

DEER SPRINGS RANCH OWNERS ASSOCIATION
A NONPROFIT CORPORATION
BYLAWS

Updated 10-2003

1. APPLICATION OF BYLAWS

The provisions of these bylaws will be binding on the membership of the Deer Springs Ranch Owners Association, hereinafter called Association. The acquisition of any property unit in Deer Springs Ranch, herein called Ranch, will signify acceptance of and agreement to comply with the Protective Covenants and Restrictions of Deer Springs Ranch Owners Association, a copy of which is attached hereto and incorporated herein by reference.

2. MEMBERSHIP

Membership in the Association is strictly limited to 300. Each property Unit (10 or 20 acres) of the Ranch is inseparably connected with one membership for 20 acres of land and one-half membership for 10 acres of land in the Association. The owner of each property Unit will be called a member and will be entitled to one vote for a 20-acre parcel and one-half vote for a 10-acre parcel in all Association matters requiring a vote. Clarkson Properties, Inc. (formerly known as Utah Properties, Inc.), is entitled to one or one-half vote for each unsold property Unit. (See Annual Meeting minutes June 21, 1997)

3. OWNERS

The owner of a property Unit and its inseparably connected Association membership is considered for Association purposes to be the titled owner and his or her immediate family (living in the same residence).

4. MEETINGS OF THE ASSOCIATION

A. Place of Meetings:

Meetings of the Association will be held on Ranch property owned by the Association or such other place convenient to the membership as may be designated by the Board of Directors.

B. Annual Meetings:

The Organizational Meeting of the Association will be held in June 1977. Five Directors will be elected at the first Organizational Meeting by written ballot of the membership, two for two (2) year terms and three for one (1) year terms. The two receiving the highest vote to serve the two (2) year terms. Each year thereafter, the appropriate number of Directors is to be elected each for a two (2) year term. Each year the President will report on the operation of the Ranch for the preceding calendar year.

C. Special Meetings:

Special meetings of the membership may be held at any time for any purpose or purposes. It will be the duty of the President to call a special meeting of the membership as directed by resolution of the Board, or upon a petition signed by members entitled to cast one-third (1/3) of all votes entitled to be cast by the membership and presented to the secretary of the Association. The notice of any special meeting will state the purpose thereof,

and no business will be transacted at any such meeting unless the nature of such business is stated in the notice, except upon the affirmative vote of not less than three-quarters (3/4) of all votes entitled to be cast by all members attending the meeting.

D. Notice of Meetings:

The secretary will mail to each member of record notice of each annual or special meeting at least twenty (20) days, but not more than forty-five (45) days prior to any such meeting. Which notice will state the time, date, and place at which meeting will be held. Such notice may be delivered either personally or by mail.

E. Order of Business:

The order of business at each annual meeting of the Association will be as follows:

1. Reading of the minutes of preceding meeting;
2. Reports of officers;
3. Reports of committees;
4. Election of Directors;
5. Unfinished business;
6. New business.

F. Voting:

Voting may be done in one of three methods in person, by mail, or by written proxy. (See Annual Meeting minutes June 22, 1996)

5. COMPOSITION AND MEETINGS OF THE BOARD

A. Qualifications:

Any Association member in good standing who is a real person over 18 years of age may be elected or appointed to the Board, provided that they have been a member of the association for at least one calendar year prior to the meeting at which they are elected or appointed.

B. Authority and Quorum:

The presence of a majority of the Directors at any meeting will constitute a quorum. The Board may act on all matters it deems necessary and reasonable to be in the best interests of the Association. Such actions will be by majority vote of Directors present at any meeting at which a quorum is present. Except as hereinafter provided, the Board will determine the duties to be performed by each officer of the Association. The Board will be composed of seven members of the Association, as provided herein above. [Changed from five to seven, annual meeting September 2002]

C. Annual Meeting:

Immediately following the Organizational Meeting, and each annual meeting of the membership, a regular meeting of the Board will be held for the purpose of organizing, electing officers of the Association, and transacting other business. Notice of such meetings need not be given.

D. Special Meetings:

Special meetings of the Board may be called at any time by the President on ten (10) days prior notice to each member thereof, given personally, by mail, or by telephone, or as may be otherwise required or allowed by the rules and regulations of the Board. The notice will state the time, place and purpose of the meeting. Special meetings of the Board will be called by the President or Secretary in like manner, and on like notice on the written request of a least three (3) members of the Board.

E. Waiver of Notice:

The transactions of any meeting of the Board, however called and noticed, or wherever held, will be as valid as though had a special meeting duly held after regular call and notice of a quorum is present, and if either before or after the meeting each of the members of the Board not present signs a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals, will be filed with the records of the Association, or made a part of the minutes of the meeting.

F. Action without Meeting:

The Board will have the right to act by unanimous written consent in the absence of a meeting, if all members of the Board will individually or collectively consent in writing to such action. Such action by written consent will have the same force and effect as the unanimous vote of such members at a meeting duly noticed and held.

G. Adjourned Meetings:

A quorum of the Directors may adjourn any meeting of the board to meet again at a stated day and hour. In the absence of a quorum, a majority of the Directors present may adjourn from time to time to meet again at a stated hour prior to the time fixed for the next regular meeting of the Board. The motion for adjournment will be filed with the records of the Board or made a part of the minutes of the meeting. Notice of the time and place of an adjourned meeting need not be given to any Director, if the time and place are fixed at the meeting adjourned.

H. Removal of Directors:

At any duly constituted regular or special meeting of the Association, anyone or more Directors may be removed with or without cause by the affirmative vote by written ballot of a majority of all members present. A successor may then be elected by a majority vote of the membership in a like manner as herein above provided to fill the vacancy or vacancies thereby created. Any Director whose removal has been proposed at any such meeting will be given an opportunity to be heard at the meeting.

I. Vacancies:

Vacancies on the Board caused by any reason other than the removal of a Director by vote of the membership as herein above provided, will be filled by vote of the remaining Directors, and each person so elected will be a Director until a successor is elected at the next annual meeting of the Association, or any special meeting called for such purpose.

6. OFFICERS

A. Election of Officers:

The principal officers of the Association will be a President, a Vice President, a Secretary, and a Treasurer, all of whom will be elected by, and from the members of the Board, together with such officers from the membership of the Association as the Association or the Board will determine to be necessary or advisable. The Officers will be elected annually by the Board at the Organizational Meeting of each new Board, and will hold office at the pleasure of the Board.

B. Removal of Officers:

Upon the affirmative vote of a majority of the Directors, any officer may be removed from office, with or without cause, and a successor may be elected at any regular or special meeting of the Board. Any officer removed will remain as a Director.

C. President:

The President will be the chief executive officer of the Association, will preside at all meetings of the Association, and of the Board, and will exercise general supervision over owned or controlled Association property and its affairs. Subject to the approval of the Board, the President will appoint all appropriate committees that are deemed to be necessary for the proper operation of the Association.

D. Vice President:

In the absence or disability of the President, the Vice President will perform all of the duties of the President, and when so acting will have all of the powers of and be subject to all of the restrictions upon the President. In the absence or disability of the President and the Vice President, the Board will appoint some other member of the Board to perform all duties of the President, and the member so appointed will have all of the powers of, and be subject to all of the restrictions upon the President. The Vice President will also perform such other duties as will, from time to time, be assigned by the Board.

E. Secretary:

The Secretary will keep full and complete minutes of all meetings of the Board, will file notice of all such meetings, as required, and will have charge of other books and papers and perform such other duties as the Board may direct.

F. Treasurer:

The Treasurer will have responsibility for Association funds and will be responsible for keeping full and accurate accounts of all receipts and disbursements, and will be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

7. DUTIES OF DIRECTORS AND OFFICERS OF THE ASSOCIATION

The duties of the directors and officers of the Association will include, but not be limited to the following:

A. To provide for the maintenance, repair or alteration of the Ranch roadway system.

- B. To provide for the maintenance of gates and fences on and within the boundaries of Association property.
- C. To provide for the maintenance of Association springs, wells, buildings, corrals and existing improvements to same.
- D. To provide for future improvements to Ranch property recommended by the Board.
- E. To promptly pay all real and personal property taxes before they become delinquent.
- F. To provide sufficient insurance coverage on all Association property.
- G. To enforce the Association Protective Covenants and Restrictions, Bylaws, and Rules.
- H. To safeguard the assets and properties of the Association. (passed Sept 20, 2003 by a vote of 180 for and 9 against)
- I. To limit the total outstanding indebtedness of the Association to \$30,000 unless approved by a majority vote of the members of the Association. (passed Sept 20, 2003 by a vote of 163 for and 17 against)

8. **ANNUAL DUES**

Annual dues will be assessed and collected from each Association member on or after July 1, 1980. Such dues will be for the purpose of maintaining existing facilities owned or controlled by the Association and for the purpose of constructing additional improvements as provided in Paragraph 5 above. Such dues will be in an amount as determined annually by the Board, except that increases in annual dues assessed shall be less than ten (10) percent in any given year, and the average annual increase from 2000 to 2004 shall not exceed five (5) percent. Development and maintenance costs will be borne by Utah Properties, Inc., until June 30, 1980, from funds allocated by Utah Properties, Inc., for that purpose.

In order to collect dues, the Board will have the power to add interest and late fees to past due assessments. The Board will also have the authority to place a lien and foreclose the same on lots when assessments are past due for more than 12 months.

9. **INDEPENDENT FINANCIAL REPORT**

The Association's year will run on a calendar basis. Within forty-five (45) days after the close of each year the Board will cause an independent financial report of the accounts of the Association to be made by an accountant, and upon completion of said report, cause to be prepared and delivered to each member within fifteen (15) days after completion, a true and exact copy thereof. (See Annual Meeting Minutes June 22, 1996.)

10. **SALE OF MEMBERSHIPS BY MEMBERS**

A proposed sale of an Association membership (and its inseparably connected property unit in the Ranch) will be subject to a right of first refusal vested in Deer Springs Ranch Owners Association Board of Directors for a period of 30 days. All proposed sales must be in writing and received by Deer Springs Ranch Owners Association, P O Box 254, Kanab, and Utah 84741. The 30-day period begins upon receipt by Deer Springs Ranch Owners Association of a written proposed sale.

11. **LIVESTOCK GRAZING**

All livestock will have unlimited grazing access to all the Ranch land. Members desiring to fence livestock out of their individual parcel will do so at their own expense.

12. **WATER RIGHT**

All members will receive a 0.45 acre foot water right with each 20-acre Deer Springs Ranch unit. Such water right will remain in the name of the Association until the member is ready to drill a well. At that time, the Association will prepare a Quit-Claim Deed to the member. (See Annual Meeting Minutes of June 22, 1996.)

A water right is inseparably connected to an Association lot and cannot be sold or transferred.

13. **AMENDMENTS**

These Bylaws may be amended by an affirmative vote or written consent of a least a two-thirds (2/3) majority of all votes cast.