ATHERTON COMMON UNIT OWNERS ASSOCIATION
ANNUAL MEETING MINUTES
DECEMBER 8, 2025

The meeting was called to order by President Dick Stout at 4:00 pm. Also in attendance was Vice President Art Brault, Secretary Bruce Kinney, Treasurer Howell Mitchell, Director Pete Eiche, Capital Reserve Chairman Kevin Eagan, and Property Manager Norman Desrochers. In addition, there were 22 unit owners represented by attendance or proxy sufficient to conduct business. Including the Board members, a total of 27 unit owners attended (60%). (See Attachment A for list of attendees/proxies). Including co-unit owners, the Property Manager, and latecomers, a total of 37 attended.

Desrochers advised notice of the meeting was mailed on Nov 15 in accordance with the bylaws and confirmed the presence of a quorum to approve the pending 2025 budget.

Stout began by introducing the current Board members present (Brault, Kinney, Mitchell, Eiche, Desrochers).

Stout introduced the new owners, George Scollin & Kathy Sharkey, Unit 29 (George was not present initially, but arrived before the meeting was over). Stout mentioned that there would be several new owners in 2026, since Unit 25 has recently sold and Unit 22 is currently vacant due to the passing of Nancy Danziger.

The December 2024 Annual Meeting Minutes were approved by voice vote.

Stout introduced a vote to adopt IRS Revenue Ruling 70-604. Gene Madigan (Unit 37) moved the adoption, and John Learoyd (Unit 27) seconded. The motion passed unanimously.

Stout outlined the major accomplishments and issues addressed by the Association in 2025:

- Painting: Chas Waterman painted units 1-3 and 7-9, however winter weather arrived before this work was completed. Units 7-9 are mostly complete, but more substantial work remains on Units 1-3. Approximately $11,000 of the total $37,000 payment is being withheld pending completion of the work in the spring. Units 4-6 and 10-12 are next in the 2026 paint/repair cycle.
- Capital Reserve: Two $100,000 CDs invested since 2023 have generated $19,847 in interest as of 11/16/25.
- Landscaping Policy: Brush and shrub removal that are damaging buildings or are a safety hazard will be removed at the Association's cost. Brush and shrub removal requested by Owners will be paid by the requesting Owner(s), subject to Board approval.

- Akorn Landscaping and Snow Plowing: These contracts were renewed for two years at a 5% increase of $5,536. This equates to about $10 per unit per month on the HOA fee.
- Association Master Insurance Policy: This policy was renewed at a $2,100 increase, or 7% (about $4 on the HOA fee).
- Tree Work: A large amount of tree work was accomplished by Sam Harris, arborist, under Director Pete Eiche's supervision. Subsequently, the Board expects a more normal amount of tree work in 2026, which is reflected in the reduced tree work budget for 2026 (see the budget numbers in Attachment B, Maintenance & Grounds / Tree Work).
- Road Repair: Annual road repair continued with potholes and paving completed by Therriault Paving and crack sealing on the road and driveways by Ameriseal.
- Pond Drain: The pond outlets were partially blocked by a large disc over one of the outlets, causing the pond level to rise significantly during the spring rains. The blockage was removed and the pond returned to a normal level. Who created this blockage and why remains a mystery.

2026 Operating Budget Proposal. See Attachment B.

Stout summarized highlights of the 2026 Operating Budget Proposal as follows:

- General & Administration: The management fee is up 5%. Other line items in this section are similar to 2025.
- Maintenance & Grounds: Tree work is higher than budget as discussed above. Expectation is that it will go back to normal next year. Other items in this section are similar to 2025.
    - Ed Merrill (Unit 26) asked what the Landscaping/Other budget is for. Treasurer Mitchell explained that it is for unexpected miscellaneous expenditures related to landscaping.
- Facilities Maintenance: This section is roughly equivalent to last year, with a few reductions where expected.
- Utilities: Most items are similar to 2025, with one exception. Water usage is higher than normal, which is attributed to more usage in the sprinkler system. Several people noted that the sprinklers seemed to run longer than normal. Desrochers took the action to have Akorn check the sprinkler system in the spring and adjust the watering times as necessary.
    - Laurie Wenger (Unit 35) asked about the $29K estimate for water next year, given actuals at $34K. Stout indicated that this is an estimate based on a normal watering season

The Operating Budget was approved by a voice vote.

2026 Capital Reserve Budget Proposal. See Attachment C.

Stout summarized highlights of the 2026 Capital Reserve Budget Proposal as follows:

- Rot Repair: This line item is up due to extensive work needed on the six units that were painted. After a survey of the remaining units, the Board concluded that the remaining units are in better shape, and therefore the 2026 budget for rot repair is between the 2025 budget and the actuals.
- Septic Field Replacement: After replacing one septic system in 2024, no additional systems were replaced in 2025. This allowed the Association to build up reserves for the future by budgeting for two system replacements in 2026 (14 systems remain to be replaced). Stout noted that the new approach of inspecting all systems annually and only replacing the ones that the inspector deems necessary saved money this year.
- Road Repair: Pothole repair & crack sealing happened again this year, as it has in most years to keep road deterioration to a minimum. The 2026 budget for road repair reflects building up capital reserves to deal with future work which at some point will be more extensive. Kevin Eagan explained that some small cracks can't be sealed, so there will be future work. He also mentioned that the plows are hard on the side of the road away from the residences, and significant work will be required to repair them.
- Drainage Improvement: Work on units 1-2 was completed, which seems to be working based on early observation.

The Capital Reserve Budget was approved by a voice vote.

Stout explained the calculation of the 2026 HOA fee, which is up only $5 from 2025, to $704 per unit. The $704 fee consists of $523 per unit to support the Operating Budget and $181 per unit for the Capital Reserve Budget. These calculations are shown in Attachments B & C.

Open comments and questions

- Linda Madden (Unit 2) asked what the plan is to complete the painting that didn't happen this year. Norm Desrochers explained that there is approximately $11K in the painting contract that has not been paid yet, and that the painters will return next year to complete that work on the current contract. Whether Chas Waterman will be invited to bid on the six additional units designated for 2026 is an open issue at this time, to be addressed by the new Board.
- Sue Stout (Unit 45) asked about doing paint repair out of cycle. Dick Stout replied that paint repair out of cycle is the responsibility of the individual unit owners.
- Vickie Klein (Unit 18) asked if we have considered siding the units instead of painting them. Brault and Stout responded that it was looked at when we did the roofs, and the estimate was $1M to replace the siding with vinyl, which was not financially feasible to do both that and the roofs. Kevin Eagan (Unit 43) concurred with this study, which was done in 2020. Desrochers said that the cost for painting & repairs this year was about $55K. (Editorial note: $55K for six units this year would total to $413K for all 45 units over time)

Other Business

- Stout summarized some of the past major infrastructure projects that have been funded by the Capital Reserve Budget:
    - 45 roof replacements, including a 30 year warranty. This was funded by a 20 year loan, the payments on which come out of the Capital Reserve Budget.
    - Light post fixtures
    - One septic system replacement (Units 43-45)
    - Vinyl covering of the fence posts
    - Road maintenance
    - CD investments from the Capital Reserve balance
- Stout next summarized the future work that the Capital Reserve Budget will be called on to fund:
    - Eventually replacing the road, once annual repairs are no longer cost effective.
    - Potentially replacing siding on the units with vinyl siding, to eliminate the annual painting costs.
    - Replacing the remaining 14 septic systems.
    - Replacing the Tennis Courts with something usable, such as a community or activities building.
    - Replacing the garage roofs in 10-15 years.
    - Holly Hornor (Unit 38) added that the mailboxes need replacing, and suggested that we consider doing one at a time.
- Director Brault asked that people submit work order requests through the website, rather than emailing Norm or a Board member. This will allow the Board and the Property Manager to better track all the work being performed.

Election of 2025 Officers. Stout announced that he is stepping down from the Board. The remainder of the current Board is running for re-election, with several expected shifts in officer responsibilities. Vicky Leknes (Unit 6) has agreed to fill the vacant position, with her responsibilities to be defined at the next Board meeting. The Board composition was approved by a voice vote.

Art Brault recognized Dick Stout for his five years of service as our Board President, to resounding applause from those in attendance. Art presented Dick with a gift certificate on behalf of the Board and the Association.

The meeting was adjourned at 4:56 pm.

Respectfully submitted,
Bruce Kinney
Secretary

Attachment A

Meeting Attendance

Note: The following table is informational and reduces file size. Copies of the original sign-in sheet and proxy forms are in the long version of these minutes.

	Name(s)	***Unit #***
1	Bruce Kinney	3
2	Howell Mitchell	28
3	Joan Ferguson	9
4	Kaki Lochhead	16
5	John Learoyd	27
6	Jerry & Vickie Klein	18
7	Susan Stout	45
8	Al & Toni Weller	4
9	Holly Hornor	39
10	Ingrid Michaelis	41
11	Laurie Wenger	35
12	Tracey & Rick Lack	17
13	Joe & Meg Perez	33
14	Nora Weber	42
15	Linda L Madden	2
16	George Goodloe	12
17	Regina Kinney	3
18	Vicky Leknes	6
19	Kevin & Karen Eagan	43
20	Candace Rapf	34
21	Gene Madigan	37
Proxies Received		
1	Nancy Head	20
2	Fred & Brenda Pabon	44
3	Anne N Riehl	5
4	Elizabeth Fitzgerald	10
5	Melinda & Jim Luther	8

Attachment B

2026 Operating Budget Proposal

OPERATING REVENUE/EXPENSE				
	2024 Actual	2025 Budget	2025 Actual	2026 Budget
Income				
$527*12*45 in 2025 $523*12*45 in 2026	271,620	284,580	284,580	282,420
Prior Year surplus/deficit	12,071	0	0	0
Total Operating Revenue	283,691	284,580	284,580	282,420
OPERATING REVENUE/EXPENSE				
General & Administration				
Accounting	4,450	2,500	2,250	2,500
Legal	0	1,000	0	1,000
Management Fees	16,893	18,085	17,471	17,995
Insurance	19,035	31,900	31,864	34,000
Administrative + Tax Payments	1,500	1,000	1,827	2,000
Total G&A	41,878	54,485	53,412	57,495
Maintenance & Grounds				
Landscaping Contract Fee	59,304	59,304	59,304	62,270
Tree Work	4,610	9,000	11,150	5,000
Landscape Inprovement	8,914	7,000	4,082	4,900
Irrigation Repairs	4,970	5,000	2,516	5,000
Snow Removal	51,360	51,360	51,360	53,930
Landscaping/Other	0	7,000	3,350	7,000
Total Grounds	129,158	138,664	131,762	138,100
Facilities Maintenance				
Painting	35,000	37,000	37,000	37,000
Gutter/Roof Cleaning	1,500	2,700	2,700	2,700
Pest Control	0	500	975	925
Maintenance	3,802	8,800	7,509	5,000
Septic Maintenance & Plan Update	6,910	1,200	3,216	1,200
Total Facilities	47,212	50,200	51,400	46,825
Utilities				
Electricity	750	1,000	800	1,000
Trash Removal	9,552	10,000	9,570	10,000
Water Usage	29,000	29,000	34,142	29,000
Total Utilities	39,302	40,000	44,512	40,000
TOTAL OPERATING EXPENSE	257,550	283,349	281,036	282,420

Attachment C

2026 Capital Reserve Budget Proposal

CAPITAL RESERVE REVENUE/EXPENSES				
	2024 Actual	2025 Budget	2025 Actual	2026 Budget
Reserve Balance at end of Last Year	277,984	320,723	297,843	333,077
Revenue				
$172*12*45 in 2025 $181*12*45 in 2026	87,480	92,880	92,880	97,740
Conveyance Fee	6,650	5,320	2,796	4,200
Interest Income	173	9,800	7,509	9,800
Total Cap Res Yearly Revenue	94,303	108,000	103,185	111,740
Total Available Cap Res Funds	372,287	428,723	401,028	444,817
Expenses				
Rot Repair	7,266	15,000	24,166	20,000
Garage Doors	0	1500	0	2,000
Septic Field Replacement	40,178	80,000	3,216	84,000
Road Repair	0	15,000	13,569	20,000
Drainage Improvement	0	10,000	0	10,000
Loan Payment P&I	27,000	27,000	27,000	27,000
Total Cap Res Expenses	74,444	148,500	67,951	163,000
Cap Res Funds At End Of Year	297,843	280,223	333,077	281,817