



Maintenance & Reserve Policy

Purpose:

A Maintenance & Reserve Fund* (M&RF) shall be established by the MOA Board of Directors for the purpose of repairing or replacing high expense assets where the costs for such maintenance and/or repair is outside of normal or routine care.

Policy:

The funds deposited in the M&RF shall be used for the repair and replacement of assets and properties owned by the Michaywe Owner's Association and its subsidiaries. Funds deposited to the M&RF may be made monthly, quarterly, semi-annually or annually. However, all contributions shall be in the M&RF by December 31st of each year. The Board of Directors has the responsibility to establish criteria and periodically review a listing of all the assets for inclusion on the M&RF asset list. The funds may only be used for the repair, replacement, or maintenance of assets. The Board must establish a separate fund and the funds may not be commingled with operational funds.

Procedure:

The MOA Board shall determine an amount to be deposited in the M&RF during the annual budgeting process. The funds in the M&RF shall be invested in short-term federal or state insured securities or certificates of deposit. Interest earned on investments shall remain in the M&RF.

The M&RF asset list will show the original value of the item and projected replacement and/or repair cost. In addition, the asset list will show the estimated replacement and/or repair date. The Board does not have to spend the amount allocated to each asset on the estimated date.

The general manager, with the approval of two officers of the Association, is authorized to withdraw monies from the M&RF, provided that the item to be repaired or replaced is on the approved asset list and the amount withdrawn does not exceed \$10,000. Release of funds in excess of \$10,000.00 must be approved by a simple majority vote of the Board of Directors.

If the entire cost of a repair or replacement is not available from the M&RF, the difference may be made up from monies allocated to other items on the list, if the use of such monies will not adversely deplete the M&RF in such a way as to present a serious risk for the Association. If there continues to be a short fall of money to complete the repair or replacement of an approved asset, then money may be allocated from the general fund if available. In addition, the Board may borrow money to facilitate the repair or replacement of an approved asset.

The Board may authorize the use of the M&RF for emergency repair of assets not included in the Asset List, provided that such use of money shall fall within the intent of this policy and involve repair or replacement of an item that has been unintentionally omitted or deleted from this list.

If this policy conflicts in any way with the governing documents of MOA, then the provisions of the governing documents shall be followed, notwithstanding any provisions of this policy.



This document supersedes any prior Policy, Resolution, or Board action concerning the subject matter contained herein unless specified otherwise.

***Notes:**

- The Maintenance & Reserve Fund is called the “Reserve Fund” in the Common Property Deed Restrictions.
- The “Maintenance and Recreation Fund” referenced in the MOA Bylaws is the annual property owner dues - not the M&RF.

Revision Log:

- 12-19-09: This policy was re-written and approved
- 8-26-17: Reference to the Maintenance & Reserve Fund was changed from “The Fund” to “the M&RF”. A footnote was added to clarify that the M&RF is referred to as “Reserve Fund” in the Common Property Deed Restrictions.

This policy was approved by the MOA Board of Directors at their regular meeting on August 26, 2017 at which a quorum was present.