



MAINTAINING SUNRIVER AS A PREMIER RESIDENTIAL AND RESORT COMMUNITY PROTECTING
AND ENHANCING ITS QUALITY OF LIFE, NATURAL ENVIRONMENT AND PROPERTY VALUES.

September 12, 2007

Dear Sunriver Owner,

This letter is being sent to help you stay informed about the continuing efforts to implement the Sunriver Community Strategic Plan. During this planning effort, Action Planning Teams, which included more than 100 non-resident and resident owners, identified "fix the mall" as Sunriver's number one need. When SilverStar Destinations, LLC expressed an interest in buying and redeveloping the village mall, the SROA Board of Directors had an opportunity to address this need.

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**. Once this agreement was in place, SilverStar purchased the mall from DBSI. Although it is a long, complicated process, SROA and SilverStar continue to work together to ensure that the project moves forward. SROA is also 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.

The December agreement provides for SROA to support a zoning change of the 26 acre mall area from "Commercial District" to a "Town Center District" so it is economically feasible to redevelop the area. The agreement also requires (under specific conditions, including owners' approval) SROA to convey title to parcels of SROA-owned land that are within the new district. Transferring ownership of these parcels will allow coordinated redevelopment of the entire village area.

The SROA Board considered three main factors before entering into the agreement to support SilverStar's vision of the Village at Sunriver: (1) In the 2004 survey of Sunriver owners, one out of three respondents expressed concern about the village mall when asked, "What would you like to change about Sunriver?" (2) The previous owners of the mall had no plans to improve the mall property and did nothing to improve Sunriver's competitive position with the many new resorts being developed in Central Oregon. **Staying competitive is essential for maintaining property values.** (3) During last year's strategic planning sessions, many, many participants expressed concern about the physical appearance of the mall and its lack of retail activity.

The Agreement

There are many safeguards spelled out in the agreement that protect both SROA and SilverStar. Before SilverStar can submit its development plan to the county for approval, it must first be submitted to SROA for review and comment. The agreement contains development standards in addition to standards contained in the Town Center District language. The project must be a mixture of complementary land uses including retail, office, commercial, dining, residential and civic. It must contain a minimum of 85,000 square feet of retail, office and commercial space; at least 15,000 square feet of grocery store space; and amenities appropriate to Sunriver, including an ice rink and visitors center.

The project must comply with county and SROA conditions related to vehicular and non-vehicular access and mitigation of traffic impacts. If the existing Beaver Drive is to be included as one of the parcels transferred to SilverStar, the road must be replaced in compliance with SROA standards, at SilverStar's expense. And, of course, each building must be submitted to the SROA Design Committee for approval, the same as any other building project in Sunriver.

The Town Center District

Proposed language for the new Town Center District was attached as an exhibit to the Agreement. This proposed language contains further safeguards for the community:

1. 50% of the Village acreage must remain as open space, which can include parking lots;
2. 22 residential units per acre are allowed, although county parking requirements may reduce that number;
3. Stand-alone residential units are limited to 30% of the total acreage and the ridge height for these buildings is limited to 45 feet;
4. Mixed use buildings, with ground floor commercial and residential above, are limited to a ridge height of 60 feet;
5. One building, of a size not to exceed 10% of the size of all buildings combined, is allowed a 75-foot ridge height;
6. Building set-backs are specifically spelled out.

Since the Agreement Was Signed

In addition to the DBSI property, SilverStar has acquired the Chrome Pony and Marcello's properties and the sale of 2 Country Mall is pending. SROA land within the Town Center District was surveyed and six parcels, totaling approximately six acres, are available for inclusion in the village development. The original intent was for SROA to receive a new **Community Activities Center** in exchange for SROA land. However, that idea became impractical due to parking issues and the high expense of putting the center in the Village. Thus, the potential property "trade" became a "sale." The SROA property is being appraised and negotiation of a sales agreement is under way. This property sale will be submitted to the owners for approval in early 2008. If approved by voters, proceeds from the sale will be placed in a designated account for amenity improvements. Owners will have the opportunity to vote on proposed improvements, probably in late 2008.

An application to create the new Town Center District has been submitted to Deschutes County with a hearing scheduled later this month. SROA is actively involved in reviewing the application to ensure the project is in the best interest of the community. SROA has hired engineering firms to assist in this analysis, in addition to SROA legal counsel. We collected traffic data from the Beaver/Abbot intersection this summer to help with the design of the new intersection. Also, we have a development team ready to review the development plans for the Village when they become available.

Redevelopment of the village is only one of the strategic plan recommendations being implemented. SROA is a partner in a design project which will improve the Sunriver entry experience and upgrade the entire village core. The first phase of this work is the South Century Drive roundabout sign and landscaping. This project was jointly funded by SROA, Sunriver Resort, Caldera Springs and SilverStar. It was possible because of the support of Deschutes County, which owns the circle. **Working together** on projects to renew and refresh Sunriver can, and will, benefit everyone. These efforts promise to not only update the Sunriver area, but move us to the forefront of resort-based residential communities. **Don't miss the September *Sunriver Scene!*** Note especially, the front page picture of Sunriver's new entry.

We have responded to the many Sunriver owners who pleaded for SROA to "*do something about the mall,*" while protecting Sunriver standards, property values and quality of life. We ask for your support as we work our way through the very complex process of making change happen, and encourage you to get interested and stay informed. The most up to date information is always at www.sunriverowners.org and numerous in-depth articles are published each month in the *Sunriver Scene*. Pages 1, 5 and 22 of the September issue will give you a wealth of information on current and proposed projects in Sunriver – much more than we can include in this letter.

Thanks for listening,



Doris Brannan, President
Sunriver Owners Association Board of Directors