

September 17, 2007

Dear Sunriver Owners Association Board of Directors,

I just received the letter from Doris Brannan on behalf of the Sunriver Owners Association Board of Directors. I must say I was happy to see that there has finally been a direct communication from the SROA regarding the Sunriver Mall redevelopment, called by SilverStar Destinations, LLC the Village at Sunriver. For months the Board has been stating that better communication was a goal, and it was the most widely expressed sentiment, from those for and against the redevelopment, at the Board of Directors Annual Meeting.

However the letter itself had me very disappointed. Instead of a mere update on the process and how the owners can get involved it was more of a propaganda tool for why Sunriver needs the new mall and how the SROA and SilverStar are meeting that need. You may have already surmised that I am one of numerous, and according to your very own stated survey results, the majority of Sunriver owners who do not see the need for the new mall redevelopment as envisioned by SilverStar with the SROA's support. To see this letter put out in total support of this redevelopment effort, paid for with our funds, was very upsetting.

I must ask some questions about the statements within this letter. It starts with a paragraph stating that you are continuing efforts to implement the Sunriver Community Strategic Plan. I am guessing this is in reference to the Sunriver Community Forum Action Planning Teams Summary of Recommendations dated Wednesday, June 14, 2006 and available on the SROA website. While reading the summary report there are references to the mall but there is no way for one to conclude that "fix the mall" was identified as Sunriver's number one need as stated in this first paragraph. Is there some other document that identifies this, and is there some support for this statement? Perhaps a survey?

The second paragraph properly states that on December 20, 2006, the board of directors, after months of negotiations, entered into an agreement with SilverStar to support the **complete redevelopment of the mall** (emphasis from letter). What it might have added was that this agreement was reached via a four person committee appointed by the board with no input from owners. There were no hearings on the proposed agreement nor was there any input sought out on the actual feelings of owners over the sweeping **complete redevelopment of the mall**. I am still amazed that the board could, and indeed did, enter into such a dramatic change to the very nature of Sunriver without so much as a mailing to owners. In fact this is the first direct mailing specifically focused on the mall, over a year after negotiations with SilverStar were begun.

The second paragraph concludes by stating that the SROA is doing "careful due diligence at each step in the process to ensure that the impacts of this major project

on the community are being adequately addressed." I would really appreciate a listing of what due diligence actions has the SROA taken to date with respect to addressing the major impacts on Sunriver. Additionally it would be nice to know what items are being considered when addressing the potential impacts the redevelopment will have. Obviously the big issues that we have heard repeatedly, and the issues we have ourselves, are with the overuse of current facilities - namely bike paths and pools, as well as the increased traffic and reduction in open space (real open space not parking lots).

The third paragraph states that the zoning change is needed to make it "economically feasible to redevelop the area." This statement is supported by a Bend Bulletin article that quotes John Goodman of SilverStar as saying "It is impossible to make this work without the residential part of it. The more (housing) units we have, it eases the pain of paying a whole lot more for the property than we should have." What I, and numerous others like me, fail to understand is why we have to sacrifice one the very foundations of Sunriver, which can be found in the SROA's own mission statement - that of protecting and enhancing Sunriver's natural environment - because SilverStar made a poor business decision. Under the current proposal as filed with Deschutes County for the Town Center District this purchase by SilverStar is a very good business decision. The average property price per new residence would be under \$45,000. Just 15% of the average lot price in Sunriver over the past approx. 12 months. Is it really our responsibility to make SilverStar's admitted overpayment for the property a virtual windfall? Clearly many of us do not think so. And the sacrifice that we are being asked to make in the increased use of our already overused facilities (just try to find a space at the South Pool after 600 new, mainly temporary stay, residences are added), increased traffic, and total erosion of the skyline and open areas that we work so hard to protect. What has not been discussed, at least in an open forum, is how the current mall closing time of 10:00pm will be handled. I am guessing that it will be abolished and we will also have noise and light pollution to deal with - not a nice prospect for those of us living close to the mall.

The fourth paragraph really has the statement that summarizes our concerns, and raises the greatest questions regarding the SROA's actions. It states, and mirrors a statement made at the annual meeting, that one out of three respondents to a 2004 Sunriver owners survey expressed concern about the village mall when asked "What would you like to change about Sunriver?" This would alternately mean that two out of three respondents did NOT see the village mall as the number one concern. As I do not have the full 2004 survey, nor do I see it posted on the SROA website, I can only rely upon the survey results summarized within the SROA Long-Range Plan published in June 2000. Exhibit E Owner Opinion Survey Summary, page 30 of the report, states that the "Results of a survey of SROA members show that most Sunriver property owners are content with Sunriver the way it is." It goes on to state that "99% agreed that Sunriver 'should remain basically as is'". The report within Exhibit G Sunriver - Potential Opportunities and Threats has listed as the first two threats "Overuse of the outdoor facilities, natural and man made." and "Overbuilding and loss of peaceful atmosphere."

With all of this data wouldn't any prudent person arrive at the conclusion that the Sunriver Owner's do NOT want this kind of development (I know it is called a redevelopment but that is a stretch of the redevelop)? What benefits will the SROA gain from this development that have caused it to go forward irrespective of owner's input, demonstrated opinions through surveys, and to the very detriment of two of the three foundations of the SROA (those of protecting and enhancing Sunriver's quality of life and natural environment)? Although this sounds rhetorical I really would like to know, because it is the one question that I get repeatedly from people when I talk to them about this issue.

Although this letter and the annual meeting stated that "staying competitive" was the reason for needing the mall redevelopment (only the letter directly stated that it was for maintaining property values) this is not specifically identified as a major issue in the Long-range plan. I am still puzzled as to how the new village will keep Sunriver competitive. Are there other developments that are contemplating such a large scale densely populated village? There are none that we have heard of filing notices within Deschutes County. None of the identified competitors that Barbara Wade listed at the annual meeting, which included Caldera Springs, Tetherow, and Pronghorn, have a mall concept. Not to mention a dense Whistler type village, and no one has anywhere near the 600 residences in 26 acres. These communities are also significantly smaller than Sunriver, more expensive, and do not have the 40 years of history that Sunriver has built. This is the competitive edge that Sunriver has, not that we are going to have the tallest buildings in all of Deschutes County and adding 15% more residences in an area that is less than 1% of the total area of Sunriver. It is that Sunriver has a history of stewardship for the land and recognition of the value for open spaces. That is why all of us as Sunriver owners made the decision to pay a premium to join Sunriver. It was not that we would keep our fingers crossed and hope for a huge development on a grander scale than even Bend has, or I would add would probably approve.

I would also debate whether this will ultimately increase property values. As the increased traffic and utilization of already overtaxed facilities begin due to the added residences it could be argued that property values, and especially house rentals, will actually drop. It should also be asked why there is the concern over property values? Sunriver has always, and continues, to perform at or near the top of property value appreciation within Oregon. I would like to know what reports or studies the SROA has conducted that support the assertion that property values will rise. Also what reports or studies does the SROA have that demonstrates that Sunriver house values are suffering at the present time in the absence of this huge development.

You can guess that the assurance that there are many "safeguards" in place to protect both the SROA and SilverStar leaves much to be desired. I do think that the real entity that needs to be protected is Sunriver itself. To say that there are development standards, while essentially true, is a bit of a stretch. Being able to have buildings from 45 to 75 feet high in a current community with over 40 years of controlled growth history, with no building over two stories tall, is hardly a strong

statement of development standards. How can the SROA agree to support an plan that allows buildings that will be taller than the average tree line within the mall area? How does this protect Sunriver standards and quality of life as stated in the last paragraph of the SROA Board letter? Again I would also strongly question how this would provide for the third goal of protecting property values. I greatly fear that our property value, as well as many others near the mall, will in fact decline both during the very long construction period of the village redevelopment as well as once the impacts of this dense residential community are realized.

I urge all parties involved in this process to please read the Community Development Department's Introduction page on the SROA website. This statement summarizes Sunriver, and clearly demonstrates why this development should not be supported by the SROA. As this statement says "Giving priority to conservation of our environment over economic considerations is worth every struggle." We couldn't agree more, which is why the statements of keeping Sunriver "competitive", which seems to be a wholly economically motivated objective, seems to be in such in opposition to what Sunriver stands for (and for what Sunriver says it stands for right on its own website!).

And to close I must say that one of the most troubling exclusions from the letter was the result of one of the SROA's due diligence actions. As stated during the annual meeting the SROA had a consultant, Ferguson, do a review of the traffic study conducted on SilverStar's behalf by Kittelson & Associates, Inc.. The report by Ferguson, dated July 30, 2007 concluded that the SilverStar study "was not sufficient" and added that it had doubts about various aspects of Kittelson's analysis. Shouldn't this be disclosed to the SROA membership? At the very least shouldn't we at least be notified of what is taking place to remedy this shortcoming? Will this be presented to Deschutes County in advance of the Town Center Zoning hearing?

I am sorry to go on at such length, but these are issues of the greatest concern to my wife and I. After visiting Sunriver for the first time some 27 years ago on our wedding night, we have always hoped to have a home in Sunriver. This dream became a reality to us when we were able to purchase Fox 7 almost three years ago. You can imagine our heartbreak as we witness what we believe will be the end of that dream as the Sunriver we have always known is changed forever just to have better shopping and to make up for a bad business decision by SilverStar. We would have hoped, and surely had believed, that the SROA would be our advocate in a fight to maintain Sunriver's history of a respect for the environment and serenity that have made Sunriver so revered and admired in the West. To have to expend so much energy just to protect what we have worked so hard for, and to have to do it in opposition to the very association that we had expected to represent us, is disheartening.

We appreciate your time and consideration of our concerns.

Sincerely,
Don & Marcey Hutchison
Fox 7