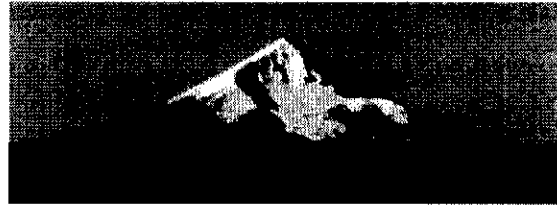


Lake ^{of the} Woods
Recreation Association, Inc.
PO Box 1079
Ashland, OR 97520



March 6, 2009

Special News Letter

Dear Neighbor:

NFHA, OFHA and representatives of C2 Coalition have been warning us all of the astronomically higher fees generated in other recreation tracts following reappraisal and application of the 5% fee mandated by CUFFA. The appraisals for both Lake of the Woods and Recreation Creek have now been received by our District Ranger. Your Association has made Freedom of Information Act (FOIA) requests for the actual appraisals, but has not received them. However, the values reported and the fee increases are staggering. The appraised value of the 10 "typical lots" and resulting fees are shown below.

Typical Lot	Appraised Value	Fee
A7B	\$ 130,000.00	\$ 6,500.00
C4	\$ 133,000.00	\$ 6,650.00
L10	\$ 125,000.00	\$ 6,250.00
Q4	\$ 127,000.00	\$ 6,350.00
M10	\$ 135,000.00	\$ 6,750.00
L17	\$ 40,000.00	\$ 2,000.00
L15	\$ 42,000.00	\$ 2,100.00
T13	\$ 48,000.00	\$ 2,400.00
F16	\$ 45,000.00	\$ 2,250.00
E19	\$ 45,000.00	\$ 2,250.00

Following receipt of the actual appraisals, your Association Board will meet and make recommendations to each group whether to seek a reappraisal. In doing so we will also review the

appraisal for Crescent Lake, Odel Lake and the Metolious tract, as well as the appraisals done by a different appraisal company at Fish Lake and Diamond Lake.

Left unchanged, these new fees will be phased in beginning in 2011, over a term of 3 years and increase thereafter by a cost of living adjustment until the next 10 year appraisal.

Separate and apart from your new 20 year Special Use Permit and the 2009 bill for collection which is yet to be sent to you, you will be receiving by certified mail a summary of the appraisal and your rights of appeal. The rights to request a reappraisal are based upon the request by a majority of permittees which in each "typical lot" category.

If not modified, CUFFA will substantially and irretrievably effect the Lake of the Woods community. Many who have had cabins in their families for years will be forced to sell to the more affluent, perhaps from distant communities. New residents may well demand additional amenities and services, and with additional numbers provide additional pressures on the resource, and turn Lake of the Woods from what it is today into a destination resort similar to Lake Tahoe or Lake Arrowhead.

Fundamentally, the recreation residence program was originated nearly 100 years ago to provide a forest experience for people of modest means. Over the years Congress has repeatedly validated the program. The Forest Service has adopted regulations which we all generally endorse to minimize impacts on the forest through size, height, placement, design, color and even use limitations. The fundamental flaw in CUFFA regulations is that the federal government attempts to apply commercial lease pricing and methodology to a resource management program. If the new fee structure is permitted to remain, the Forest Service will become not a resource management agency, but a leasing agent.

CUFFA regulations can be changed. On January 12, 2009 the Department of Agriculture Under Secretary Mark Ray, with the concurrence of Senator Ron Wyden and the Senate Agriculture Sub Committee, temporarily suspended implementation of the CUFFA regulations and mandated that the 2009 fee not exceed an increase of 1.9% of the 2008 fee. Less than one month later representatives from Pacific Northwest Region of the Forest Service caused the moratorium to be lifted. Beginning this year, permittees in other regions will see their fees increase astronomically. As a result of a favorable appraisal in 1998 our fees will go up modestly this year, none to exceed 22% over last year's base fee, with the new fee being billed in December 2010.

I am regularly reminded by officers of the national and state associations of our rather unique position at Lake of the Woods. Many of us have personal and business relationships with our Congressional Members, Senators and perhaps members of the President's administration. Many

of these representatives have enjoyed visits to the lake and stayed in our homes. It is imperative that our Senators and Representatives be made aware of the fundamental unfairness of the CUFFA fee determination process. Now is the time to contact Senators Wyden (OR), Feinstein (CA), Barrasso (WY), Tester (MT), Cantwell (WA) and Crapo (ID) who are members of the Senate Oversight Committee through which amendments in the CUFFA legislation would be made. I would especially encourage you to write to Senator Ron Wyden and offer special thanks for his efforts to date, as well as write to Senator Jeff Merkley and Congressmen Greg Walden, or to your local Congressional Representative if you live in a different state or region. Impress upon them the need to permanently amend CUFFA so as to establish a fair, non confiscatory fee. We have been told that representatives of the Forest Service have lobbied Congressional staff members seeking to support and maintain the CUFFA fee determination process as it stands. We believe this is improper. There are those who would very much like to see all private use of public lands eliminated, as well as others who feel the privilege of forest home ownership is limited to the highly affluent and elite.

Your letters should be sent either by email or by facsimile if at all possible, as the screening of surface mail delays delivery. Upon sending your letters, please forward copies to the Lake of the Woods Recreation Association either by mail at the address above or by email at LOWHomeowners@msn.com. Personalize your letters and address how the forest experience is enjoyed by you, your family and friends and guests. Among points to address might be one or more of the following:

- ◆ The limited season of use and restrictions placed on permitted occupancy.
- ◆ How regulations adopted in 1994 since the adoption of CUFFA have reduced the size, height, exterior appearance, interior construction of your cabin, storage building and outbuilding.
- ◆ How Forest Service restrictions have limited your ability to add a bathroom or build bedrooms.
- ◆ How Forest Service regulations have further restricted activities on the lot.
- ◆ Explain how the increase in housing prices caused by speculation, improvident lending and sub prime loans, has resulted in the current housing and mortgage crisis which has artificially inflated recreation property as well.
- ◆ Discuss how as permittees we are stewards of the resources, and provide recreation opportunities to persons outside of our immediate families.
- ◆ Describe the fees and taxes which we pay.
- ◆ Describe how the sense of community and infrastructure has been built, not by the federal government, but by the permittees.
- ◆ Describe how the imposition of an excessive fee might affect you, your family and continued ownership.
- ◆ Describe how increased fees might result in new owners wanting urban services to

- ◆ be provided by the federal government.
- ◆ Explain how increased fees may result in more intense occupancy and use, may increase commercial pressures on the resources, and turn recreation tracts into communities such as Lake Tahoe and Lake Arrowhead.

This list is not intended to be exhaustive or exclusive -- add your additional thoughts as well.

Working together we can preserve the recreation residence program. However, it would be a mistake to assume that others will do the work and carry the load. There are strong voices who would work against us and your opinion needs to be heard. Additionally, I would encourage you to provide financial support to the re election committees of those of our representatives who are taking an active role in revising the CUFFA regulations.

Very truly yours,

Lake of the Woods Recreation Association



Brad Aspell,
President

BJA:jbk

IMPORTANT DATES

Independence Day Fireworks	10:00 pm, Saturday, July 4, 2009
Annual Meeting	9:00 am, Sunday, July 5, 2009 Low Echo Girl Scout Camp

Barroso, John (R - WY)
307 DIRKSEN SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-6441
Web Form: barrasso.senate.gov

Cantwell, Maria (D - WA)
511 DIRKSEN SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-3441
Web Form: cantwell.senate.gov/contact/

Crapo, Mike- (R - ID)
239 DIRKSEN SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-6142
Web Form: crapo.senate.gov/contact/email.cfm

Feinstein, Dianne- (D - CA)
331 HART SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-3841
Web Form: feinstein.senate.gov

Tester, Jon- (D - MT)
204 RUSSELL SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-2644
Web Form: tester.senate.gov/Contact/

Wyden, Ron (D - OR)
223 DIRKSEN SENATE OFFICE BUILDING WASHINGTON DC 20510
(202) 224-5244
Web Form: wyden.senate.gov/contact/