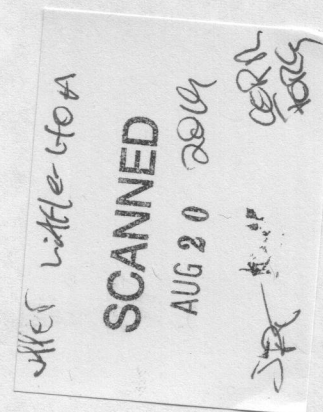


Upper Little Warm Springs Association

Board of Directors Meeting
October 23, 2006



Attendees:

Board Members

Clay Fulcher, President
Don Lind
Meredith Martin
Richard Dingman
David Woodward, Secretary

Others:

Cindy Dingman
Robert Hitchcock
Gerry Kondorf
John Matson

The meeting was called to order at 7:10 pm.

Meredith Martin was elected by the board to serve as Vice-President. Nomination was made by Clay Fulcher and seconded by Don Lind.

Old Business:

Architectural Issues:

The plans for home with a stucco exterior were not approved by the committee. However, new activity has been observed from the site and to date no revised plans have been submitted to the committee for consideration. Clay F. and Don L. agreed to talk to the people at the site to determine what is happening relative to submission of revised plans.

Road Work:

Approximately \$700.00 was spent this past season on road repair and improvements. It was decided that no further work would be initiated until next spring.

Water Filters:

The board set a limit of \$25,000.00 for the placement of arsenic filters in homeowner properties. Clay F. will send a letter to the Upper Little Springs Water Board informing them of the board's decision to limit the expenditure to the stated amount.

As an added issue related to the underwriting the cost of the arsenic filters, the board discussed granting some type of compensation to those members of the Association who do not receive benefit from the community water supply. Various ideas were discussed which included water filters and road improvements. No action was taken as the board was divided on the idea of further expenditures.

New Business:

By-Laws and Covenants:

Clay F will obtain a copy of the Association By-Laws and Covenants for each member of the Board. David W. offered to put the By-Laws in the electronic format for distribution and future use.

The proposed changes to the covenants did not pass. Although there was no deadline for voting on the issues, the board has agreed that the voting period should be closed. New proposals will be considered and drafted with a more detailed description of what the changes will accomplish prior to the next annual meeting. A 75% positive response from all lot owners is necessary for approval.

Board Organization:

The members of the board recommended that changes be made in the election of board members. Currently, all members are elected at the same time for a two-year term. A recommendation was made that new members should be elected each year with approximately $\frac{1}{2}$ of the members in one year followed by $\frac{1}{2}$ of the members the following year. This would provide for continuity to the board and assure that at least some of the board members would have experience with the conduct of business and issues before the board.

It was agreed that this change will be voted upon at the next annual meeting and if accepted it would be implemented at the same meeting for new board members.

The meeting was adjourned at 8:50 pm.

Respectfully submitted,

David L. Woodward