constitute a quorum at any meeting. Any action of the BFAC may be taken by the majority of BFAC members present so long as a quorum has been established.
8. Reporting. The Chairperson, or designee, shall report to the Board at least quarterly, in writing, as to the activities of the BFAC (past, present and future). The BFAC shall prepare and report meeting minutes promptly to Association staff.
9. Budget and Spending Authority. The BFAC has no budget or spending authority. Funds for Board-approved recommendations by the committee are made at the sole discretion of the Board on a case-by-case basis.
10. Authority to Act. The BFAC only serves in an advisory capacity and at the pleasure of the Board. The BFAC and its members shall have no authority to act on behalf of the Association or the Board unless specifically authorized by the Board in writing, and in such event the authority granted is limited as written. BFAC members shall not represent, suggest or imply to anyone that they speak for the Association.
11. Non-Exclusive Scope and Legal Matters. The purpose and scope of work of the BFAC is not exclusive to the BFAC and is not intended to replace or prohibit conversations between Board members, officers, or Association staff related to matters that may fall within the scope of the BFAC. All legal matters will be immediately forwarded to the Board for consideration and resolution in the executive session.
12. Review. The efficacy of the BFAC will be evaluated by Association staff and the Board from time to time and this Charter may be reviewed and updated as needed by the Board. In addition, the BFAC shall review this Charter annually and recommend any proposed changes to the Board for consideration.