

February 10, 1990  
Los Vegas Nevada

Deer springs Ranch Owners Association was called to order by President Evan Callister, at the office of George Strain, in Los Vegas, Nevada. A lovely lunch was served to all and enjoyed by all. Thanks folks. Members and guests present were, Thoïs Chatterley, George, Sadie Strain, Ed and Carol Terwilliger, Jim Brown, Jan & Evan Callister, Mr and Mrs Boazae, Bill and Sheral Curl, and Nellie and Wendell Hoyt.

Opening prayer was given and the meeting proceeded.

Minutes of previous meeting were read and approved.

Bill Curl and his wife talked to us about the sales and up grading of the air strip and roads, and work to be done for us at minimum costs.

The properties he has assumed, are being sold for \$20,000.00 per unit. For each unit he sells, they will donate \$200.00 to the association.

Jim brown mentioned financial problem at the ranch. Evan offered suggestions, Send an ondemand letter, (costs \$25.00 ea. for lawyer), if no reply, start suit and pay lawyer 1/3 of amount collected. 1st letters sent, B. Terral, R. Moss, Steve Eldridge, Ray Paul Doss, Cutler, and James Bean.

We need to close out the old garbage dump and take garbage to the county dump in Kanab,

We need a couple for summer help.

The water rights have been extended to March 31, 1992. We must get to work on this and follow through. or we will lose them.

Jim Brown made a motion that we need a petty cash account for the ranch manager. we decided on \$300.00. Motion 2nd by George Strain, motion carried.

Suggestion made to move the reservation office to new location. Think about and decide something by April 28th, 1990.

Thoïs offered his secretary at his office part time, or if Nellie decides. ?

We need to amend the by-laws to extend terms to elections every 2 years, and for 4 year year terms.????

ATV rules and regulations to be enforced at ranch.

Suggested sending a non-member a set of rules and regulations before they come to the ranch or make sure they get and read one at the ranch house when they check in.

We need a new insurance company.???

Jim made motion that Evan & Jan are getting... \*\$600,000 now and if the money comes available, they get raised to 20,000.00 a year George 2nd, motion carried All ok'd.

Nominations for replacement of Oscar Robinson on the board of directors, Brandt Child, if he has bought a lot, Joe Boazae, Carol Terwilliger, Carol accepted, Evan made motion, 2nd by Thoie. All in favor.

The next meeting will be April 28th. It will be WORK DAY, and pot luck.

About the use of cabins by members and non-members to be decided by April 28th. 1990.

Evan suggested we should try to reduce the assessment to \$200.00 per year and charge for the cabins left over, weekends, mid week. ?

1991

1 weekend \$50.00 Member or 2 weekends.

#1 cabin, \$60.00 Weekends

#8 " \$50.00 weekend.

#5 "

#7 " \$50.00 Weekend, Mid Week,

Offseason \$ 40.00 weekend, Evan gave us a sheet to get a general idea and for suggestions. We should think about it and if O.K'd, send out with ballots in May, 90, so comments could come in.

Motion made to adjourn. 2nd by Thoie. Meeting adjourned.

A very good time was had by all.

Next meeting at Deer Springs Ranch April 28th,

POT LUCK, WORK DAY

April 28, 1990

Deer Springs Ranch, UT

In Attendance: Evan Callister, Jan Callister, Thois Chatterly, Wendell Hoyt, George Strain, Arlene Strain, Joe Bosze, Candy Bosze, Carol Terwilliger, Cindy Kilburn

Deer Springs Ranch Owners Association was called to order by President Evan Callister at the conclusion of Work Day, 1990. Minutes were read and approved.

The garbage refuse area at the ranch has been closed. Guests will be instructed to bring trash from cabins to headquarters. Evan will make arrangements for the trash to be taken to town on a regular basis. This change in check-out procedure will be added to current check-out list.

A petty cash checking account has been set up to cover incidental costs.

It is still to be determined how, or by whom, the reservations will be taken for next year at the ranch. Nellie Hoyt may be a possibility but that decision is yet to be made.

The Annual Deer Springs Meeting will be held at the ranch on Saturday, June 16, 1990. Members will have an opportunity to vote for board members and by-law changes at the meeting. This is a good time to get to know fellow association members.

Anyone interested in running for board positions need to get their resumes in as soon as possible. The board meets every 2-3 months at different locations.

Evan introduced a motion to the board which would change the number of years served on the board. The reason of continuity was the premise for the change. Since this would be a change in by-laws it requires a majority vote by members. Evan motioned that the change be put to ballot and it was seconded by George Strain.

The use of cabin time, with the sale of more lots, is going to be at a premium this summer - and in the years to come. Evan again brought up the possibility of decreasing yearly assessment fees to \$200 for members who do not use their two-week cabin time. For those members wanting to take advantage of their time there would be a \$50 advance fee for each week used. Although this would increase the yearly assessment for some members, it would help alleviate the current problem of cancellation, thus avoiding empty cabins during peak occupation months. A hand-out was give out with suggested weekly rates for members and non-members for each cabin (does not apply to members 2-week allotment of cabin use). These changes were brought forward by a motion from Evan and were seconded by George Strain. Changes will be put to ballot at the June meeting.

George Strain and Joe Bosze are "shopping" for insurance coverage that would better serve the ranch. They will report their findings in June at the meeting.

Arlene Strain wanted the board to be aware of their liability in the event of a law suit against the ranch. If someone was seriously injured on the ranch, the board members could be sued individually. A change in the by-laws excluding board members from liability in the case of a law suit should be considered.

The question of liability for members and their horses was also discussed. When a member's horse is being used by the ranch on an authorized trail ride, the ranch is liable. If the member is on their own horse and an accident occurs, the member is liable.

In addition to the members attending the meeting, Bill and Shiela Curl, Doug and Colleen Bosze, Benny and Joy Jordon, and David and Jane Arndt were at the ranch helping to make Work Day, 1990 a success.

The meeting was adjourned by Evan Callister.

*I would like to thank Carol for doing the minutes for me.*

*OK'd H*

Saturday June 16, 1990

DEER SPRINGS RANCH OWNERS ASSOCIATION MET FOR THE ANNUAL MEETING AND ELECTION OF NEW ASSOCIATION MEMBERS. (4) OUT GOING. THOIS CHATTERLEY, EVAN CALLISTER, CAROL TERWILLIGER, AND NILES WILLIS. NEW NOMINATED MEMBERS WERE JOE BOSZP, EVAN CALLISTER, THOIS CHATTERLEY, AND CAROL TERWILLIGER.

ALL BALLOTS WERE BROUGHT TO THE MEETING OPENED.

BOARD MEMBERS PRESENT WERE EVAN CALLISTER, JIM BROWN, THOIS CHATTERLEY, CAROL TERWILLIGER, GEORGE STRAIN, AND NELLIE HOYT.

THERE WERE APPROXIMATELY 25 PEOPLE IN ATTENDANCE.

MEETING CALLED TO ORDER BY PRES. EVAN.

OPENING PRAYER BY THOIS CHATTERLEY.

EVAN TALKED ABOUT BUDGET THRU JANUARY AND MAY, 1990. WE'RE DOING A LITTLE BETTER ON ASSESSMENT COLLECTIONS THIS YEAR. SOME DUE TO LEGAL PROCEDURES.

WE NEED LOTS OF HELP & MONEY TO KEEP THE RANCH UP IN REPAIR AT ALL TIMES.

WE GOT AN EXTENSION ON WATER FILINGS NOT PROVED UP ON, UNTIL MARCH 1992.

THE FISH FOR THE PONDS & CHARGING WAS DISCUSSED. IT COSTS US \$2.00 PER POUND FOR FISH AND WE CAN ONLY AFFORD MINIMUM LOADS. WE HAVE BEEN SPLITTING WITH SOMEONE ELSE SO WE CAN EVEN GET FISH DELIVERED TO US HERE. WE NEED TO HEAR OTHER PEOPLES IDEAS ON THIS?? WE NEED TO POLICE OUR PONDS FOR UNAUTHORIZED (NON-MEMBERS) (NOT GUESTS), PEOPLE WHO SLIP IN AND FISH AND COST US MONEY. THERE CAN BE TURNED INTO THE SHERIFF. JUST TAKE LICENSE #'S & NAMES IF YOU CAN. DO NOT CAUSE ANY DANGER TO YOURSELF.

THE CABIN MAINTENANCE NEEDS TO BE UPGRADED. #1 NEEDS PAINTING & SOME ROCKS NEED REPAIR.

QUESTIONS: FROM MEMBERS PRESENT.

WHAT WATER RIGHTS TO PROVE UP ON?

ANS. RANCH AND UPPER CABINS SPRING. WE THOUGHT THEY WERE ALREADY DONE??

QUESTION: WHERE IS MONEY IN THE BUDGET FOR WATER FILINGS?

ANS. MISCELLANEOUS.

QUESTION: SOME ARE AGAINST DONATIONS FOR HORSES??

WE NEED TO LOOK INTO GETTING A BETTER PRICE ON HAY FOR WINTER FEED?? \$100.00 PER TON & UP??

EVAN TURNED THE TIME OVER TO DALE CLARKSON WHO DISCUSSED MANY THINGS PERTAINING TO THE RANCH. WATER FILINGS, HOW TO RAISE MONEY, ASSETS, RENTAL POLICY, TRY WIN WIN SITUATION.

ON OUR INSURANCE, IF WE ARE TAKEN OFF OF UTAH PROPERTIES POLICY, IT WOULD TRIPLE OUR COSTS??

WE HAVE A \$2,910.00 CREDIT ON INSURANCE POLICY FROM KAY BARTON.

WE NEED 7 DAY COVERAGE ON THE RANCH DUE TO LIABILITY INSURANCE.?

DALE REPRESENTS ABOUT OVER 100 VOTES FROM UNSOLD LOTS OR UNITS, AND SAID HE WOULD VOTE THEM TO APPOINT THE BOARD.

THERE WAS A CHALLENGE ON ONLY 14 DAYS ON THE NOTICE, INSTEAD OF 20 DAYS, AND THE BALLOTS WERE BROUGHT TO THE RANCH OPENED BEFORE HAND.??

JIM BROWN MADE A MOTION THAT MEETING BE DISMISSED. GEORGE SECONDED. EVAN DECLARED THE MEETING INVALID AND WOULD BE POSTPONED FOR NEW ELECTION MEETING IN 45 DAYS. VOTE 15 IN FAVOR. 9 NO.

NEW NOMINATIONS ARE JOE BOSZE, CAROL TERWILLIGER, EVAN CALLISTER, THOMAS CHATTERLEY, KAREN JACOBSON, OSCAR ROBINSON, BILL CURL, DALE CLARKSON, ELDEAN HOLIDAY

VERY GOOD FOOD WAS SERVED FOLLOWING THE CLOSURE OF THE MEETING. THANKS TO JAN AND VOLUNTEERS AND GOOD HELP.

MEETING ADJOURNED.

OKS  
H

JUNE 16, 1990. SATURDAY, 9.42.p.m.

A SPECIAL BOARD MEETING WAS CALLED BY THE PRESIDENT EVAN. MEMBERS PRESENT WERE GEO. STRAIN, JIM BOSZE, EVAN CALLISTER, CAROL TERWILLIGER & NELLIE HOYT.

MOTION DISCUSSED AND MADE THAT NO ASSOCIATION CHECKS COULD BE SIGNED BY ANYONE BUT THE PRESIDENT & VICE PRESIDENT FOR THE NEXT 45 DAYS. ALL IN FAVOR, MOTION CARRIED.

GEORGE MADE MOTION THAT MEETING BE ADJOURNED. 2nd JIM.  
MEETING ADJOURNED.

FR B H

# SNOW, NUFFER, ENGSTROM & DRAKE

A PROFESSIONAL CORPORATION

STEVEN E. SNOW  
DAVID NUFFER\*  
CHRIS L. ENGSTROM  
LYLE R. DRAKE  
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\*Also admitted in Arizona

## LEGAL OPINION

**TO: MEMBERS OF DEER SPRINGS RANCH OWNERS ASSOCIATION**

**FROM: SNOW, NUFFER, ENGSTROM & DRAKE**

**DATE: JULY 6, 1990**

**SUBJECT: UTAH PROPERTIES', INC., ABILITY TO VOTE UNSOLD LOTS.**

## QUESTIONS PRESENTED

1. Is Utah Properties Inc., entitled to vote the unsold lots of Deer Springs Ranch Owners Association?
2. Is Utah Properties Inc., required to pay annual Association dues on the unsold lots?
3. If Utah Properties Inc., has diverted money from the Association in the past for other purposes, can they be required to repay the money?

## BRIEF ANSWERS

1. Although paragraph 2 of the Bylaws provides that, "Utah Properties, Inc., is entitled to one vote for each unsold property unit," it has no right to vote since it has not paid dues.

2. Utah Properties Inc., is required to pay dues and currently has no rights or privileges as a member of the Association since it has not done so.
3. Any Association money diverted for use by Utah Properties Inc., or its agents, must be returned to the Association.

### ANALYSIS

#### A. Utah Properties Inc. Owns Property in the Association and is Therefore a Member of the Association

Utah Properties, Inc. should have been assessed annual dues from the beginning of Deer Springs Ranch since they are identified as a member of the Association in the Bylaws and in the Protective Covenants and Restrictions. Paragraph 2 of the Protective Covenants provides:

It shall be mandatory for each of the owners of property described in Schedule "A" to be a member of the Association, and as such, each member of said property owners Association and the Association as a separate entity individually and severally, bind themselves pursuant to the terms of these Restrictions, and any bylaws or amendments to said bylaws adopted and passed by said Association.

Paragraph 2 of the Bylaws provides:

Each property unit of the ranch is inseparably connected with one membership in the Association. The owner of each property unit shall be called a member and shall be entitled to one vote in all association matters requiring a vote. Utah Properties, Inc., is entitled to one vote for each unsold property unit."

#### B. As an Association Member, Utah Properties Inc. is Required to Pay Annual Assessments

Paragraph 8 of the Bylaws provides that "Annual dues shall be assessed and collected from each Association member. . ."(emphasis added). Since ownership of property is inseparably connected with membership, Utah Properties is an Association member and should have made annual dues payments for each of its lots.



C. Since Utah Properties Inc. Has Not Paid Annual Dues, They Have Lost All Membership Privileges, Including the Right to Vote.

Although Paragraph 2 of the Bylaws states that "Utah Properties, Inc., is entitled to one vote for each unsold property Unit," Utah Properties currently has no rights as a member since it failed to pay dues as provided in Paragraph 9 of the Protective Covenants:

All rights and privileges of any member shall be suspended by the Association upon non-payment by that member of assessed Association dues. All such rights and privileges shall be suspended until said delinquent dues are paid in full.

D. Utah Properties Inc. is Required to Pay Delinquent Annual Dues

Paragraph 9 of the Restrictive Covenants Provides that,

In the event said unpaid dues remain delinquent for a period of time in excess of 30 days, the Association is expressly empowered, by and through its Board of Directors, to take any or all actions specified in Paragraph 8 above.

Paragraph 8 provides:

[The] Board of Directors of the association shall have the right and responsibility to prosecute any proceedings at law or in equity against such member so violating or attempting to violate any such restrictions and either prevent said member from violating these restrictions and bylaws, or to recover damages or other dues for such violation.

E. Not to Mention Criminal Violations, Utah Properties, Inc., and Its Agents are Responsible to Repay all Association Money Which May Have Been Diverted for Other Purposes.

Paragraph 8 of the Bylaws provides:

Dues shall 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 [the Bylaws].

Even if this provision was not in the Bylaws, an individual or corporation cannot use money collected from Association dues for his/her/its own benefit.

## CONCLUSION

1. Since Utah Properties has not paid Association dues on its unsold lots, it has no rights as a member of the Association and should not be allowed to vote the unsold property.
2. Utah Properties should be required to pay past annual dues.
3. If Utah Properties Inc., or its agents, used Association money for other purposes, there was no authority to do so, and Utah Properties should be required to repay the money to the Association.

SA2

JULY 21, 1990

SPECIAL ELECTION MEETING OF D.S.R.O.A. WAS HELD IN TH# BASEMENT OF ZIONS 1st NATIONAL BANK. KANAB, UTAH.

MEETING WAS CALLED TO ORDER BY PRESIDENT EVAN CALLISTER AT 6:05 P.M. THE BOARD HAD DECIDED TO ACCEPT THE SPECIAL ELECTION MEETING, EVEN THO IT WAS ILLEGAL AND NOT CALLED BY THE BOARD.

BOARD MEMBERS PRESENT WERE THOIS CHATTERLY, GEORGE STRAIN, JIM BROWN, CAROL TERWILLIGER, EVAN CALLISTER & NELLIE HOYT.

20 OTHER MEMBERS AND PROPERTY OWNERS WERE PRESENT.

DISCUSSION WHETHER PEOPLE CAN VOTE IF DUES ARE NOT CURRENT???

DALE CLARKSON SPOKE, MANY QUESTIONS WERE ASK & VERY HEAVY DISCUSSION INCURRED.

PRESIDENT CALLISTER HAD APPOINTED A BALLOTING COMMITTEE TO COUNT THE BALLOTS THAT WERE TURNED IN FRIDAY EVENING.

5 BOARD MEMBERS & 1 MEMBER MET EARLY AND HELPED COUNT THE BALLOTS TO HELP CUT DOWN ON THE MEETING TIME.

EVAN ASK FOR ANY BALLOTS THAT WERE LATE TO BE TURNED IN FOR FINAL TALLY.

6 NEW NAMES WERE ADDED TO THE LIST AND ALLOWED TO BE COUNTED AS PAID UP ASSESSMENT MEMBERS.

BILL CURL # 201 \$125.00  
TOM ANDRE # 201 \$125.00  
REX GAUNITE # 88 \$125.00  
SCOTT CARPENTER. # 233 \$125.00

RICHARD WOLF # 187 \$125.00  
KAREN JACOBSON # 105 \$125.00

THE NEW ELECTED OFFICERS ARE  
EVAN CALLISTER 35 VOTES  
DALE CLARKSON 55 "  
VAL CRAM 55 "  
OSCAR ROBINSON 29 "

THE AMMENDANTS WERE MORE IN FAVOR, BUT WERE NOT 2/3 OF THE VOTE SO DID NOT PASS.  
SEEMS THEY NEED MORE CLARIFICATION.

MUCH MORE DISCUSSION AND FEELINGS WERE VENTED.

GEORGE STRAIN MADE MOTION MEETING ADJURN. 2nd NELLIE.  
MEETING ADJURNED

EVAN ASK THAT THE BOARD PLEASE REMAIN & GET THEIR ELECTION & SET TIMES FOR FUTURE MEETINGS.

D.S.R.C. ASSOC. MEMBERS MEETING WAS HELD FOLLOWING ELECTION MEETING.  
JULY 21, 1990.

NOMINATIONS FOR PRESIDENT, JIM BROWN 4  
VAL CRAM 3

NOMINATIONS FOR VICE PRES. VAL CRAM 3  
EVAN CALLISTER 4

nominations for SECRETARY & TREASURER,  
NELLIE HOYT  
NO OTHER NOMINATIONS, PUT IN BY AGLAMATION.

EVAN MADE A MOTION THAT ALL BILLS & ETC. BE BROUGHT TO AND APPROVED  
IN BOARD MEETINGS, AND BE INCLUDED IN THE MINUTES. 2nd GEORGE  
STRAIN.

MOTION MADE THAT PRESIDENT, VICE PRESIDENT & SECRETARY TREASURER  
BE ABLE TO SIGN CHECKS & PRESENT BILLS PD OR TO BE PD, AT MEETINGS  
ONCE A MONTH. 2nd. OSCAR. MOTION CARRIED.

THE NEXT BOARD MEETING WILL BE HELD SATURDAY AUGUST 25th, 1990,  
4: P.M. (UTAH TIME) IN THE BASEMENT OF ZION BANK, KANAB, UTAH.

EVERYONE IS SUPPOSED TO BRING QUESTIONS TO THE MEETINGS ON THINGS  
THAT NEED TO BE DISCUSSED TO HELP ON THE RANCH. WATER, HORSES,  
HAY, ???

DALE CLARKSON ASK FOR THE BALLOTS AND COUNT SO HE COULD DOUBLE  
CHECK. WF GAVE THEM TO HIM.

JIM MADE A MOTION THAT THE MEETING ADJURN, 2nd BY GEORGE.

MEETING ADJURNED.

*OK'd* *AT*

WILLARD R. BISHOP, P.C.

ATTORNEY AT LAW  
36 NORTH 300 WEST  
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CEDAR CITY, UTAH 84721  
801/586-9483

August 21, 1990

Dale Clarkson  
40 West Kanab Creek Drive  
Kanab, Utah 84741

Re: Deer Springs Ranch Owners Association

Dear Mr. Clarkson:

Upon your request I have reviewed the Bylaws and Articles of Incorporation of Deer Springs Ranch ("DSR") Owners Association, as well as the DSR Protective Covenants and Restrictions, recorded in Kane County. I have looked specifically at the following issues:

1. Is Utah Properties, Inc. required to pay dues?
2. What are the voting rights of Utah Properties, Inc.?
3. What is the effect of nonpayment of dues on an Association member's right to vote?

After reviewing both the Articles of Incorporation and the Amendments, the Bylaws and the Utah statutes governing nonprofit corporations, I have reached the following conclusions:

1. Utah Properties, Inc. is not required to pay dues.
2. Utah Properties, Inc. is entitled to one vote per unsold unit.
3. Association members who do not pay dues are still entitled to one vote for each unit owned.

ANALYSIS

In evaluating the rights of different members of any nonprofit corporation, the first step is to establish the number and types of classes of the members. Under Utah law a nonprofit corporation may provide for one or more classes of members. § 16-6-26 of the Utah Code states:

A nonprofit corporation may have one or more classes of members, or may have no members. If the corporation has one or more classes of members, the designation of such class or classes, the manner of election or appointment, the qualifications and rights of the members of each class and any provisions for termination or forfeiture of membership shall be set forth in the articles of incorporation or the bylaws. The articles of

incorporation or the bylaws may contain provisions relating to the imposition of dues, assessments or other charges on members and provisions restricting the transfer of memberships. . . . (emphasis added)

The Bylaws of DSR Owners Association establish two classes of members: one class of members who purchase a Unit or an owners class and one class consisting of Utah Properties, Inc., which represents the unsold units. The distinction is set forth in paragraph 2 of the Bylaws:

## 2. MEMBERSHIP

Membership in the Association is strictly limited to 300. Each property Unit of the Ranch is inseparably connected with one membership in the Association. The owner of each property Unit shall be called a member and shall be entitled to one vote in all Association matters requiring a vote. Utah Properties, Inc., is entitled to one vote for each unsold property Unit. (emphasis added)

The owners class is further defined in paragraph 3 of the Bylaws as being a person who has "Association membership."

The two distinct classes are shown again in paragraph 8 of the Bylaws governing dues:

## 8. ANNUAL DUES

Annual dues shall be assessed and collected from each Association member [owner class] on or after July 1, 1980. Such dues shall be for the purpose of maintaining existing facilities owned or controlled by the Association and for the purposes of constructing additional improvements as provided in Paragraph 5 above. Such dues shall be in an amount as determined annually by the Board. Development and maintenance costs shall be borne by Utah Properties, Inc., [unsold units class] until June 30, 1980, from funds allocated by Utah Properties, Inc., for that purpose. (emphasis added)

The dues requirements differ for each class based on their respective positions. The unsold units class was logically set up to financially support the DSR Owners Association for the first three years, until the owners class could fund the operation with the dues. The unsold units also do not utilize the facilities and are in no position to pay dues on an unused unit. Never at any time in the Bylaws does it require Utah Properties, Inc. to pay dues or any other money after the first three years.

In spite of no obligation to provide financial support to the Owners Association, Utah Properties, Inc. has contributed large donations to the DSR Owners Association even after the July 1, 1980 deadline.

The only other provision dealing with dues is contained in the DSR Owners Association Protective Covenants and Restrictions. A casual reading may seem to suggest that Utah Properties, Inc. is required to pay dues on each unsold unit. However, a careful reading shows that the dues provision in paragraph 9 applies only to the owners class. Paragraph 9 of the restrictive covenants specifically contains the provision: "as provided in the Association bylaws." The power to assess dues is limited to the owners class in the Bylaws. The Bylaws terminated Utah Properties, Inc. obligation on July 1, 1980.

Based on the foregoing information, Utah Properties, Inc. is under no obligation to pay dues to the Owners Association. Utah Properties, Inc. responsibility under the Bylaws has been satisfied.

The next issue deals with Utah Properties, Inc.'s right to vote the unsold units. The only possible restriction that might affect voting rights is found in the restrictive covenants. Paragraph 9 of the restrictive covenants allows the board of directors to suspend "[a]ll rights and privileges of any member [of the owners class]" for nonpayment of dues. As shown above, the restrictive covenants do not apply to Utah Properties, Inc. The "rights and privileges" of Utah Properties, Inc. cannot be affected by paragraph 9 of the restrictive covenants.

In addition, the DSR Owners Association Protective Covenants and Restrictions cannot change the right to vote as set forth in the Bylaws. The Utah statutes are specific when dealing with the voting rights of members of nonprofit corporations. § 16-6-30 provides as follows:

The right of the members, or any class of members, to vote may be limited, enlarged or denied to the extent specified in the articles of incorporation or the bylaws. Unless so limited, enlarged or denied, each member, regardless of class, shall be entitled to one vote on each matter submitted to a vote of members. (emphasis added)

The statute is explicit: the only place voting rights can be "limited, enlarged or denied" is in the bylaws or articles of incorporation. The DSR Owners Association Protective Covenants and Restrictions cannot affect the right to vote of any members.

The voting rights, as set forth in the Bylaws, are straight forward and simple. "The owner of each property unit . . . shall be entitled to one vote." Similarly, "Utah Properties, Inc., is

entitled to one vote for each unsold property Unit."

The purpose of the Utah statute is to insure that voting rights of members cannot be tampered with through outside interference or other sources. § 16-6-30 resolves the second and third issues addressed in this letter. Any member of either class is entitled to one vote per unit, whether or not any dues have been paid.

CONCLUSION

Two classes were created in the bylaws of DSR Owners Association. One class represents the sold units, while one class represents the unsold units. Utah Properties, Inc. representing the unsold units was required to financially support the Association for the period of three years, until the owners could take over through due payments. Utah Properties, Inc. has no obligation to pay any additional funds.

With regard to voting rights, the Protective Covenants and Restrictions cannot be used to eliminate a member's voting right. The voting right was granted in the Bylaws without any restrictions or limitations.

Respectfully submitted,



E. Kent Winward



*had at my home "report"*  
JULY 11, 1990 DEER SPRINGS RANCH

AS IT HAPPENED VAL CRAM, NELLIE & WENDELL HOYT, JIM BROWN, EVAN CALLISTER FAMILIES WERE ALL AT DEER SPRINGS RANCH THIS WEEK. EVAN HAD RECEIVED A LETTER FROM THE FOREST SERVICE AND ASK IF WE COULD COME MEET AT THE RANCH & DISCUSS A FEW THINGS. WE MET AND DISCUSSED THE LETTER, ( COPIES TO BE SENT TO ALL BOARD MEMBERS FOR DISCUSSION AT AUG. 25th MEETING)  
VALS SON JOINED US AS WE ALSO DISCUSSED WATER RIGHTS AND SUGGESTIONS FOR BETTERMENT OF THE RANCH.  
NO MAJOR DISCUSSIONS OR DECISIONS OF ANY KIND WERE MADE. JUST GOOD GENERAL DISCUSSION.

MEETING ADJOURNED

*of all the pages there*  
AUGUST 25, 1990

DEER SPRINGS RANCH OWNERS ASSOCIATION MET IN THE BASEMENT OF ZIONS BANK, KANAB, UTAH.

BOARD MEMBERS PRESENT WERE OSCAR ROBINSON, JIM BROWN, EVAN CALLISTER, GEORGE STRAIN, VAL CRAM, DALE CLARKSON, & NELLIE HOYT.

SEVEN (SEVEN D.S.R. OWNERS MEMBER WERE PRESENT ALSO.

MEETING WAS CALLED TO ORDER AT 4:00 P.M. BY PRESIDENT JIM BROWN.

MINUTES WERE READ AND APPROVED.

DALE CLARKSON CHALLENGED THE BOARDS BALLOT COUNT AND STEVE SNOWS LETTER ON BALLOTING PROCEDURE AND LEGALITY. (ONLY PT UP MEMBERS CAN VOTE??)

JIM BROWN READ THE STEVE SNOW LETTER AND ANSWER. (4 PAGES)

MR CLARKSON PRESENTED HIS LAWYER MR KENT WINWARD FROM CEDAR CITY FOR HIS STATEMENT ON VOTING LEGALITIES.

AFTER DISCUSSION, MR CLARKSON MADE NOTION WE MOVE FORWARD ON BUSINESS BY ADDING BILL CURL TO THE BOARD, AND WAIT UNTIL FINAL OPINION AFTER MEETING WITH BOARD MEMBERS & LAWYERS IN ST. GEORGE MONDAY MORNING AUGUST 27, 11:A.M. 2nd GEORGE STRAIN.

EVAN DISCUSSED ABOUT THINGS NEEDED AT THE RANCH ON PUMP MAINTENANCE, (GOVERNOR ON GENERATOR WORK CUT.) HE FINALLY GOT A REPAIRMAN FROM ST. GEORGE, UTAH TO REPAIR THE GOVERNOR UNTIL WE CAN GET ANOTHER ONE. (\$ 371.00) repair bill. THE RADIATOR NEEDS TO BE RECORDED???

OSCAR CAN BE CALLED FROM NOW ON TO REPAIR MACHINERY.

UPPER  
THE PLAN TO CLOSE THE/CABINS AFTER DEER SEASON AND U.E.A. IS 10/15/90.  
CLOSE THE LOWER CABINS AFTER NOV. 5th 1990.

THE CURLS SAID THERE WAS A BOOKING FOR THANKSGIVING AT THE RANCH. (GARDEN CABIN.) MAYBE MORE COMING IN.  
DISCUSSION, WHO WILL BE IN CHARGE,? (EVAN) THE CABIN IS NOT INSULATED.  
The people will have to carry their own water in & winterize the

THE FLOODS UNCOVERED THE 3" WATER LINE UP THE CUTT, AND NEEDS TO BE COVERED BEFORE LONG FOR FREEZE PROTECTION.???

THE LITTLE LOADER IS DALE WHITES, AND EVAN CAN USE IT, BUT HE ASK THE BOARD IF WE WOULD STAND BEHIND THE MACHINE FOR REPAIRS, IF ANY BREAKDOWNS ???  
THE BOARD AGREED.

EMPLOYEES AT THE RANCH, MARY JO, WRANGLER IS LEAVING WED.,. AUG., 29th TO RETURN TO B.Y.U.

EVAN ASK THAT HE BE ALLOWED TO KEEP CINDY TO HELP CLEAN AND CLOSE THE CABINS AND RANCH. ITS JUST TOO MUCH WORK FOR 2 PEOPLE.??  
OSCAR MADE MOTION TO KEEP HER AND GEORGE 2nd. MOTION CARRIED.

LABOR DAY WEEKEND IS BOOKED FULL.

ROUND UP IS OCT. 1, 1990.  
DEER HUNT OCT. 6/16/90.

THERE ARE 7 HEAD OF HORSES TO BE WINTERED. WE NEED TO BE LOOKING FOR PASTURE AND HAY. WE CAN USE OSCARS PLACE IF NECESSARY.

EVAN MET WITH THE FOREST SERVICE ON THE 22nd AUG. AT THE FENCELINE ABOVE THE RANCH. MUCH DISCUSSION. WE DECIDED WE WOULD ASK FOR ~~THE~~ #2 CHOICE IN THEIR LETTER AND HOPE FOR MORE. NELLIE WAS INSTRUCTED TO ANSWER THE LETTER WITH EVANS HELP.

ON BUDGET, WE NEED TO BORROW APPROXIMATELY \$8,000.00 FROM THE BANK TO FINISH OUT THE YEARLY BUDGET,????

KENT WINWARD GAVE US SOME INFORMATION ON WATER RIGHTS BENEFICIAL USE, IRRIGATION, WATER, MAN OR ANIMALS, FIRE PROTECTION ETC.


EVAN SAYS THE WEST FIELD IS FULL OF POISON MILK WEED. HE MET WITH THE COUNTY, AND IF THEY HAVE ENOUGH SPRAY, THEY WILL SPRAY FOR US.??

DALE BROUGHT WATER FILINGS. MORE DISCUSSIONS AND SUGGESTIONS.  
DALE ASK THAT WE ALL WORK IN HARMONY.

VAL INVITED ANYONE WHO WANTED TO, TO COME TO THE MEETING OF THE LAWYERS MONDAY MORNING, AUG. 27, 11:A.M. STEVE SNOWS OFFICE.

OSCAR MADE MOTION MEETING ADJURN, 2nd VAL.  
MEETING ADJURNED.

OK'd  
NA



The Advisory Board  
DEER SPRINGS RANCH  
30 East Center  
Kanab, Utah 84741

August 27, 1990

James D. Brown  
596 W. Man Of War Rd.  
St. George, UT 84770

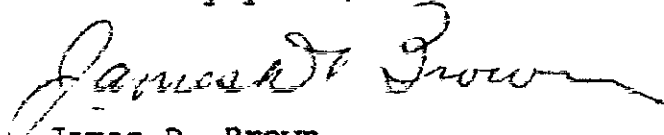
Dear Board Members:

This letter will inform you as to my resignation as both President and Board Member of the newly formed board of directors of Deer Springs Ranch Association.

Because of the many concerns regarding the running of the Association, and the change of the board at this early time, I feel it would be in the best interest of the Association.

Wishing the new board well, I remain,

Sincerely yours,

  
James D. Brown

August 29, 1990

DEER SPRINGS RANCH BOARD MEMBERS:

A special meeting of the Board of Directors of Deer Springs Ranch Owners Association has been called by three members of the Board as set forth in the Bylaws of said corporation. The meeting will begin at 6 p.m. on September 8, 1990, in the conference room at Zions First National Bank, 41 East Center, Kanab, Utah.

Respectfully yours,

Dale E. Clarkson  
Val Cram  
Oscar Robinson

DEC:dsc

SEPTEMBER 8, 1990 6:P.M.

DEER SPRINGS RANCH OWNERS ASSOCIATION MET IN THE E.R.A. OFFICE. KAREN HAD FORGOTTEN TO RESERVE THE BANK BASEMENT.

OPENING PRAYER WAS GIVEN BY OSCAR ROBINSON.

MEMBERS PRESENT WERE RANCH MANAGER EVAN & JAN CALLISTER, OSCAR ROBINSON, DALE CLARKSON, VAL GRAM, & NELLIE HOYT.

AFTER DISCUSSION, VAL WAS ASK TO CHAIR THE MEETING.

THE BOARD RIGHT NOW IS VAL GRAM, DALE CLARKSON, BILL CURL, OSCAR ROBINSON, JIM BROWN, GEORGE STRAIN, & NELLIE HOYT.

NELLIE READ THE MINUTES OF THE PREVIOUS MEETINGS. THEY WERE APPROVED WITH THE CORRECTION OF ONE WORD, CHOICE BEING CHANGED TO ALTERNATIVE # 2 ON THE FOREST SERVICE LETTER. THE MINUTES WERE APPROVED AS CORRECTED.

A LETTER OF RESIGNATION WAS READ FROM JIM BROWN AS PRESIDENT AND FROM THE BOARD. OSCAR MADE PURPOSAL TO ACCEPT THE RESIGNATION. 2ND DALE CLARKSON. VAL WILL CALL JIM AND LET KNOW WE ACCEPT.

VAL GAVE A REPORT ON THE STEVE SNOW MEETING IN ST. GEORGE, AUGUST 27, 1990, PEOPLE PRESENT WERE DALE CLARKSON, JIM BROWN, EVAN CALLISTER, KENT WINWARD, STEVE SNOW AND SCOTT AWERKAMA AND VAL GRAM.

DISCUSSED ON VOTEING ENTITLEMENTS. THERE ARE 2 CLASSES. DEVELOPERS AND OWNERS.

THE DEVELOPER COULD VOTE THE UNSOLD UNITS. THEY ARE ALSO NOT ASSESSED, THEY ARE ON GREEN BELT FOR TAXES UNTIL SOLD, AND THEN ARE ASSESSED BOTH FOR DUES, AND COUNTY TAXES.

OWNERS ARE ASSESSED AND PAY DUES TO RUN THE RANCH. ALSO PAY COUNTY TAXES.

- QUESTIONS: ANS.
- #1. CAN ALL LAND OWNERS VOTE EVEN IF ASSESSMENTS ARE NOT CURRENT??? YES.
  - #2. CAN UNSOLD PROPERTIES VOTE. YES.
  - #3. WE NEED TO PREPARE A SUGGESTED DIRECTION OF ASSESSMENTS OWED & OFFSET THEM. WE NEED A FINANCIAL ANALYSIS.???
  - #4. WILL WE RECEIVE A REPORT FROM STEVE SNOW OR KENT WINWARD ON THE MEETING???

ANS. ????

DALE MADE A MOTION TO ACCEPT KENT WINWARDS OPINION AS TO ALL SOLD & UNSOLD LOTS HAVING VOTEING PRIVILEGES. 2ND. OSCAR ROBINSON, VOTEING 3 FOR NELLIE ABSTAINED. (1)

VAL ASK IF SHE WOULD RECONSIDER TO MAKE THE VOTE LEGAL. SHE AGREED WITH STRONG RESERVATIONS. I FEEL IT SHOULD BE BROUGHT UP IN THE NEXT MEETING.

THE NEW COUNT ON THE BOARD ELECTION WAS THEN GIVEN ALLOWING THE 100 UNSOLD UNITS TO BE VOTED BY DALE CLARKSON.

DALE CLARKSON, 192	HOLD OVERS ARE,
VAL GRAM 189	GEORGE STRAIN, NELLIE HOYT,
BILL CURL 153	& JIM BROWN. (RESIGNED.)
OSCAR ROBINSON 159	NEW BOARD MEMBERS.

*This is the first time the unsold units have been voted  
It is to be put in the news letter to everyone of the decision*

OSCAR MADE A MOTION FOR VAL TO CHAIR THE MEETINGS UNTIL NEW OFFICERS ARE ELECTED. 2ND DALE CLARKSON. 4 VOTED FOR. MOTION PASSED.

WE WILL SEARCH FOR MEMBERS NAMES TO REPLACE JIM BROWN. NAMES SUGGESTED WERE EVAN CALLISTER, THOIS CHATTERLEY, EL DEAN HOLIDAY, CAROL TERWILLIGER, KAREN JACOBSON, JOE BOSZE, AND BENNIE JORDAN.

OSCAR MADE A MOTION THAT NELLIE HOYT SIGN ON THE BANK ACCOUNT WITH KAREN JACOBSON & EVAN CALLISTER TO PAY BILLS. 2ND VAL CRAM. THIS MAKES 3 ON THE BANK ACCOUNT. NELLIE REPLACES JIM BROWN.

OSCAR MADE RECOMMENDATION THAT THE RANCH MANAGER GET FINANCES TOGETHER AS TO HOW MUCH WE NEED TO BORROW TO FINISH THE 1990 YEAR OUT AS FIGURED IN THE BUDGET.

AN ITEMIZED STATEMENT FROM WILL BISHOP WAS PRESENTED, (KENT WINWARD.), FOR \$1264.00. THIS WILL BE RESOLVED AT THE NEXT MEETING.

EVAN READ A LETTER FROM LANDIS H. LEGG, A PROPERTY OWNER, ABOUT WATER RIGHTS, SYSTEM AND ETC., AS HE WANTS TO BUILD ON THEIR PROPERTY SOON. AFTER MUCH DISCUSSION. EVAN WAS INSTRUCTED TO ANSWER THE LETTER.

THE DAVIS FAMILY IN CABIN # 1 WANTS A PROJECT TO WORK ON WHILE THEY ARE UP THERE THIS WEEK. EVAN ASK IF WE WOULD FURNISH THE PAINT & SUPPLIES IF THEY WOULD PAINT THE CABIN? IF NOT HE HAS OTHER JOBS THAT THEY COULD DO.

OSCAR MADE MOTION THAT WE BUY THE PAINT SUPPLIED. 2ND VAL CRAM. MOTION CARRIED ALL IN FAVOR.

THERE WAS MUCH DISCUSSION ON UNREST IN ORGANIZATION & WHAT TO DO ATO GET PEACE AND HARMONY GOING AGAIN. POSSIBLY AN AUDIT??? ANYWAY GET THE BAD FEELINGS OUT IN THE OPEN.??

EVAN SAID THE COUNTY SPRAYED THE MILK WEED AND WE NEED ABOUT 750 FEET OF FENCING TO KEEP THE GATTLE AWAY FROM THE WEED UNTIL SPRAYED AGAIN NEXT YEAR. AFTER DISCUSSION, WE WILL WORK ON GETTING SOME METAL POSTS AND FENCING.

WE NEED TO GET THE STOVE INSTALLED IN THE GARDEN CABIN. WE NEED BRICKING FOR FIRE WALL, AND TRIPLE WALL/<sup>PIPS</sup> OSCAR OFFERED SOME MATERIAL HE HAD FOR FIRE WALL IF IT WILL WORK, EVAN TO STOP AND LOOK AT IT.

10:P.M. OSCAR MADE A MOTION THAT WE ADJOURN, 2nd DALE. ALL IN FAVOR.

NEXT MEETING TO BE SEPTEMBER 29th. 6:P.M. BASEMENT OF BANK.

OCTOBER 5, 1990,  
6:p.m. Dale Clarkson's office, E.R.A. PROPERTIES, KANAB, UTAH

MEMBERS PRESENT, GEORGE STRAIN, EVAN CALLISTER, BILL AND SHEILA  
CURL, DON AND SACHIZE O'DELL, VAL CRAM, DALE CLARKSON, NELLIE HOYT,  
AND OSCAR ROBINSON.

OPENING PRAYER WAS GIVEN BY BILL CURL.

MINUTES WERE READ AND DISCUSSED.

#3 FROM LAST MEETING, WAS DISCUSSED AND OSCAR ROBINSON MADE A  
MOTION WE DO NOT NEED AN AUDIT #1, WE CAN NOT AFFORD IT, AND WE  
CAN CHECK ANY AND ALL BOOKS AT ANY TIME WE CARE TO.  
2nd, BILL CURL, MOTION CARRIED.

DALE CLARKSON OFFERED TO HAVE NILES WILLIS, THE ACCOUNTANT, TO COME  
AND EXPLAIN THE ACCOUNTING TO THE BOARD AT A LATER MEETING. EVERY-  
ONE THOUGHT IT A GOOD IDEA.

WE DISCUSSED INSTALLING THE STOVE IN THE GARDEN CABIN. GEORGE STRAIN  
WILL HELP EVAN CHECK OUT WHERE & HOW AND WHAT IS NEEDED TO COMPLETE THE JO  
ELECTION AND NOMINATION TO REPLACE JIM BROWN ON THE BOARD WAS NEXT.

NELLIE HOYT MADE A SUGGESTION THAT THE RANCH MGR., COULD BE ON THE  
BOARD AS HE IS A OWNER AND MEMBER, AND TO ATTEND ALL MEETINGS, BUT  
NOT BE AN OFFICER. EVERYONE SEEMED TO AGREE.

GEORGE STRAIN NOMINATED VAL CRAM FOR PRESIDENT, 2nd, BILL CURL.  
NELLIE MADE MOTION NOMINATIONS CEASE AND VAL BE PUT IN BY ACLAMATION.  
VOTE UNANIMOUS.

VAL CRAM NOMINATED OSCAR ROBINSON FOR VICE PRESIDENT, 2nd GEORGE STRAIN,  
NO OTHER NOMINATIONS. VOTED, ON VOTE UNANIMOUS.

NELLIE HOYT WILL STAY THE SECRETARY AND TREASURER.

THE NEW BOARD MEMBERS NOMINATED WERE EVAN CALLISTER, BY NELLIE HOYT  
BENNY JORDAN, BY VAL CRAM. THOIS CHATTEPLY, BY OSCAR ROBINSON,  
ELLEEN HOLLIDAY BY BILL CURL. NELLIE MADE MOTION NOMINATIONS CEASE, 2nd G  
WE DECIDED ON SECREI BALLOT AND ASK EVAN TO LEAVE THE ROOM.

EVAN 2	1st ballot.	2nd ballot.	EVAN 2
BENNY 2			BENNY 4
THOIS 1			THOIS 0
ELLEEN 1			ELLEEN 0

BENNY JORDAN TO REPLACE JIM BROWN'S RESIGNATION.

THE NEXT DISCUSSION WAS WHEN CAN ASSOCIATION RENT OUT CABIN SPACE?  
OSCAR MADE THE MOTION TO TABLE AND DISCUSS AT A LATER DATE.

#106, LOT, (WORKMAN LOT), WAS DONATED FROM UTAH PROPERTIES TO THE  
ASSOCIATION, WHEN WORKMAN WORKED AT THE RANCH. (HE WANTED TO PAY  
IT OFF BY WORKING) A FEW YEARS AGO.

HOW  
MORE DISCUSSION ON THE GARDEN CABIN, WHT/WHAT AND HOWEVER, THEY  
FIGURED THE APPROXIMATE COST INVOLVED IN THE GARDEN CABIN, WAS  
\$31,800.00???

MORE DISCUSSION ON HOW MUCH INVOLVED IN 5&5A cabins UP ON THE HILL. THAT WAS SUPPOSED TO BE FINISHED BY THE DEVELOPERS AS #10 CABIN??

6 LOTS HAVE DEFAULTED BACK TO THE DEVELOPERS. DUES OWED TO THE ASSOCIATION RUN ABOUT \$13,944.00. DALE CLARKSON WONDERED IF WE WOULD BE INTERESTED WAIVING THE DEFAULTED DUES FOR LOT # 106, (WORKMAN LOT.)

(MUCH MORE DISCUSSION. GEORGE STRAIN SUGGESTED WE ACCEPT 5 & 5A IN EXCHANGE FOR THE GARDEN CABIN BALANCE, AND TRADE THE DEFAULTS FOR # 106, (WORKMAN LOT.) (HORSE TRADE)

VAL SUGGESTED DALE MAKE A PROPOSAL TO TRADE 5 & 5A FOR THE GARDEN CABIN, AND USE IT FOR THE DEVELOPERS # 10 CABIN AND TRADE # 106, (WORKMAN LOT,) FOR DEFAULTED 6 LOTS UNCOLLECTABLE ASSESSMENTS OR OTHER TRADES THAT MIGHT BE PERTINANT, AND SEND A COPY TO EACH BOARD MEMBER FOR STUDYING. THE DECISION TO BE DISCUSSED AND REJECTED OR ACCEPTED AT THE NEXT MEETING. EVERYONE AGREED.

EVAN DISCUSSED AND GAVE AN ESTIMATE OF HOW MUCH WE NEEDED TO BORROW TO MAKE IT THROUGH THE END OF THE YEAR. AFTER MUCH DISCUSSION, GEORGE STRAIN MADE A MOTION WE BORROW \$7,500.00 TO FINISH THE YEAR, 2nd. OSCAR ROBINSON. MOTION CARRIED.

EVAN GAVE A COPY OF A LETTER FROM THE DAVID MILLERS FROM HOUSTON TEXAS, WRITTEN IN JULY 1989, ABOUT GOOD TIMES AT THE RANCH AND HOW IT RESULTED IN THEM PURCHASING A LOT. IT MAKES YOU FEEL GOOD.

EVAN SUGGESTED THAT IN THE NEWS LETTER TO EVERYONE, WE SUGGEST THAT THEY RETURN ALL THE UTENSILS AND DISHES, THAT HAS BEEN REMOVED FROM THE CABINS IN ERROR.

VAL SUGGESTED THAT DALE RELOC THE DEED ON THE 5 PARCELS OF LAND USED AS COLLETERAL ON THE RESEEDING LOAN.

WENZELL HOYT WILL KEEP THE HORSES AT HIS PLACE FOR \$10.00 PER HEAD PER AN IN THE WINTER MONTHS AND THE RANCH FURNISH THE FEED.

OSCAR WILL KEEP THE HORSES AT HIS LOT FOR \$50.00 A MO. & HE WILL FEED THEM UP SEE THAT THEY ARE FED, AND THE BOARD WILL HAVE TO PAY THE CITY WATER BILL \$20.00 AND WE WILL FURNISH THE HAY.

EVAN IS TO DECIDE WHEN AND WHERE.

EVAN ASK WHO IS TO BE RESPONSIBLE FOR THE PEOPLE WHO ARE BOOKED AT THE RANCH DURING THANKSGIVING?? THE CURBS WILL BE GONE. ?? EVAN IS SUPPOSED THROUGH FOR THE WINTER.?? WE WILL DECIDE NEXT MEETING.

DON AND SACHIZ (UBELL ARE GOING TO WORK ON SOME OF THE RECORDS AND BOOKS DURING THE WINTER, AND PRESENT TO US NEXT YEAR.

EVAN SAID HIS TRUCK, CHAIN SAW, AND OTHER THINGS HE USES AT THE RANCH ARE WEARING OUT. OSCAR OR GEORGE, WILL CHECK ON A FEW OF THE THINGS WE HAVE TO SEE IF STILL ANYGOOD.

GEORGE MADE MOTION MEETING ADJOURN. 2nd VAL.

next meeting Oct 13, 5 PM Utah Time Utah Properties Office



October 9, 1990

Board of Directors  
Deer Springs Ranch  
Owners Association  
Kanab, Utah 84741

Dear Directors,

After our lengthy discussion Friday night in our board meeting, you asked that I write a letter outlining a proposal to be considered at the next board meeting of the corporation. I believe the next meeting is to be convened at 5 p.m. on Saturday, October 13, at 30 East Center Street, Kanab, Utah.

In 1986 older motel units were being phased out of Zion National Park and were for sale to interested parties. After counseling with responsible parties, the decision was made to purchase several of the cabins and move them to Deer Springs Ranch. Most of these cabins were to be used for family vacation housing. It was decided that a large cabin was to be built in the garden area of the ranch headquarters as an asset of DSROA.

The decision to locate a cabin in the headquarters area to accommodate ranch staff, group cookouts, and overflow housing for guests justified the construction of this unit. The Zions cabins were located on site, material purchased, and people were hired to construct the Garden Cabin. DSROA paid approximately \$15,000 of the overall cost, and DSR paid \$10,243 of the construction costs.

DSR also loaned \$25,300 to DSROA that year to cover their financial requirements. In the fall of 1986, DSROA got a loan from the bank and repaid \$15,000 to DSR. A more detailed breakdown of the financial interaction between DSR and DSROA are attached to this letter.

During this same time frame, Cabin 5 and 5A were proposed to be built using the Zion's cabins. Building materials were purchased and the developer made an investment of over \$17,000 in Cabin 5 and 5A. Dale Clarkson made a presentation to the DSROA Board of Directors early in 1988 proposing that these debts be paid or exchanged in some way to satisfy the needs of DSR and DSROA. The DSROA Board chose to ignore the request; therefore, it is being handled at the present time by the current board.

In a Board of Directors meeting held on October 5, 1990, Dale Clarkson presented all of the figures and background on the relationship between DSR and DSROA. At the conclusion of this presentation, some board members expressed concern in that DSROA had no funds to repay the delinquent account. There was a great deal of discussion back and forth on how to resolve this matter.

It was proposed by George Strain that the developer give the buildings and material at location 5 and 5A to DSROA and that the developer cancel the bill they have against the Garden Cabin in the amount of \$17,793.98 in full satisfaction of any building requirements the developer still has under the initial development package of the ranch in which ten cabins and other items were agreed to be furnished as the responsibility of the project developer. An outline of the first development requirements and the second enlarged development requirements are also attached to this letter.

It is realized that the developer substantially exceeded the initial plans and specifications for the conversion of Deer Springs Ranch from a cattle operation to accommodate family vacations and family reunions. A substantial investment in equipment, buildings, ponds, water rights, brush clearing and reseeding, and other assets were donated to DSROA.

In consideration of the developer donating Lot 106 to DSROA to sell or use as an enticement to employ better ranch management, the developers request to excuse the delinquent assessments on six units that have been returned to the developer is hereby granted. The title to Unit 106 is to be immediately transferred to DSROA.

It is very timely that this letter be considered by the Board of Directors of DSROA and receive their approval to clarify the relationship between the developer and DSROA on the items contained herein. Deer Springs Ranch is a marvelous concept and has proven effective as a family vacation investment. Great effort needs to be put forth to help the program mature to bless peoples' lives. I look forward to working with each of you.

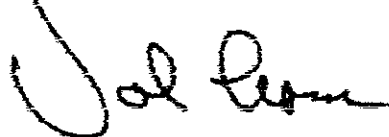
Sincerely,

ERA Utah Properties, Inc.

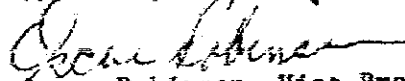


Dale E. Clarkson

This letter was voted on and approved by the Board of Directors of DSROA on October 13, 1990.

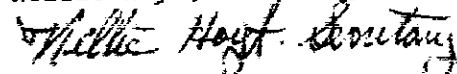


Val Cram, President



Oscar Robinson, Vice President

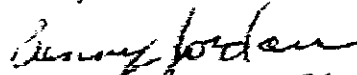
Nellie Hoyt, Secretary



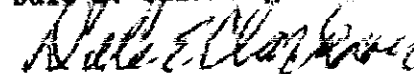
George Strain, Director



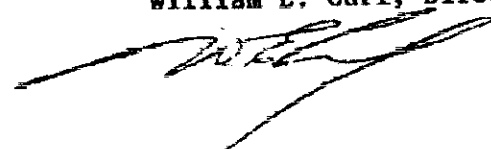
Benny Jordan, Director



Dale E. Clarkson, Director



William E. Curl, Director



23 October 1990

Board of Directors  
Deer Springs Ranch Owners Association

Dear Friends:

A note from team member Dale White to those who are working so hard to make Deer Springs Ranch a "Success Story."

I have a complaint to voice.

As you know, I have been collecting equipment to build my house and keep the road up to our future homesite passable. An old roadgrader, a new forklift, A big Army truck with a winch and recently a diesel front loader tractor. The equipment, other than the Champ forklift is old and is not capable of performing as "on-line" equipment because the vehicles are older with lots of time on them.

I told Evan that I would give him a key to the forklift and the front loader and that he could use the big truck in an emergency. I know absolutely that equipment like this will be destroyed in a short time if it is used by anyone that doesn't know the equipment and also have the responsibility to repair the equipment when it breaks down.

Evan is the only person I feel will take care of my vehicles and I trust him explicitly to treat it like it was his own. I even leave my new \$600 watt generator with Evan...(to be used ONLY by him)... in an emergency,

I understand that the other day, on a Sunday when it was known that Evan would not be at the Ranch but in Church, Bill Curl, Board Member went out to the ranch and hot-wired my light weight landscaping front loader and used it for a couple of hours doing heavy work that should have been done with a bulldozer or a bigger unit than my little landscape tractor. I got this tractor to load volcanic ash into a dump truck to put on the road up to my lot and did not intend for it to be used in the manner it was by Bill Curl.

What makes me angry is that I had removed broken parts from the scraper box in the rear and was waiting for ordered parts to repair the system before using the tractor. The old International was not ready to be hot wired and put to hard work.

I may sound like an "old woman" by complaining like this but I know that if only Dale White uses the vehicles, or Evan, who I trust to take good care of it and repair it if need be, that the old machines will last a long time.

WHITE  
PRODUCTIONS  
87  
WEST  
SIERRA MADRE  
BOULEVARD  
SIERRA MADRE  
CALIFORNIA  
91024  
818/355-1116

While I am speaking of Evan, let me say in all sincerity and with considerable observation and good sense, that I whole-heartedly give a vote of confidence to him as Manager of the Ranch. Evan has discipline, has cleaned up the ranch and got it organized, has a good "bed-side manner" with people who visit the Ranch, and most of all... Evan is not concerned with making a lot of money from the ranch... he is not **AMBITIOUS** to do other things... he has no other motive for being at the ranch other than to make it work. He is not trying to sell lots or capitalize on his position. I feel he is a credit to the Ranch and urge your continuing support of this man and his family.

Thank you for your time in reading my letter and hearing my complaint.

I remain a member of the team and look forward to even better years at the Ranch.

Enthusiastically yours,



Dale White

WHITE  
PRODUCTIONS  
87  
WEST  
SIERRA MADRE  
BOULEVARD  
SIERRA MADRE  
CALIFORNIA  
91024  
818/355-1116

cc: Evan Callister

MINUTES FOR D.S.R.C.A . MEETING HELD DECEMBER 8th 1990.

THE DEER SPRINGS RANCH OWNERS ASSOCIATION BOARD OF DIRECTORS MET AT THE HOME OF WENDELL & NELLIE HOYT AT 2.P.M. DECEMBER 8, 1990.

MEMBERS PRESENT WERE PRESIDENT VAL GRAM, NEW MEMBER BENNY JORDAN, GEORGE STRAIN, SECRETARY NELLIE HOYT, EVAN & JAN CALLISTER, RANCH MANAGER, AND JOY JORDAN FOR AWHILE.

OPENING PRAYER WAS GIVEN BY BENNY JORDAN.

THE PRESIDENT WELCOMED BENNY AS THIS WAS THE FIRST MEETING HE HAD BEEN TO SINCE BEING ELECTED.

NELLIE GAVE A QUICK REPORT ON CALLS & ARRANGEMENTS TO GET A MEETING THAT ENOUGH PEOPLE WOULD COMMIT THEMSELVES A WEEK AHEAD TO COME TOO. THEY ALL AGREED TO COME ON THE 8TH. EVERYTHING ELSE TOO CLOSE TO HOLIDAYS.

THE OLD MINUTES WERE READ AND APPROVED 1 PARAGRAPH AT A TIME AS READ.

THE NEW STOVE IS INSTALLED IN THE GARDEN CABIN. DEAN HEATON DID A VERY GOOD JOB. THE INSTALLATION FEE WAS REASONABLE.

THE PEOPLE AT THANKSGIVING STAYED IN CABINS 7&8. THEY DID A PRETTY GOOD JOB OF CLOSING UP. EVAN FOLLOWED UP.

IN DISCUSSION, BENNY JORDAN HAS 3/<sup>or 4</sup> WALL HEATERS (OUT OF HIS OLD CABINS THAT WE CAN HAVE TO REPLACE BRCKEN ONES OR USE FOR PARTS. EVAN WILL CHECK ON THEM AND TAKE THEM OUT TO THE RANCH.

WE TABLED DISCUSSION ON RENTING OUT RANCH TIME UNTIL THE JANUARY MEETING.

THE RANCH HORSES HAVE BEEN BROUGHT IN AND 4 ARE AT WENDELL HOYTS, AND 2 ARE AT EVAN CALLISTERS. WE COULD USE SOME MORE GOOD HORSES AS A COUPLE ARE GETTING REALLY OLD.

EVAN & JAN ARE TO GET A LIST OF SUPPLIES NEEDED AT THE RANCH FOR 1991.

MUCH DISCUSSION ON HOW TO ENFORCE THE \$50.00 CLEANING FEE WHEN CABINS ARE LEFT A MESS BY PROPERTY OWNERS, OR PEOPLE THEY LET USE THEIR TIME????

SUGGESTION:  
LIST ALL PEOPLE ON THE DOOR. WHO IS IN, AND WHO IS THE NEXT ONE COMING IN??  
MAYBE THEY WOULD BE MORE CAREFULL TO CLEAN OR REPORT THE CABIN CONDITION.??

WE DECIDED THAT THE MANAGER GIVE THE DAMAGES TO NELLIE, SHE IS TO MAKE OUT A BILL AND GIVE TO KAREN FOR PRESENTING TO THE OWNER. NO RESERVATIONS ARE TO BE GIVEN THE NEXT YEAR, UNLESS CLEARED UP.

WE NEED TO CHECK WITH KAREN TO SEE IF THE LIABILITY RIDER WAS PUT IN THE INSURANCE PROTECTING THE MEMBERS ON THE BOARD OF DIRECTORS.???? THIS SHOULD HAVE BEEN DONE BY NOVEMBER 1st, 1990.?? NELLIE HAD TALKED TO KAREN ABOUT IT EARLIER AND SHE SAID SHE WOULD HAVE TO TALK TO BARTON.??

BENNY JORDAN MADE A MOTION TO ACCEPT THE OLD MINUTES AS READ OR CORRECTED. AND GEORGE STRAIN. ALL IN FAVOR, MOTION CARRIED.

NEW BUSINESS:

*This meeting was our yearly budget meeting. We worked long & hard to get it done.*

NELLIE HOYT REPORTED THAT SHE AND OSCAR HAD SIGNED THE LOAN PAPERS AT STATE BANK OF SOUTHERN UTAH FOR \$8035.00 AT 12% INTEREST, TO FINISH OFF THE 1990 BUDGET.

AFTER DISCUSSION ON BORROWING MONEY FOR THE LOAN, NELLIE HOYT MADE A MOTION THAT WE CHANGE OUR DEER SPRINGS RANCH OWNERS ASSOCIATION CHECKING ACCOUNT TO STATE BANK OF SOUTHERN UTAH, AS OF JANUARY 1, 1991, 2ND GEORGE STRAIN, NO ONE APOSED, MOTION CARRIED.

GEORGE STRAIN AND VAL CRAM PAID 1991 DUES, TO HELP OPEN THE NEW ACCOUNT.

THE MEMBERS NAMES THAT ARE ON THE CHECKING ACCOUNT TO PAY BILLS, ARE DALE CLARKSON, OSCAR ROBINSON, AND NELLIE HOYT.

PRESIDENT VAL CRAM GAVE A REPORT ON STEVE SNOW BILL FOR COLLECTIONS AND COURT COSTS, FOR SENDING OUT LETTERS FOR COLLECTIONS AND COURT FILINGS. HE HAS RECEIVED ALL OF THE PAPERS FROM EVAN SO HE CAN GIVE US AN UP TO DATE REPORT ON THINGS NEXT MEETING.

NELLIE IS TO SEND A LETTER TO STEVE SNOW ON D.S.R.O.A. STATIONARY LETTER HEADING STATING THE NEW OFFICERS AND THE DATE THEY WERE ELECTED.

PRESIDENT VAL CRAM IS TO TALK WITH DALE CLARKSON AND GET DEEDS & PROPERTY RESOLVED & SHOW CREDITS & DEBITS UP TO DATE.

AN ATTENTATIVE BUDGET WAS PRESENTED AND WITH MUCH JUGGLING & DISCUSSION, WAS APPROVED FOR 1991.

NELLIE HOYT MADE A MOTION THAT WE ASSESS THE UNSOLD UNITS \$100.00 EA. A YEAR UNTIL SOLD, TO HELP ON THE UPKEEP OF THE RANCH ROADS, AND ETC., AND WHEN THEY ARE SOLD, THEY WOULD GO TO THE REGULAR ASSESSMENT FEE OF OWNERS, \$250.00. 2ND GEORGE STRAIN, ALL IN FAVOR, NONE APOSED. MOTION CARRIED.

ALL MEMBERS AGREED ON THE TENTATIVE BUDGET AND SIGNED THE NEW BUDGET AS APPROVED.

TENTATIVE THINGS TO COME UP IN NEXT MEETING, WE 'VE PAID BILL CURL \$1000.00 FOR ROAD WORK THIS YEAR. IS ALL OF THE WORK DONE????

QUESTION:??

MAYBE ALLOW BOARD MEMBERS FREE ASSESSMENT FEE FOR 1 LOT A YEAR FOR EXPENSES INCURRED FOR BEING ON THE BOARD OF DIRECTORS.???? (HAVE TO SERVE AT LEAST 1 YEAR)???

THE B.L.M. IS DOING A MANAGEMENT EVALUATION ON THE RANCH THIS SPRING. WE NEED TO DO MUCH WORK ON FENCING & BOUNDARIES. WE HAVE TO KEEP BETTER CONTROL OF THE CATTLE AND HORSES. THE CHURCH CATTLE HAVE BEEN SOLD. (WHETHER WE HAVE CATTLE THIS YEAR?????)

WE NEED MORE GOOD HELP TO RUN THE RANCH. BETTER PAY, GETS BETTER HELP.

EVAN IS TO PRESENT A PURPOSAL FOR MANAGER FOR 1991.

WE HAVE GOT TO GET SOMETHING POSITIVE GOING ON THE WATER FILINGS, WE ARE RUNNING OUT OF TIME. WE NEED EVERYONES HELP AND COOPERATION.

THE NEXT BOARD OF DIRECTORS MEETING WILL BE HELD JANUARY 26th 12 P.M. 1991 AT THE HOME OF NELLIE HOYT. (MOUNTAIN TIME.)

7:PM Benny Jordan made a motion that meeting adjourn. All in favor - None opposed - Meeting - dismissed



30 East Center • Kanab, Utah 84741

DECEMBER 18, 1990

SNOW, NUFFER, ENGSTROM & DRAKE.  
ATTORNEYS AT LAW  
90 EAST 200 NORTH  
ST. GEORGE, UTAH 84770

RE: NEW OFFICERS OF DEER SPRINGS RANCH OWNERS ASSOCIATION.

DEAR STEVE.

ON OCTOBER 5, 1990, AT A REGULAR MEETING OF THE BOARD OF DIRECTORS,  
IN KANAB, UTAH, THE FOLLOWING NEW OFFICERS WERE ELECTED.

PRES. VAL CRAM, 694 West, 900 North, ST. GEORGE, UTAH 84770 # 628-4389  
VICE. PRES. OSCAR ROBINSON, 239 North 200 East KANAB, UTAH # 58.

SECRETARY & TREASURER, NELLIE H. HOYT H.C. 64 BOX 150 PREDONIA, AZ. 86022  
801-644-5478

DIRECTOR BILL CURL, 1768 South Lee Dr., KANAB, UTAH 84741  
602-643-7209

DIRECTOR GEORGE STRAIN, 1012 East Sahara, LAS VEGAS, NEV. 89104  
801-644-5851

DIRECTOR BENNY JORDAN P.O. BOX 222 PREDONIA, AZ. 86022 702-731-1117

DALE CLARKSON, DIRECTOR, 30 East Center, KANAB, UTAH 84741 602-643-7207  
801-644-2414

MR CRAM WILL BE WORKING WITH YOU IN REGARDS TO COLLECTIONS & FEES.

PLEASE SEND ANY CORRESPONDANCE TO DEER SPRINGS RANCH OWNERS ASSOC.  
ATTENTION: VAL CRAM, 30 East Center, KANAB, UTAH 84741

IF I CAN BE OF ANY ASSISTANCE, PLEASE FEEL FREE TO CALL.

SINCERELY,

  
NELLIE H. HOYT SECRETARY.