

MUTUAL OPERATIONS**REPLACEMENT RESERVE FUND – Mutual Sixteen****I. Information**

The Mutual shall establish and maintain a reserve fund for replacements by the allocation to such reserve fund in a separate account. The amount determined by the Replacement Reserve Study is available to replace the following items:

1. Range, Electric
2. Refrigerator, Electric
3. Kitchen Sink
4. Lavatories and Fittings
5. Toilets and Valves
6. Bathtubs, Fittings, Shower Stalls
7. Laundry Room Washers
8. Laundry Room Dryers
9. Hot Water Heaters, electric (in unit or laundry room)
10. Garbage Disposals
11. Heaters, Electric Radiant
12. Roofing, Built-up or Shingle
13. Flashings, Gutters, Downspouts, GI
14. Electric Fixtures
15. Ventilating Fans and Blowers
16. Window Screens, Aluminum

II. Use of Fund

Whenever the Mutual Board determines that an item on the above list needs to be replaced, the procedure is as follows:

1. Upon completion, authorize the work to be done and payment to be made.
2. Adopt a resolution certifying that the work covered by the receipted bills has been completed, and authorize the Accounting Department to reimburse from the Appliance Fund or from a specific Reserve Replacement Fund in the amounts enumerated and the items specified. Further, authorize an officer of the corporation to execute the authorization for payment.

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3. Mutual Sixteen maintains an Appliance Fund and several specific reserves: Roofing, Infrastructure and Paint. In addition, there is an Operating Fund and an Emergency Reserve.
4. Depending on the specific repair, any of the Reserve Funds can be sourced for payment depending on the specific need and specific reserve or fund. The majority of repairs will be sourced from the Appliance Fund, except if roofing repairs are needed those repairs will be funded from the Roofing Reserve.
5. Board approval is needed for any contracted repairs such as Re-roofing or Major Infrastructure repairs and any changes to the contract.

MUTUAL ADOPTION**AMENDMENT**

SIXTEEN: 20 Jun 11

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