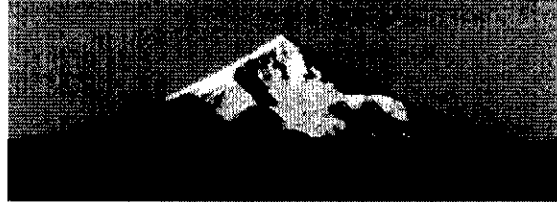


Lake ^{of the} Woods
Recreation Association, Inc.
PO Box 1079
Ashland, OR 97520



Re: Fall Newsletter, November 1, 2008

Dear Neighbor:

Fall is officially here. By the criteria of which we judge a good summer recreation season, this year has been excellent: good weather, no fires, no serious accidents or vandalism. Your Board continues to work diligently to complete a number of tasks and has asked that I issue a call to action on a number of critical issues which face each of us as permittees. In the paragraphs which follow I shall report on what has been accomplished, as well as solicit your assistance in addressing two matters: CUFFA mandated fee increase and new restrictions in the Operation and Maintenance Plan of the forest.

1. Fire Suppression Equipment. The Association now owns a portable fire pump, a trailer to transport it, hoses and nozzles. In the spring we shall, in conjunction with the Forest Service, offer a training course for its use and operation. Homeowners who participate will be given access to the pump in case of fire emergency. Fire remains the single biggest threat to our continued use and enjoyment of our summer homes. Because the pump has the limited ability to serve cabins more than 200 feet from a water source, the Board shall continue to pursue locating a fire tender within the recreation tract.

2. Storage Shed. Due to the generosity of a homeowner who provided a long term low interest loan to the Association, the storage building adjoining the caretaker cabin is now complete. It will house the snowplow, fire pump, fireworks, mortars and potentially other equipment acquired by the Association at a later date. The Board wishes thanks to all of you who have contributed, both previously and with the most recent dues statement. If you were waiting to see if the storage building would be constructed, we would ask for your voluntary contribution as shown on the annual dues statement. This will be a three year serial contribution which will expire when the building and loan have been repaid. For those of you wishing to make a lump sum contribution we would ask for your payment of \$120.00, or for \$40.00 in this and each of the next two years.

3. Water Rights. Approximately one year ago, your Association submitted a group water right application for 42 permittees who did not have either an existing well or water right certificate allowing for the appropriation of water from Lake of the Woods or from a spring. Initially, the Oregon Water Resources Department indicated that it would not consider the application, however, Senator Doug Whitset of Klamath Falls intervened on behalf of the Association and as a result, a

tentative finding authorizing water appropriation (with limitations) has been received. Those of you who have joined in making the application have received an explanation letter and a copy of the preliminary finding. Please review the letter carefully, as it requires your prompt reply and remittance of some additional fees. Please note, if you have a well or an existing water right certificate you do not need a new water right. Also please note that it is now too late to add to the application. However, you may seek substitution into the original application, not later than December 1, you may apply individually, or you may wish to obtain the transfer of a water right. If you have a water right you wish to transfer or should you wish to acquire one, please notify the Association immediately. We will attempt to provide contact information for you.

4. Snow Plowing. As you know, the Association owns a snowplow to keep road 3732 (Eastside Summer Homes Rd.) open in the winter and to plow driveways of individual subscribers. Eastside residents, if you have not done so, we would encourage you to make a voluntary contribution towards the Eastside Snowplow fund, depending upon your frequency of use of 3732. Those who have made contributions may in addition have their driveways plowed on a fee for service basis. Justin Anderson, our caretaker, has forms for this purpose.

5. Garbage Collection. A member of the Association recently requested that the Board consider acquiring one or more dumpsters, creating a central garbage collection area and contracting with the waste management company which collects trash from the resort, campgrounds and picnic areas to remove the refuse. Should a significant number of you be interested, your Board will pursue the matter. It has been suggested that a seasonal fee be collected from each Association member who wishes to participate and that in exchange, members be provided either a key or the combination to a lock on the receptacle. Those of you who are interested please write or email the Association. The matter will come before the Board again at the spring meeting.

6. Lake of the Woods Resort - Expansion Plans. As you know the Lake of the Woods Resort has recently been transferred to new owners. The Board applauds their efforts in improving facilities and services. However, an overriding concern which the Board has, is the ability of Lake of the Woods to support additional recreation uses. Last spring your Board was assured that the resort would not turn into a condominium/timeshare ownership. Similarly, we were advised that the number of moorage spaces at the docks would not be increased beyond historic levels. Both assurances appear to be inaccurate. Without public input or comment the Forest Service issued two separate special use permits for the resort and marina, each of which were subject to a development master plan. On July 28, 2008, we wrote to District Ranger Margaret Bailey requesting a copy of each of the master plans. She has failed to provide them to us. We have filed a freedom of information act (FOIA) request. Your Board does not oppose appropriate development and renovation of the resort, however, expansion should be subject to public input and comment with the overriding concern that the environment of the lake and its environments be maintained.

7. Water Levels. For years your Board has brought to the attention of the Forest Service the artificially high levels of the lake causing erosion of the lake front, loss of waterfront trees and contributions to turbidity. The Forest Service initially denied this occurred, and more recently has acknowledged the problem, but has neither identified the cause nor proposed an appropriate solution. It is thought that the correct solution may combine three factors: increasing the size of culverts draining the lake, engaging in a regular program to clean them before they become clogged with debris, and removing the weir which artificially impounds water. Board member Kate Macartney will be heading up a study. Those of you with information, whether factual or anecdotal are encouraged to contact her so that in advance of spring we can make a definitive proposal to the Forest Service.

8. Freeway Areas. At the annual meeting, Kari Moser was asked: "Can we clean up the freeway areas?" Her answer was an emphatic yes. She encouraged Association members to clean up the freeway areas as you would around your personal residence.

9. Emails and Websites. From the length of this letter you will observe that your Board is involved in many issues. Your Board receives a significant amount of information from the Forest Service, Association members and FHA, OFHA, Cabin Coalition² and others. We archive Operation and Maintenance Plan, Dock Policy, various applications for dock reconstruction and snow removal. Your Association maintains regular correspondence with Forest Service representatives, exchanges correspondence with members of Congress, and deals with such other issues as the pending water rights application. The cost of duplicating and sending this information by the Association would be overwhelming. We are looking for one or more persons who would be interested in volunteering their time to create a secure website to which Association members may post and access current information. Should you be interested in pursuing this for us, I would encourage you to contact me through the Association's email address: LOWHomeowners@msn.com.

10. Permit Renewal. Permit renewal is scheduled for December 31, 2008. Before retiring Kari Moser prepared each of the new special use permits for execution by the District Ranger and mailing. Unless you previously received notice that your application was incomplete or that deficiencies had to be corrected before permit renewal, your new 20 year permit will be issued. If you do not receive your new permit in a timely fashion, call District Ranger Margaret Bailey at 541-885-3405. District Ranger Bailey has asked that I remind you of the following:

- A. If you were required to decommission a pit toilet, that you report to her not later than November 15 that the work has been done.
- B. Block and Lot numbers must be placed upon our docks and visible from the lake as well as on or adjacent to our individual cabins.
- C. Summer recreation equipment must be stored inside or removed from recreation tract

during the winter.

Ranger Bailey advises that the search for a realty specialist continues and she is hopeful to have someone on staff by the end of February 2009.

11. Appraisals - CUFFA Update. The contract appraiser visited Lake of the Woods on Sunday, July 27, 2008, viewed the 10 "typical lots" and met with Association representatives and other homeowners. The appraisal was to be delivered to the Region 6 Forest Service Appraiser last month. The Regional Appraiser will review the report as to compliance with the contract requirements, and assuming it does, send out notice to all permittees of the presumed fair market value of each set of representative typical lots, based on the assumption that these lots are undeveloped. The letter will not include the appraisal report but will summarize the value and provide the permittees within the typical lot classification and procedures, based upon majority vote, to request (at permittee expense) a reappraisal. Your board does not know when the appraisal will be received, reviewed or when the appraisal summary letters will be sent. Upon receipt, your board shall call a special meeting, obtain a complete copy of the appraisal and review it with the comparable data, which the association has compiled and provided to the appraiser. We shall contact you thereafter with the Board's recommendations. Each lot composing the 10 categories, and the names of the permittees can be obtained by e-mail to the Association at LOWHomeowners@msn.com.

Beginning this year, the use fees generated from the 1982 appraisals will be used in setting your annual use fee. While your fees will increase slightly, the amount will likely be substantially less than the fee which will be established from the 2008 appraisal applying the CUFFA regulations. No doubt each of you have received communications from NFHA, OFHA and the Cabin Coalition², as well as American Land Rights Association. The common message is that the appraisals have generated new permit fees of 3 to 10 times the current amount. Your Board believes that each of us must become involved to contact our Representatives, Senators and appropriate members of the administration in order to effect legislative change in the CUFFA law after we have specific data on how the new fees may impact us.

12. A Call to Action. As I indicated earlier in this letter your Board has asked that I issue a call to action for you, our permittees and members. The issues we are facing now are not ones which members of your Board individually may solve. Both matters which I discuss below will require your active participation and involvement.

13. CUFFA and reasonable fees. Lake of the Woods is the second largest recreation tract in Oregon, and among the largest in the Pacific Northwest. Many of you are influential within our communities, within your business and professional organizations, and have close ties to members of the House of Representatives and Senators. Your Board suspects that collectively we as homeowners at Lake of the Woods have personal contact with, and know more members of Congress

than perhaps any other recreation tract. Obviously, these kind of relations will not in and of themselves result in amendments to CUFFA, however these contacts clearly open lines of communication. Ultimately we will ask every homeowner to write multiple letters. At this time we are asking those of you who do have personal relationships with members of congress, members of their staff or of the administration to let us know. This request is particularly critical for those of you who live outside of Southern Oregon. Many congressional representatives may not be aware of the extent of the problems created by CUFFA or of how it impacts their constituency. It will be critical that they hear from you, voters within their districts. Once we have contact information we shall share it amongst those who have come forward. Please do not consider contacts you have had with our elected representatives to be insignificant. Our Senators and Representatives do care, however they must hear from us first.

14. Operation and Maintenance Plan. Our second call to action is in relation to the operation and maintenance plan. Over a term of five years representatives of your Association have met with a succession of District Rangers to update the Fremont-Winema National Forest Operation and Maintenance Plan. Those discussions resulted in a good give and take. Unfortunately, when they were finally reviewed by Jim Saucer of Region 6 they were made significantly more restrictive.

Your Board believes there are three principle flaws in the Operation and Maintenance Plan. It is only through the active involvement and participation of you as association members that these issues can be solved. Principally, they are two-fold:

A. Storage Building. The Forest Service unilaterally reduced the size of permitted outbuildings from 300 sq. ft. to 130 sq. ft.

B. Loft. The Forest Service reversed the long standing policy which allowed for the construction of bedrooms and bath facilities on the second floor of your cabin. It now is enforcing a policy to eliminate the construction of any partition walls on the second floor loft area.

A detailed discussion of our objections to each of these policies and historical precedents by which each were allowed can be obtained from the association at LOWHomeowners@msn.com. Many of you might conclude: "This doesn't effect me; my cabin and storage building are in place." However, should you suffer significant damage to either your cabin or storage building this new policy may substantially limit your ability to reconstruct your improvements as they now exist. To those of you who may wish to reconstruct or remodel in the future the message is clear - the current Operation and Maintenance Plan will not allow deviation from these standards.

Many of you were owners in the 1980's when the Forest Service adopted a policy to require that each dock on Lake of the Woods be combined into large marina facilities. At that time your

Association mobilized, numerous letters were written, Representative Bob Smith came to our aid and forced the repeal of the bureaucratic mandate. Your Association is fully convinced that a similar result could be effected today. However, to do so we need your help. Join with the Association in objecting to bureaucratic mandates which do nothing to further the legitimate goals and objectives of the Forest Service in managing the resource, but have a serious and profound negative effect upon our use and enjoyment of our recreation residences. We encourage you to again contact the Association by either mail or email so that we might provide you with the necessary information from which we might seek Representative Greg Walden's assistance in reversing these policies. We can not accomplish the goals before us without your active involvement and participation.

Any of you wishing more information on the Operation and Maintenance Plan, the water right application process, communications regarding CUFFA or other general or specific information, please contact the Association by email, or the individual Board members. On behalf of the Board we wish you a healthy, safe and prosperous fall and winter. We will see you in the spring.

Very truly yours,

Lake of the Woods Recreation Association



Brad Aspell
Board President

BJA:jbk