

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
JANUARY 18, 1994

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

We reviewed the 1993 spreadsheet

At the current time, we have several different companies on the liability insurance. We felt that it was saving us money to be combined with other companies. The insurance is very difficult to figure out and to know what we are actually being billed for. When we have to renew our policy in May, we will probably put DSROA on their own policy. We are not covered for horseback rides.

We discussed the past due assessments. Karon checked with a collection agency which is associated with the Credit Bureau of Southern Utah. They will collect on a 60/40 basis. DSROA would receive the 60%, and they would get 40%. Ben suggested that we hire an attorney to collect the dues owed for 1993. Van Mackelprang sent out a very strong letter in 1992 and collected quite a few of the assessments that were not delinquent for very long. It only cost about \$25 per letter, and it worked well on a few. He suggested that in July we turn over all past due accounts to a collection agency. Dale suggested that we send a bill every 30 days, and let the management at the ranch worry about collections. They could send notices and make phone calls. We could cancel their memberships and maybe take their land. Ben said if they won't pay their assessments, we should try to take both the land and the membership back.

Dale said we need to stop doing business with CC Auto Parts as Curtis Cutler will not pay his assessments.

Terry said that his family would like to go to the ranch every Wednesday night and have a chili and cornbread dinner. His family would like to entertain--skits, singing with a guitar, slide shows, etc. He would like to be able to sell some four-wheel drive tours. Dale said we should find a nice area with grass for the cookouts, like Kanab Canyon.

Dale said that the solution to DSR is good management in every area. We will continue to have problems as long as we do not have good management. Tom and Harriett Massengale would like to manage and do everything. Judy and Aaron Sherod have said that can do everything.

A man by the name of Burns Black has a ranch in Antimony which is about 40 miles from DSR. He has used his ranch as a boy's ranch and one for families. He had a cash income of \$300,000 last year. He went to Europe and booked over \$2 million of business

1-10-77

for 1994, and he is concerned as to whether or not he can handle all of it. Will he send some of his business to us? Arnold Stringham has four cabins in Montana, and he makes lots of money on those cabins.

We need a manager who can interface with the tourist council, roads, horses, fish, etc. We need to write a good job description and pay well. Make those who come to play, pay.

Some of the original limited partners have not been to the ranch for years and really have no interest in the ranch anymore. We need to find someone to buy them out. We need to try and get someone who would marry the program for four or five years.

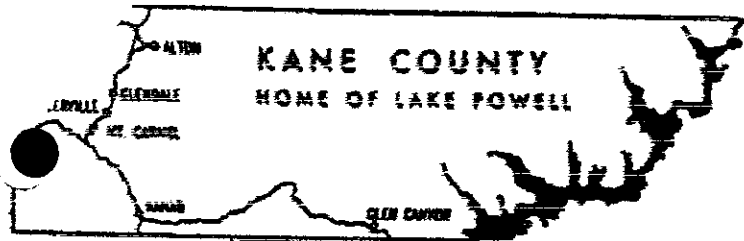
Judy is planning to stay at the ranch with her horses for 1994. Aaron is now married to Kami, he is getting his real estate license, and would like to stay. Judy's husband will be released from prison this spring, but the whole set is quite fragile.

Mike Reed has told a couple about Deer Springs, and he feels that they will be excellent--just what we need and are looking for. Their name is Vance and Diane Beckstead. They live in Cedar City. They have built their own solar home, they pump their own water with a windmill, they have a lot of talents, and he is a good mechanic. Vance has been a custodian for the LDS Church for ten years, and he and Diane both know what clean looks like. They have three small children--9, 7, and 4. She will home teach them. Diane also trains horses and milks her own goats. She is a hard worker, and runs in marathons. They really want to move to the ranch. They would be willing to sign a 20 year contract, they want to be there so bad. We did not feel a 20 year contract would be a good idea. It was decided that they could sign a one-year renewable contract. They don't use electricity at their home. He has had experience in plumbing and electrical. He has also worked at Cedar Builders. Diane has taught steeple chasing and Vance is a farrier.

We talked about giving them a DSR unit and paying them \$15,000 cash. It was decided to give them \$1,500 per month on a 12 month basis. This would total \$18,000 per year. They would also have their home and utilities furnished. The gasoline is to be used for ranch work. The Becksteads will have a \$200 per month gas allowance. The gas needs to be kept track of on a chart each time gas is used or the tank is filled. We will invite the Becksteads to be our new ranch managers.

We talked about paying Aaron \$500 per month. He should have his real estate license and could make extra money selling lots. He would also have a place for him and his wife to stay. It was suggested that we let Kami run the store. We would split the profit with her 50/50. We felt that this would encourage her to have the store open often.

There isn't much money in the budget to pay for a lot of help.



OFFICE OF
Kane County Assessor

KANAB, UTAH

Date: December 21, 1993

TO: Wendell & Nellie H. Hoyt
PO Box 1098
Kanab, Utah 84741

FROM: Eric Johnson, Assessor

RE: Greenbelt Application (11/10/93):
Lot 158 D.S.R. Plat "D" (20.02 acres) &
Lot 102, D.S.R. Plat "F" (20.01 acres)

I have received your application dated 11/22/93 (Received). I have requested a State Audit of the entire Greenbelt status of the Deer Springs Properties. At present your application is awaiting such an audit. I will keep you informed and will be contacting you in the near future.

Regards,


Eric N. Johnson
Kane County Assessor

ENJ/encs.

CC: Denney Lytle, Utah State Tax Commission (Greenbelt Specialist)
Dale Clarkson, Deer Springs Association President



Utah State Tax Commission

Application for Assessment and Taxation of Agricultural Land

Received
11-22-93

TC-582
Rev. 4/82

1969 Farmland Assessment Act, Utah Code 59-2-501 through 59-2-515 (amended in 1982).

Date of application

11-10-93

Owner's name

WENDELL & NELLIE H. HOYT

Social Security number

528-26-7717 (WH)

Owner's mailing address

Box 1098

City

KANAB

State

UTAH

ZIP Code

84741

Lessee (if applicable)

The Cattle belong to us.

(14 YEARS)

Social Security number

Lessee's mailing address

City

State

ZIP Code

If the land is leased, provide the dollar amount per acre of the rental agreement.

Rental amount per acre

\$ - 0 -

Land type

	Acres		Acres	County	Total acres for this application
Irrigation crop land		Orchard		Kane	40 acres.
Dry land tillable		Irrigated pastures		Property serial number(s). Additional space available on reverse side.	
Wet meadow		Other (specify)		#100-158 # 102-102	Deer Springs Ranch
Grazing land	40 acres				

Complete legal description of agricultural land (continue on reverse side or attach additional pages)

Lot 158 D.S.R. Plat "D" 20.02 acres brush, oak, grass trees, (cedar & pine.)
 Agricultural land
 Lot 102 D.S.R. Plat "F" 20.01 acres. Brush, hills, oak, trees, etc.
 Agricultural land.

Certification Read certificate and sign.

I certify: (1) The agricultural land covered by this application constitutes no less than five contiguous acres exclusive of homestead and other non-agricultural acreage (See Utah Code 59-2-503 for waiver). (2) The land is currently devoted to agricultural use and has been so devoted for two successive years immediately preceding the tax year for which valuation under this act is requested. (3) The land produces in excess of 50% of the average agricultural production per acre for the given type of land and the given county or area. (4) I am fully aware of the five year roll-back tax provision which becomes effective upon a change in use or other withdrawal of all or part of the eligible land. I understand that I must notify the county assessor of any change in use of the land to any non-qualifying use, and that a 100% penalty of the computed roll-back tax due will be imposed on failure to notify the assessor within 180 days after change in use.

Corporate name

Owner

x

Owner

x

Notary Public

Place notary stamp in this space

County Assessor Use

Approved (subject to review)

Denied

County Assessor's Signature

Date

County Recorder Use

Date subscribed and sworn

Notary Public Signature



State of Utah

UTAH STATE TAX COMMISSION

Michael D. Lowry
Governor
Olene S. Walker
Lieutenant Governor

W. Val Overton, Chairman
Roger O. Tew, Commissioner
Joe B. Peaback, Commissioner
Alice Sinsinger, Commissioner
Clyde R. Nichols, Jr., Executive Director

JAN 26 1994

January 24, 1994

Eric Johnson
Kane County Assessor
P.O. Box 728
Kanab, UT 84741

Dear Eric:

In response to your request, the FAA (greenbelt) status of Deer Springs Recreational Subdivision was reviewed during the second week of January, 1994.

Due to the legislative changes that became effective January 1, 1993, and the limited grazing use of Deer Springs Recreational Subdivision, the following actions are recommended:

1. It is recommended that land currently in the name of Deer Springs Ranch Owners Association continue assessment under the Farmland Assessment Act.

2. There are currently new applications for FAA assessment of individual subdivision lots located in the Deer Springs subdivision. It is recommended that those applications be denied on the basis that there is not a reasonable expectation of profit from the agricultural use of the land.

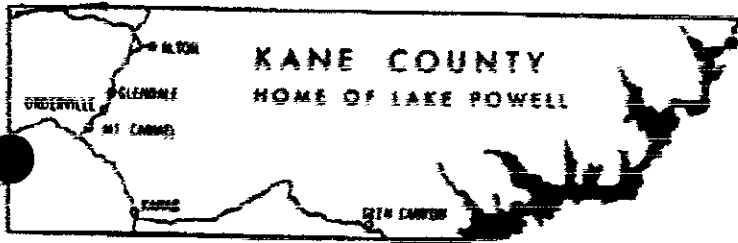
3. The original developer of Deer Springs Subdivision currently has unsold lots in his name on greenbelt. It is recommended that those subdivision lots be withdrawn from greenbelt on the basis that reasonable expectation of profit is not being met, and that the lots are part of an approved platted subdivision.

If you have questions concerning these recommendations please give me a call. My phone number is 530-5454.

Sincerely,

Denny Lytle
Denny Lytle

Standards and Research Manager



OFFICE OF

Kane County Assessor

KANAB, UTAH

February 22, 1994

Mr. & Mrs. Wendell Hoyt
P. O. Box 1098
Kanab, UT 84741

Dear Mr. & Mrs. Hoyt,

Attached is a letter received from the State Tax Commission concerning a recent greenbelt audit that was conducted on the Deer Springs Development, in Kane County. Such audit included your application for greenbelt status, and as per attached letter of recommendation concerning the "Greenbelt" status of the individual lots located in the Deer Springs Subdivision, I conclude and agree that your application has been recommended to be denied for such greenbelt status. Furthermore, as of 1/1/94, all such similar lots located in the Deer Springs Subdivision will be treated in similar fashion. That is to say, that all such individual lots will not have greenbelt status, and if such is the case, these lots will be taken off such status as of lien date 1/1/94.

Respectfully,

Eric N. Johnson
Kane County Assessor

ENJ

CC: Todd Macfarlane, Kane County Attorney
Dale Clarkson, Deer Springs Association
Denny Lytle, Utah State Tax Commission

DEER SPRINGS RANCH OWNERS ASSOCIATION
MINUTES
FEBRUARY 25, 1994

Those present were Dale, Ben, Nellie, Karon, and Terry.
The opening prayer was given by Terry.

The 1994 budget was approved.

We need to repair the gasoline meter, order fish early for the best buy, and pay Lippincott's for telephone site.

We talked about having an attorney send letters to those who are behind on their assessments by March 31. We also discussed turning the following accounts over to a collection agency: Curtis Cutler \$3,776.69, John Taylor \$4,260.43, Jim Banner \$2,172.94, Richard Childress \$24,000, Terrance Hunt \$2,078.03 and Lee Criner \$1,265.

We will pay our staff in the following manner:

Becksteads - \$18,000 + accommodations + \$200 for gas, and \$100 for their truck.

Judy Sherod - \$ 6,000 from May to October - \$600 for her pickup, plus housing and utilities.

Aaron Sherod - 500 for Aaron from May to October.

Judy also wants to have her lot free and clear by the end of the summer. Lot No. 159.

We have no insurance for horseback riding. Jeff Allen has horse insurance and pays about \$2,000 for his season. Should we get insurance and split the cost 50/50 with Judy?

Property Taxes: Last year we received a reduction on everyone's property taxes. We have received a letter this year stating that the Greenbelt has been denied on all of the unsold lots. The land DSROA owns is still on the Greenbelt. This Greenbelt denial makes Dale very angry, as it will cost him between \$10,000 and \$15,000 a year. Dale will talk to Eric Johnson or the state to see what can be done about this.

We felt that the point system did not work well last year because it was not used right at the ranch.

Mike Reed's notebooks are at the ranch.

We discussed various activities. Judy would like to do a Lick Wash ride for \$100 per person which would include lunch and dinner. She would also like to do a shorter ride to the Bald Knoll. We need to make some hiking and biking trails. Terry Alderman would like to do an all day jeep trip with soft drinks. The people would need to pack their own lunch. The cost would be \$50 per person with a four person minimum and eight to ten maximum. They would visit Indian ruins, petroglyphs, etc.

Diane wants to have a petting zoo, offer babysitting, and put up a sign that says cold drinks, cabin rental, horseback riding.

Aaron Sherod passed his real estate test, and Dale has sent out eight contracts recently.

We have the following vehicles at the ranch: green pickup, suburban, Judy's truck, Aaron's truck, and Vance's truck.

newsletter can be put together.

Diane is an artist.

Judy said that she will have a lot of family at the ranch this year.

Shall we have an open house?

Randy Mason would like to help put the old cabin back together in exchange for cabin time.

Erosion is getting bad by the gate to the wash at headquarters.

Judy has an Indian swing set and other playground equipment she would like to sell to the ranch.

We are trying to get a brochure together.

We need some baseball caps for the store.

History - accounting

Cornals full of horses, fences in terrible shape
garbage in pens, hoses,

Vehicles, machinery, garbage in barnyard
6 dogs, couple dozen cats

4-wheeler in yard, tanks, dead cats, manure

After moving

Ranch house

Laundry shed STRE (ANIMALS IN)

Lawns

Garden

Animal husbandry

Tack shed

Fences

Horses?

Lower Cabins, water tanks

Horses in town - feeding arrangements
3 DAYS WORK

Condition of generators

For quality of tack

Garden Cabin cleaning

Baby sitting

JUDY

SALARY \$12,000 mo
 VEHICLE \$50⁰⁰ mo ★
 LOT 1,000 mo
 \$ 2250⁰⁰ mo
 = x 6 mo = 13,500⁰⁰ - x 7 mo = 15,750⁰⁰

HOUSE + UTILITIES
 SOME GAS FOR RANCH USE ★
 PASTURE FOR 25? HORSES, MORE THAN HALF ARE NOT USED

RANCH BUYS HAY (\$2,000 (20 TONS?)) FILLS THE BAYON. ★

CHARGES RANCH FOR SMALL ANIMAL FEED (IE CATS, CHICKENS) HAS BROUGHT MORE CATS.

CHARGES RANCH FOR FUEL, PARTS AND MAINTENANCE OF VEHICLES. ★ HORSE TRAILER

WANTS RANCH TO PAY HER FAMILY THAT WORKS FOR HER.

SEEMS TO HAVE NO ACCOUNTABILITY FOR \$ SHE "SPENDS ON RANCH".

WORK DAYS ARE USUALLY SHORT IN ACTUAL HOURS, "6 HRS"

HAS SUNDAY OFF AND DOES NO RIDES ON FRIDAYS.

JUDY LEFT FOR 3 WEEKS IN THE MIDDLE OF LAST SEASON. PLANS ON 2 WEEKS THIS YEAR.

LEAVES FOR MUCH OF THE WINTER

WANTS 70% OF ANY CASH RIDE OFTEN JUST KEEPS THE MONEY

GIVES HERSELF A DISCOUNT AT THE D.S. STORE. (HAS ONLY ASKED ONCE). DOESNT PAY AT THE TIME. DOESNT WRITE DOWN WHAT SHE FEELS SHE OR HER FAMILY DESERVES.

HAS ALREADY RECEIVED \$1300 FOR HER HORSES IN 1995.

RANCH HAS \$1000 BUDGETED TO PAY FOR HORSE SHOEING OF HER HORSES. RANCH HAS PAID \$3500 FOR NEW CORRALS + BECKSTEAD'S LAW NOW SHE DOESNT WANT TO USE THEM FEELS VERY TAKEN ADVANTAGE OF.

A POOR INVESTMENT

BECKSTEADS

VANCE \$1,000 MO

DIANE \$500 MO

VEHICLE \$50 MO

\$1,550⁰⁰ MO

\$18,600 YEARLY

OFFERED A LOT
OVER 3 YEARS.

HOUSE + UTILITIES

SOME GAS FOR RANCH WORK

PASTURE FOR 2 HORSES - "SO WE DON'T USE JUDYS"

WE ACCOUNT FOR EVERY \$ WE SPEND.

WE BUY OUR OWN PERSONAL FEED
FOR ALL OUR ANIMALS, INCLUDING THE
PETTING ZOO ANIMALS.

WE PAY FOR MOST OF THE GARDEN + THE
FLOWERS AROUND THE RANCH HOUSE.

WE HAVE PAID FOR ALL IMPROVEMENTS
TO THE RANCH HOUSE, INCLUDING THE SOLAR
SYSTEM THAT RUNS THE PHONE, EXCEPTING
THE NEW PAINT ON THE OUTSIDE.

WE PAY FOR ALL OUR OWN VEHICLE
MAINTENANCE AND REPAIRS.

WE PAY OUR CHILDREN FOR WORK
THEY DO.

5

WE WORK OFTEN 14+ HOUR DAYS.
WE ARE ON CALL 24 HRS A DAY.

WE ARE SELDOM BOTH GONE FROM
THE RANCH, EXCEPT SUNDAY MORNINGS.
SUNDAY IS OUR ONLY DAY OFF, HOWEVER
WE STILL DO WHATEVER NEEDS TO BE DONE.

WE WORK YEAR ROUND

IF WE ARE PAID FOR HELPING OR
WORKING FOR SOMEONE ELSE ON "RANCH
TIME" WE SPLIT THAT MONEY WITH THE RANCH.

WE DO ALLOW OURSELVES A DISCOUNT
WHEN WE PURCHASE FROM THE D.S. STORE.
WE KNOW THE COST OF ITEMS, AND ADD ON
FOR TAXES, REFRIGERATION, ETC

WE FEEL WE ARE FAIRLY
COMPENSATED.

Professional Complaints

Last Years ranch hay gone by end of August, fed to
Brood Mares, Stallions or boarded horses

Home pastures, whose time? Whose benefits?

Fences who fixes?

Corrals

Horse Trailers

Truck use + charges

Horse money 70% on all cash rides?

Winter feeding of ranch horses

Generators

Accident Reporting

Gavin + Horses

Unsafe horse practices, Memorial Day

Unattended at rail

Leaving while employed + on duty

Boards + feeds other peoples horses

Personal complaints

Store

Gas

Xtra Animals

Denial of Dale + Dance

Prince "Stories" about horses Clarkson junior

Xtra Kids

Cleanup Fixup

Personal use of laundry + supplies

Firewood

Buying Favors

Police

Mood Swings

Telephone

~~Stairs~~ Guests in Cabins

Bankruptcy

Recommendations

DS owns 3 horses useable for rides

Dale's stallions, Prince, is at the ranch

Becksteads have 2 horses, 1 suitable for rides,

1 that could be useable w/ work

Becksteads would like to buy 1 or 2 more good

horses that would be useable for rides

DS would only need to buy 2-3 older, experienced horse

This list doesn't include the 2 DS 2 year olds or the Princesses Filly.

Becksteads bought their horses for \$300 + \$230 each

There is no need to pay more than \$750. or so for good horses, probably much less.

Much of the DS tack is in poor condition. New tack would need to be purchased at a cost of about \$2500-
\$3000 (8 saddles, accessories)

With fewer horses on the home pastures, there could be much more winter feed. The well field should be growing hay, not pasturing horses. This would be a saving of several 1000 dollars a year. Shoeing could be planned better so Vance could schedule time to do it & save \$1,000 per year.

With rides limited to 8 people, a reasonable number for safety reasons, why are there 24 Sherrod horses at DS?

Ranch Managers have the responsibility to -

- . Enforce horse stocking of pastures
- . Approve all horses shod at DS expense
- . Approve and supervise feeding of horses of DS hay
- . Approve any grain purchase by DS
- . Purchase hay for ranch owned stock, barn space given priority to DS purchased hay.
- . Close grazing to some land tracts for reseeding hay raising, winter feed ect., or as necessary for erosion control

Wrangler has the responsibility to -

- . Keep the corrals clean and ⁱⁿ good repair, all repair done promptly.
- . Inform managers of any incidences or accidents.
- . Inform and obtain approval from managers or any new horses before being brought to the ranch.
- . Keep tack room in organized, clean, presentable condition.
- . Obtain manager approval on any horses brought to the ranch for boarding / breaking and DS must be compensated.
- . Be on the ranch and on duty for the entire paid season except for emergencies.
- . Arrange for care of horses off season.

11

Advantages of having Judy stay

People like her

She has some nice horses, 6-8

Lots of tack and equipment. She is willing to share
Someone is here on Sundays

Known & trained lots of horses so has know-how
has become good friends with a few members

Has stallions she is willing to breed to ranch mares
has round pen, set up at ranch headquarters

Submitted by
Beetlebeats

Payment - \$1000 a month for 6 months
Housing with all utilities
Housing and grazing for 15+ additional horses

Due to limited size of home pastures and inability to water them, only those horses being used on a regular basis for Deer Springs rides will be housed in the home pastures. (This meaning the well field and the pasture to the north of it.) All other horses not belonging to DSRot must be pastured elsewhere on the ranch.

The new vinyl corrals have been installed specifically for horses. Horses are to be housed in these corrals only. No horses will be kept in the wood corrals.

All corrals and horse pens will be cleaned on a regular basis by those whose animals are housed there.

Any damage done to any facilities will be repaired promptly and efficiently by those who are responsible.

WINTER
Comit ~~to~~ ^{put by} in work during winter as a union

4 wheel drive road not needed
also for general

RANCH MANAGERS HAVE THE RESPONSIBILITY TO:

1. Enforce horse stocking of pastures.
2. Approve all horses shod at Deer Springs expense.
3. Approve and supervise feeding of horses of Deer Springs hay.
4. Approve any grain purchase by Deer Springs.
5. Purchase hay for ranch owned stock and barn space given priority to Deer Springs purchased hay.
6. Close grazing to some land tracts for reseeding, hay raising, winter feed, etc., or as necessary for erosion control.

WRANGLER HAS THE RESPONSIBILITY TO:

1. Keep the corrals clean and in good repair.
2. All repairs are to be done promptly.
3. Inform managers of any incidences or accidents.
4. Inform and obtain approval from managers on any new horses before they are brought to the ranch.
5. Keep the tack room in an organized, clean and presentable condition.
6. Obtain manager approval on any horses brought to the ranch for boarding or breaking. Deer Springs must be compensated.
7. Be on the ranch and on duty for the entire paid season except for emergencies.
8. Arrange for care of the horses in the off season.



March 30, 1994

30 East Center • Kanab, Utah 84741
801-644-2606

TO WHOM IT MAY CONCERN:

Judy Sherod has been employed at Deer Springs Ranch from May, 1993 thru October, 1993. She will also be employed in 1994 from May thru October at \$1,000 per month. She will also receive credit on the purchase of Lot No. 159 at Deer Springs Ranch in the amount of \$1,000 per month for six months.

Judy has planned to do some all-day rides and overnight rides this season, and she will split the proceeds with the ranch on a 70/30 basis.

Sincerely,

DEER SPRINGS RANCH
OWNERS ASSOCIATION

A handwritten signature in cursive script that reads "Dale E. Clarkson".

Dale E. Clarkson
President

DEC:kj