

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES

JANUARY 9, 1993
7 P.M.

The following were present: Dale Clarkson, Val Cram, Joy Jordan, Terry Alderman, Karon Jacobsen, and Patsy Clarkson. Val offered the opening prayer.

The minutes were read and approved with one correction. On the second page in paragraph 3, it should read as follows:

Val is developing Oak Spring. He found another spring off of our property with a ditch and it is running in a pipe on DSR. This spring may belong to Johnny Brown.

Terry reported that he has started to work on the "Freeman" map.

We had a long discussion on employees. We all realize that there is a lot of work to do with too little pay. Some way we need to come through with funding so we can have two couples at the ranch year round. Dale has talked to the following people about working at the ranch this year:

1. ROYCE and SYLVIA YOUNG

Royce would be marvelous with his vast knowledge of the outdoors, however, Sylvia is not a good housekeeper. Royce felt that she could do a good job of cleaning if she was working for someone. They still have four children at home from 16 to 8. Dale felt that Royce did not feel very enthusiastic about the job.

2. HEIDI JACOBS and HUSBAND

Heidi is Roger Chamberlain's daughter, and she and her husband are both 20. They do not have any children yet. He is a cowboy and likes to break horses. He also has dogs and does lion hunts. She is a farm girl and has been to the ranch before with her father. They would both love to work at the ranch.

3. WES and CHRISTY HUNTINGTON

Wes has been to the Ford Motor Company repair school for two years and now works at Parkway Motors in Cedar City. He has also painted houses in Las Vegas for a couple of years. Christy is the daughter of David Johnson, and they have two little children. Dale is impressed with them and thinks they could really do a good job.

Dale made a "wish list". He would like to refurbish the Meadow Cabin and the Hidden Cabin so they could be used for people to stay in. He would also like to finish Cabins 5 and 5A. He wishes we could have enough money to keep two couples at the ranch on a year round basis and keep the cabins open. Val suggested a 20 minute video on a lion hunt and use it as a sales tool.

Ben Clarkson would like to work the marketing and development of

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
JANUARY 22, 1993
7 P.M.

The following were present: Dale Clarkson, Ben Clarkson, Terry Alderman, and Karon Jacobsen. Nellie asked to be excused because she was sick. Ben offered the opening prayer.

The minutes of January 9, 1993, were read and approved.

Jim Brown's Lot 177 was sold to Jim Scarth, O. Brenton Rowe, and Raymond Behley. They are all attorneys.

There is still work to be done with Van Mackelprang on collecting past due assessments. Two past due assessments have come in so far.

In our next newsletter, we need to announce the following:

THE POINT SYSTEM
THE RENTAL PROGRAM
NEW EMPLOYERS
ACTIVITIES FOR 1993

The point system was discussed, and the following items were approved:

1. If you don't use all of your points, you will lose half of them and will be able to carry the other half over for a two year period. In other words, you can carry one-half of your points forward for two years only. If you get 350 points for one year, at the end of two years you would be able to carry 350 points over. With the points for the third year, you would then have 700 points to use the third year.

2. Points are not redeemable in cash.

3. Points cannot be used in the store.

4. The point system will be posted in each cabin, on the bulletin board, in the store, and at the ponds.

We had a long discussion on the rental program. First we talked about members renting their time or putting their time in a rental pool. If members are using their time, the people who are renting will have the same benefits as the member does. The renter will use the member's point card.

If we put the member's time in a rental pool, we talked about splitting the money on a 50/50 basis with the member. The member would get 50%, DSROA would get 40%, and the person who referred the renter would get 10% (motel, gas station, business, etc.),

Can we rent member's time for a day at a time or do we just rent for a week at a time in the rental pool?

On a commercial basis using DSROA'S time, we could rent the time for a day at a time. If we do this, we should keep the people at the lower end if possible to save time and gas when we clean. On a commercial basis, the cabins would rent on a per day basis according to the list price. Horseback riding and fishing would also be charged at the list price. These amenities WOULD NOT be included in the rental price of the cabins. We should also have people fill out a card like they would for a motel room with their license plate number, home address, and other personal information.

In the rental pool, we would rent DSROA time first. The members would be on a first come/first serve basis. It was suggested that the Garden Cabin may be able to be used as a Bed and Breakfast when it is not being used by members.

We should post signs on the ranch property which could say something like "Welcome to Deer Springs Ranch - Overnight Lodging, Fishing, and Horseback Riding " - "Rooms Available".

Terry Alderman said that there are a lot of people who travel the back roads who would really be interested in staying at the ranch. A lot of photographers come into his shop and want to know where to go to take pictures. He said he can promote the ranch through his store and let people know that it is in the middle of everything.

The next thing on the agenda was new employees. Heidi Jacobs has not been back in touch with Dale. Royce and Sylvia have visited with Dale and have called several times. They are coming in tomorrow at 3 p.m. to visit with Dale again.

Wes Huntington has been told he definitely has the job. He will also be here tomorrow at 3 p.m. to visit with Dale and Royce. Wes and his wife will start work in March.

We need to write job descriptions for all of the new employees.

Dale told Wes he would make \$20,000 a year. Terry suggested paying them a fixed amount each month instead of more in the summer and less in the winter. It is easier for people to budget their money on a fixed basis. Some of them may want to get their real estate license also to help compensate their wages.

We have budgeted \$26,000 for wages in 1993. If Wes and his wife get \$20,000, that will leave \$6,000 for summer help. We could offer \$6,000 to Heidi Jacobs and her husband to work May - September which would be \$1,200 per month for the couple. Dale felt that this might be acceptable to them, as they have other things they can do October - April. Or we could hire two girls or two boys who could live in the bunk house. One could be in charge

of the horses, and the other one could help clean cabins. They could both help out with catering, working in the garden, working in the store, and doing other things. One may be hired to work from May to September, and the other for June, July, and August. They could each receive \$700 a month plus their housing.

During the winter, Wes could weld, build trailers, barbecues, paint the inside of the cabins, etc. to keep himself busy.

The Young's will not work on Sunday. We also wondered about Royce adhering to safety rules as he allows them to be broken. Royce would like to camp, hike, explore, play games, host family reunions, etc. It was decided, that we would not be able to employ both the Huntingtons and the Youngs. Since the job had already been promised to the Huntingtons, Dale decided that he would call Royce and tell him that we would not be able to hire him and Sylvia this year.

Dale said that Royce and Sylvia would be great to do a program with teenage boys which could be a full-time career. These are boys with problems who are covered on an insurance program. We could make \$600 per month per boy. If we could get ten boys, this would equal \$6,000 a month. The guests would enjoy watching Royce and the boys doing different activities. This would be a good money maker for the ranch, and it would be a great opportunity for these boys to be on a ranch.

Lowell Thometz is a member who is now selling RV's. He has suggested that we make some RV pads at the ranch. There are a lot of people who own RV's that would really enjoy something like DSR. He could also send people here. He also belongs to a couple of clubs for RV owners. We thought that would be a good idea, and it would not cost too much to set up a few spaces.

Ben feels strongly about setting up a skeet shoot. He feels that it would be a fun thing for people to participate in and that it would generate a lot of cash. It won't cost too much to get started. We can buy a spring loaded clay pigeon which shoots six pigeons at a time for about \$500. We would also need two shotguns at about \$250 each.

Submitted by,

Karon Jacobsen

Deer Springs Ranch. We need to work with new employees so we can teach them what to do and answer their questions. Ben would be on the Utah Properties payroll not DSROA. If we can sell more lots it equals more money in assessments. That would be the answer to our financial problems--sales, sales, sales.

We could also generate more income with lion hunts and breaking horses.

Jim Scarth, Roy Bailey, and one more couple (attorneys) have purchased Jim Browns DSR Lot 177.

We reviewed the delinquent assessments. In December we collected \$1,593 in current dues and \$750 in past due assessments. We are working on collecting more.

Evan and Jan Callister felt bad and were irate about the letter Van Mackelprang sent them especially since they were only behind for one year. They feel that the board is against them. Their sign has been taken down several times, but no one from our office has taken their sign down. Joy felt bad that Evan and Jan left. They were well trained, and she felt that they were trying to do a good job. Joy felt that the communication was not good between Dale and the Callisters. It seemed like Dale and the Callisters had become enemies, and they felt that way towards Val also. We had reports that Dale was being bad mouthed by the ranch employees. They said that Karon was not honest and was not handling the reservations fairly and not handling the money right. They wanted to make a lot of changes in policy. If a member wants to give their time to someone else, they should be handled the same as the member, but the Callister's felt that nonmembers should be treated differently. Val felt that they did not want any more sales. Evan told the State Engineer that Dale had filled out papers falsely

We reviewed the 1992 budget and the proposed 1993 budget. We felt that the \$350 assessment should remain in force this year to help us reduce our loan. Joy made the motion, Val seconded the motion, and all were in favor.

We talked about having a policy on how much gasoline can be used by the employees. It was suggested that they have only one trip to the upper cabins per day and one trip to town per week. A new meter needs to be ordered for the gas tank so better records can be kept.

We reviewed the point system Karon prepared, and it was approved. It still needs a little more work and a little more thought put into it.

Val motioned and Karon seconded that Ben Clarkson be appointed to take Oscar Robinson's place on the board. All were in favor.

Our next meeting will be held at 7 p.m. on January 22, 1993.

Submitted by,

Karon Jacobsen

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
MARCH 4, 1993
7 P.M.

The following were present: Dale Clarkson, Val Cram, Ben Clarkson, Nellie Hoyt, Terry Alderman, Karon Jacobsen, Wes and Christy Huntington (new ranch managers).

We reviewed the assessments, and they are coming in pretty good. We still have some outstanding assessments. Val suggested that we come up with a formula to get a percentage of what the delinquent assessments are. For example: 300 lots X \$350 (assessment) divided by \$40,000 (delinquent assessments) which equals 38%. Van Mackelprang said today that he is now too busy to finish the collections he started. He suggested that we call Dale's attorney, Russ Gallian.

Richard Childress owns three DSRGA lots and has never paid his assessments. He now owes \$6,309.16 on each lot or a total of \$18,929.16. Childress is an original limited partner, and the money he has invested in the ranch has never been paid back. He will eventually get his money and will then pay his assessments. There is business logic behind his thoughts. Larry Moore was suppose to make a large payment on the unsold lots this year, but he will not be able to do so. Dale thought if this happened that he would be able to pay Childresses unpaid assessments from his proceeds.

Ben suggested that we foreclose on lots that owe large past due assessments. Maybe Jim Scarth could advise us.

Karon is to make a list of the delinquent assessments. Val suggested that we sell the memberships and apply them on other lots. Dale said that the only solution to our problems is a successful marketing program.

DSR lots have sold from \$16,500 to \$1,000. Dale thinks 15-20 units will sell this summer. Dennis McLean, Ben Clarkson, Tom Massengil are licensed agents who will be able to sell this year. We also have other new agents who may be interested in selling Deer Springs. Val and Wes do not have a license, but Dale feels that they may also be able to sell. We need to have someone who can receive guests and show them around and give them a sales pitch.

Dale feels there is more resistance to this year's assessment than there was last year. Dr. Hart and Eldean Holliday were two who have complained.

Dennis McLean has a doctor friend who may bring ten good, rideable horses to the ranch this spring for us to use this year.

Dale met with the State Engineer today in Cedar City. Every water

right we have has to be evaluated as to where it goes. For example--who gets water out of a spring. The water rights need to have a lot of clarification. We have 216 1/2 feet of water. A water company needs to be organized and the bylaws need to be updated. DSROA will need to file a change of point of diversion.

Dale has spent about 20 hours within the last three or four days to get ready to meet with the State Engineer. How does Dale get compensated for all of his time? Dale needs to spend at least another 20 hours on water.

The ranch came with 29 water rights. One water right for 100 acre feet has been filed on. We filed on 24 well applications, and one was approved for 108 acre feet. If Roy Pool's water right goes through, we may get more water. We have 20 acres of irrigated land in the Well Field and another seven acres of irrigated land. We also have Oak Spring, Leaf Spring, Blacknoll Spring. An RV hooked up to water can serve as proof. We can plant 1/4 acre of rye by a spring and use a black soaker hose to water with to get the spring approved.

The State Engineer told Dale that 1/4 acre foot of water is adequate for a part time home.

Water rights sell for about \$1,500 in southern Utah. Sam Pell and Landis Legg have each paid \$1,000 for an additional acre foot of water. A water right can double the value of property.

November 30, 1993, proof is due on five extensions.

Dale suggested that Ben and Wes come up with ideas on water development.

The point system was approved by the Board.

Val will work on a rental pool suggestion for our next meeting. The member should get 50%, the office 40%, and 10% to whomever rents the time.

Members should be encouraged to rent out their own time. We should prepare a packet with a sample ad for their use. A suggested price would be \$350 per week.

Should we rent time for one night or a minimum of two nights? Ben suggested that we advertise cabin rentals with the travel council.

Terry showed us the map he is working on.

Nellie had a newsletter from R Ranch that we made copies of.

Our next meeting will be April 1 at 7 p.m.

Submitted by, Karon Jacobsen

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
APRIL 1, 1993
4:30 P.M.

The following were present: Dale Clarkson, Ben Clarkson, Nellie Hoyt, Val Cram, Karon Jacobsen, Terry Alderman, Wes and Christy Huntington, Tom Massengale, and Dennis McLean.

Dale introduced Tom and Dennis and said that they would be very active in sales at DSR this year. Dennis and Tom were at the meeting to get approval to put cabins on DSR lots. They want to put two single-wide mobile homes together, put wood siding on them, with conventional roofs. They will also be on a permanent foundation. Dennis is a licensed contractor. Dennis said that no one would be able to tell that these were mobiles. The purpose is that they will cost a lot less to build than a stick built cabin, and Dennis assured us that they would be just as nice. We talked about having the Board set forth building guidelines. Val was opposed to the Board setting guidelines, and he said let the members get approval from the County Building Inspector. Val did oppose the idea of using mobile homes. Terry motioned that the Board has the right to set up guidelines on building on the ranch and that the Board will sign and approve all building plans. Ben seconded the motion, all were in favor except Val and Nellie who were opposed. The county guidelines need to be researched, and Dennis will write up a proposal for the Board's consideration.

Dennis McLean will be able to use vacant cabin time for his clients in exchange for work on the cabins. He will paint and reroof. Val motioned, Karon seconded, and all were in favor of this plan. Dennis is staying in Cabin #1 on Mother's Day (he will be using Aurora Cota's time). While he is there, he plans to paint #1 and fix the deck.

Dennis and Tom would like to host a constitutional meeting at the ranch the first of June. People would come in campers and tents. The ranch could do a cookout for this group, and the proceeds would go to the ranch.

Doyle Edson is planning to come for the Easter weekend and needs a babysitter. Christy can babysit; does Christy get paid additional or does the ranch get the money? We will decide after the Edsons leave. Wes and Christy will organize something on babysitting.

The ranch gets one deer permit this year, and Dale has a man who wants to buy it. His name is Bud Barnes.

Judy Sherod has eight reliable horses that the ranch could use this year. She also has some that she would like to bring just to graze. It was determined that the ranch will not be responsible for the death of a horse, however, we will take very

good care of them. Val suggested that we set forth some guidelines and tell her for each rideable horse we can use, she can bring one horse to graze. We also need to decide on the dates the horses can be at the ranch. Judy has two sons and a grandson who would also like to work at the ranch this year. Judy also has one pony and a cart she will bring. She wants to fit the saddles to the horses, and she will be here on Monday to give instructions. Dale is wondering if she wants employment. She could decide to take her horses out at any time which would be terrible for the ranch. She may also want to trade horses as a down payment on a DSR lot.

Van Mackelprang cannot do any more collections until July or August. We could write a nice letter to Curtis Cutler and tell him we will continue to charge interest, and we will put a lien on his lot. We will add attorney fees and other expenses to his bill. We can tell him that if he does not respond within 90 days that his membership will be cancelled. We need to bug people monthly and send certified letters to collect their assessments.

The rental packet was approved. We will charge members \$15 for a packet so they will have the information they need to rent their time.

We would like to paint headquarters all one color.

We will have a work day on Saturday, May 1. Everyone should bring their own meat and a pot luck. We will all have a barbecue that evening after the work is finished. Those who are traveling and would like to stay overnight in a cabin can do so free of charge.

Our next meeting will be at the ranch after the work day on May 1.

Submitted by,

Karon Jacobsen

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
JULY 6, 1993

The following were present: Dale Clarkson, Ben Clarkson, Nellie Hoyt, Karon Jacobsen, Val Cram, Joy Jordan, Dennis McLean, Tom Massengale, Wes Huntington, Christy Huntington, and Judy Sherod.

We reviewed the budget and the unpaid bills.

Who should make the decisions? It takes hours and hours to make all of the decisions. We need a paid manager to manage everything--the people who work at the ranch, the insurance, the water rights, etc. But in order to do this, we need to create additional income.

We will require daily work reports and logs on the gas tank. Tom suggested that Wes, Christy, and Judy each have a list of what their jobs are.

Dennis suggested that we use employee leasing to cut down our costs. For example, we could use Work Force to pay our employees.

The roads need to be graded and the cabins need to be painted and repaired.

Wes reported that the store does not have what people need. They need things like milk and ice. People bring everything they need, but they like to buy pop and candy.

We need to have water all winter so we can use the cabins. Dennis suggested using solar panels to charge batteries for heat tape to keep the water from freezing.

The main gate area still has concrete hunks that need to be hauled away. It looks trashy and needs to be cleaned up.

Wes's main concern is keeping the refrigerators running. He said he has spent hundreds of hours working on the refrigerators. He suggested that we buy a diesel generator and use electric refrigerators. He also said that the generator in the Well Field could be fixed to turn on and off from the ranch house by a remote control.

We did not hold an annual meeting in 1993.

We discussed drilling wells and getting electricity to the ranch. Energy Fuels is phasing out their power lines. If the line could be salvaged and we could buy the poles, we could get power from Garkane.

We discussed sales and resales.

Wes reported that all but ten miles of road has been graded.

We talked about opening the road through the middle of the ranch to the public for access to the Forest Service land and the Great Western Trail. Can we legally close the iron gate? Can we make a toll road or charge a trespass fee for those using the road? We need to make our stand now with the Forest Service. The Great Western Trail will go through, and the Forest Service may go with condemnation.

People are still fishing from our ponds. Frank Swapp is one.

On November 30, 1993, our water rights will die. We need to be mindful of about 15 water rights.

Our insurance costs a lot of money. The liability insurance is a joke. We found out we had no horseback riding insurance last year or this year. But we were always told that we did. We need to contact Jeff Allen to see where he gets his insurance, what kind he has, and how much it is. Our premium goes up every year, and we get less coverage. We do, however, have a good agent.

The BLM is now saying no subleasing on BLM land. The BLM in Kanab says that we are okay, but we need to have that in writing. We have to do something different on the cattle operation. We could allow the Great Western Trail and trade it for Forest grazing.

Wes suggested putting a gate on every side road to force people to go straight through the ranch. Do we need to put a sign on the iron gate?

How can we make extra money? We could do a ride up Lick Wash and have a cookout, and we could take people on horseback to do a lion hunt.

We are infested with thistle and Judy wants to take her boys and cut it down.

Dennis will paint the cabins if we provide the paint. Joy said she will order paint for three cabins.

Wes needs to manage and prioritize.

Ben will get bids on the roofs for Cabins 4, 7, and 8.

We will talk to Curtis about paying his dues by taking the interest out in trade at CC Auto Parts.

Joy suggested the following items for saving money:

1. Keep employees for more than one year.
2. Don't go into debt.
3. Sell all of the remaining lots.

Karon suggested that we start working now on cabin rentals and trespass fees for the deer hunt.

Dale suggested moving the reservations and bookkeeping to the ranch.

We should take pictures and write articles and send them to Western Horseman Magazine.

We discussed the "Red Rock Ride". It is a horseback ride that is done twice a year in this area. It costs about \$1,250 per person. Houston's caters the food and provides hot showers. It sounds like a wonderful ride. Judy should be able to put together some rides that we could profit from.

We need to have some cookouts, the Indian legend, campfire singing, hayrides, skits, etc.

Dennis says we need to look professional. Wes should wear a T shirt that says Manager.

We talked about going to a concessionaire arrangement where Judy could be independent with her horses and horseback rides, and Wes could be independent. They could all have their own business.

Wes wanted to know how secure his job and Judy's jobs were. We told him they were secure, and that we had funds budgeted to pay them. We want them to stay.

He also wanted to know what to do about the refrigerators. Dale said we needed to get the refrigerators fixed. Terry Alderman mentioned that we call Fast Cash in Las Vegas or St. George to see if they had any gas refrigerators. Wes suggested buying new ones through Sears and charging them and paying \$35 a month. We could also run an add in the Pioneer Shopper looking for used refrigerators.

Wes needs to make a list of things for the boys to do and keep them busy. There are lots of little things to do--lots of clean up.

We also talked about irrigating the field. There is not a lot of feed in the field. Dale said it is not practical to water. The system is not very satisfactory, but we need to prove up on the water.

Dale will bring four ton of oat hay from Boulder for the horses, but we need to buy some hay locally. Roy Pool may give us hay in exchange for help in loading hay. This would be a good job for Judy's boys.

We need some work reports on the horseback riding. How many horses are used, what times do we have rides, how long are the

rides. This report can be used as a management tool--not a policing tool. We also need to have a report that shows when the equipment is serviced.

The meeting was adjourned.

Submitted by.

Karon Jacobsen

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
AUGUST 27, 1993

The following were present: Dale Clarkson, Ben Clarkson, Nellie Hoyt, Joy Jordan, Val Cram, and Karon Jacobsen.

We reviewed our financial situation and spreadsheet and discussed the \$15,000 loan we obtained from State Bank of Southern Utah in August.

Curtis Cutler will not pay anything on his assessment until his lot is sold. It is not listed with ERA.

The store is not opened unless someone wants to buy something, and Wes did not keep the point cards up.

Judy Sherod has done a great job and would like to stay year round. Dr. Sherod has some serious IRS problems. He doesn't believe in paying taxes, and the IRS came down real hard on him. He had two automatic rifles from the Korean War or WWII. The guns were rusted and had not been fired for 30 to 40 years. It is illegal to have automatic weapons, and they decided that he was a terrorist. The IRS has ruined him. They took \$1,500,000 in assets and sent him to a federal prison for 13 months.

Wes and Christy were hired from March to December at \$2,000 per month. There is \$6,000 left in the budget for summer help and \$6,000 to buy horses.

To begin with Judy wanted to send ten horses to the ranch for us to use. Then she wanted to send more horses and her tack. Then she said she wanted to bring all of her horses, her tack, herself, her two sons, and her grandson. We agreed to pay her \$1,000 per month in cash and put \$1,500 towards a DSR unit.

Together the Sherods and the Huntingtons were receiving \$4,500 per month. We had lots of help to get lots of work done; but the work is not getting done. No wood is cut, no cabins are painted, etc. Now Judy wants to receive Christy's \$1,000 monthly wage plus her \$1,000 monthly wage. Aaron wants to receive Wes's \$1,000. Or Judy will do all of the cabins for \$150 per week.

Judy selected a lot for \$14,500. We can charge Judy \$14,500, but it will only cost us \$5,500. It is Lot 11 and belongs to Golden Circle Company. Judy would earn \$9,000 (\$1,500 per month for six months) this summer to apply towards her \$14,500 lot. If you subtract \$9,000 from \$14,500 it leaves \$5,500. She would then sign a note to Golden Circle Company for \$5,500 and pay them for the lot. This way the \$1,500 towards her lot would not cost DSROA anything at all.

It was not in the original agreement for Judy to have about 25

horses at the ranch that we have to feed. Also it was not in the original agreement for her to have her additional family members at the ranch. It was agreed that Judy would receive \$1,000 per month and no extra compensation for cabin cleaning.

Joy feels that the ranch should pay for the horses to winter them over and pay both Judy and Aaron \$1,000 each. We also discussed letting Judy stay and have her pay for the feed for the 15 extra horses.

Dale suggested keeping the horses in town and at the ranch and do some trail rides on a year round basis.

Dale felt that DSROA should buy the rest of Pool's hay at \$85 per ton, and that we should contract with him to buy all of his hay.

We need to have a good visit with Judy and Aaron and find out what is going to happen.

Nellie reported that the hot water heater in the ranch house is vented wrong and also the store is vented wrong. Nellie also wants to trade her Lot 102 for Lot 159 which was Billie Terrell's lot.

Dale is worried about the future of Deer Springs and is getting worn out trying to solve all of the problems. We could sell the 8,000 acres as a private cattle ranch, or the government may be interested in buying the ranch as part of Bryce Canyon. We are searching every way we can to come up with a good solution. If we had a good couple, it would really help a lot.

Dennis McLean says he will come up with \$400,000 cash and wants to make a proposal on the ranch.

There is another group looking for a dude ranch, and they have looked at the ranch.

A Japanese group is also looking for an investment.

The county wants to shorten the county road from the cattle guard to the Well Field. We may need to deed them a right-of-way.

Val mentioned the value of a lot and the timeshare at 50/50. He said the value of the association 2,000 acres is worth \$1,500,000 and each membership is worth \$5,000.

Val felt that if someone bought the association land, that they might be able to get the Forest Service grazing back. Dale feels we can trade access for the Great Western Trail for the Forest grazing.

Dale mentioned some exciting things that are happening in Kanab. Blaine Lundquist would like to do cookouts, horse rides, have draft horses, tell stories, and do hayrides.

Bud Barnes is planning a 200 room resort for \$10 million. He will have stage coaches, covered wagons, Indians, etc.

Keith Merrill with I Max Theatre will finalize on a western movie set in Kanab.

There is a lot of input coming in from various people interested in Kanab.

What are our alternatives with DSR. The ranch is going down hill. We need an onsite manager with good leadership.

Submitted by,

Karon Jacobsen

9.24.93

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
SEPTEMBER 24, 1993

The following were present: Dale Clarkson, Nellie Hoyt, Ben Clarkson, Terry Alderman, and Karon Jacobsen.

We have two items to discuss: 1. The ranch during the winter and Judy and Aaron. 2. Reduction of property taxes.

Judy and Aaron want to stay at the ranch during the winter and receive the Huntington's wages of \$2,000 per month. We have paid for all of the hay so far. Judy has about 35 horses and nine goats. We have had complaints on dirty cabins. The telephone runs the battery down so they keep it disconnected. Terry said that Judy is so good with the horses and the kids. He said that he feels she is the best we have had. Our ranch managers were suppose to generate additional income to provide additional money for wages to pay them through the winter. Dale said that cabin maintenance needs to be done. For example, the railing on #1, a door knob on #1, metal strips on the vinyl. Maybe we could pay \$500 to \$600 per month and put the horses in the KCR field for a couple of months. We cannot pay \$2,000 per month. Dale will talk with Judy.

Judy's husband, Earl, is in prison for 13 months because of income tax evasion. The IRS has taken \$1,500,000 in assets from them.

Dale has talked to the County Assessor, Eric Johnson, about the property taxes. They are too high. What can we say to have our taxes lowered? The tax notices show a value of \$11,600 per DSR lot. Is 20 acres worth \$11,600? We discussed the difference in value of the membership and the land. How much is the membership worth? A DSR unit is now selling for \$14,500. Is the land worth \$8,000 and the membership worth \$6,500? Dale felt it is a 50/50 percentage. Land goes from \$500 to \$700 per acre with no water, but it has good access, power, and telephone. DSR has no power, telephone, or good access.

When a lot is sold, the State Tax Commission sends out a letter to the buyer and asks how much he paid for the lot. We should fill out a copy of this form and send it to all new lot owners so when they receive their letter from the State Tax Commission they can take the value of the membership out of the 20 acres.

Dale said that they could destroy the Greenbelt protection on the unsold units and the Association land and bill us for the full taxes.

We have a meeting scheduled with Eric Johnson on Monday at 1 p.m. about getting a tax reduction. Should we call the members and ask them how they value the membership and the land?

Dale had someone who was interested in buying out all of the limited partners, but they changed their mind. We need to find someone else to do this. If Joe Blow put in \$200,000 and fixed up the cabins and cleaned things up and took total control of the ranch, the DSROA board would be disbanded. Joe Blow would take over the ranch; and instead of having assessments, users would pay for the cabin time, horses, fish, and all activities. Dale thought this would be the ideal situation. DEER SPRINGS RANCH NEEDS A MAJOR CHANGE.

Ben suggested that we send a newsletter every month this year to the members.

DSROA paid \$500 for new tires for Judy's truck. Judy has been paid \$2,500 per month for six months--\$1,500 towards a DSR lot and \$1,000 per month in cash. A lot of her family has been at the ranch this summer, and Alan ^{AND} Porter, an electrician, has also spent a lot of time at the ranch. Judy's family has been using the cabins some of the time and has not received permission from us.

Judy wants to live at the ranch during the winter. She bought 30 ton of hay for her horses. Dale told Judy that there would be no more funds for wages until March 1, 1994. We will pay for her propane for the ranch house, but we will not pay for gasoline. We will take care of our own horses. Judy has about 22 horses at the ranch. If she was charged \$15 per head per month for six months, that would amount to \$1,250 in grazing. We need an understanding with Judy. Maybe we can trade work for grazing. We will work out the lot and \$1,500 per month for six months as payment on the lot internally. Ben will call Judy in and talk with her. Judy also needs to be told that if she has any complaints about her job, pay, etc. that she needs to report to the board and not to the guests.

Aaron wants to get his real estate license this winter.

A diesel engine runs 24 hours a day to provide electricity. We could get a 12,000 watt generator for \$3,300 so we can convert to electric refrigerators. We now have a 20 watt Kohler generator and a 15 watt Onan generator.

There is a \$1,500,000 worth of inventory at DSR to be sold. At a 20% commission, this equals \$300,000 in commission. Plus there are thousands of dollars to be made with resale lots. But the cabins and the ranch need to be maintained and repaired in order to sell the lots. Karon suggested that we sell one of the lots that DSROA owns for \$14,500 to get some money to do the repairs, painting, etc.

Submitted by:

Karon Jacobsen

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
NOVEMBER 30, 1993

The following were present: Dale Clarkson, Joy Jordan, Val Cram, Ben Clarkson, Terry Alderman, Nellie Hoyt, and Karon Jacobsen.

We discussed the need for new ranch managers. Cleaning cabins is hard work, and it takes a lot of time to clean them each week. We need to hire someone who can and will clean effectively. It is important to have CLEAN CABINS! We also need someone who can supervise activities and take care of the horses and do the horseback rides. We need a strong, stable couple to run the ranch--an overall person (couple). Karon will find the name and address of the couple we met before who were from the Hurricane area.

Tom and Harriett Massengale, who are living at the ranch, would like to have the job of cleaning the cabins and doing the maintenance work for \$1,000 per month.

We need to have organized activities on a year round basis like: archery, shooting, photography, knot tying, a petting zoo, leather work, etc. We need to invite the people from Kanab to bring their families, friends, grandchildren, visitors, etc. to enjoy the activities we have at Deer Springs Ranch. Deer Springs could be a fun place for the local people. Our activities need to be consistent so people can count on them.

We are in the same position this year as last year with \$10,000 in past due bills. We still have people who owe past due assessments. Karon suggested that we call CMA (a collection agency) to collect these old assessments. Val said that they are very tough and that they get right with it. Val said that he would contact CMA in St. George to see what they would charge to collect our unpaid dues.

In order to collect some money to pay our bills, it was suggested that we call Art Trimmer's daughter again and see if she still wants to buy April. It was agreed that since Judy is using all of her horses and none of ours and because Princess has a bad foot and Princess Di gives people problems sometimes, that we would sell the horses to bring in some cash. DSROA only has the two mares and four colts. Karon said that she would sell the horses, but they had to be brought to town first. It was also suggested that we take them to the auction.

Richard Childress, who owes thousands in unpaid assessments and who is a limited partner in Deer Springs Ranch, has written a letter to Dale about getting out of DSR and finalizing things. He wants Dale to solve his problems. Dale needs to find the time and try to help Childress.

1-18-94

We discussed paying Judy \$500 per month with her horses, but many of the board members didn't think that was enough. Last year she received \$1,000 per month in cash and \$1,500 per month as a credit on a DSR unit for six months. We thought Judy could earn extra money by doing horseback rides--day rides, overnight rides for members as well as for anyone who would be interested. This would also bring in extra income to the ranch. We will use this as a guide for wages and talk with Judy and Aaron to get their help and opinion.

We thought Judy could stay in the bunkhouse, and Aaron and his wife could stay in one of the bedrooms in the Garden Cabin. We would also give Judy or Aaron a \$100 a month truck allowance.

We thought that Vance and Diane are the kind of people who could go the boat and travel show next year to promote the ranch.

Diane talked about doing an organized, fenced petting zoo.

U. S. Outfitters, a professional outfitter company from New Mexico has bought our deer permits for 1994 and the next five years which is a total of 4 tags at \$2,500 each. They paid \$500 down for the 1994 tag. They paid half down (\$1,250) on the other three tags on January 13, 1994. The down payment on the three tags totaled \$3,750. This does not include any cabin rental. This company will post the ranch, police the ranch, and patrol it during the hunting season. They have a \$2 million insurance policy. DSROA owners who draw out can hunt on the ranch but others cannot under this agreement. There is a question on this, and we need to clarify it.

On December 20, Dale loaned the ranch \$5,600 to pay its outstanding bills. The \$3,750 from the deposit on the deer tags was paid to Dale as a loan repayment. Since DSROA is charging Dale 18% interest on his unpaid assessments, he charged DSROA 18% interest also. Dale has loaned money to DSROA in the past and has not charged any interest.

We need to send Brent Robinson a letter on getting the fences fixed and repaired this year.

Robin Wilcox has six sets of bunkbeds for sale. Patsy said that they are a good quality, sturdy bed. He wants \$100 per set. We could put these beds in Cabins 6, 9, 10, and the Garden Cabin. We will need to go to the ranch and see where they would fit in the best. Ben motioned that we buy the beds. Karon seconded the motion, and all were in favor.

Joy motioned, Nellie seconded, and all were in favor of setting the 1994 assessment at \$350.

Dale and Karon met with Eric Johnson, the Kane County Assessor, and were able to get the 1993 property taxes dropped by about \$25 per lot.

Submitted by,