

WHEN RECORDED RETURN TO:

Larry & Kim Ostler
PO Box 727
Stevenson, WA 98648

DOCUMENT TITLE(S)

Promissory Note

REFERENCE NUMBER(S) of Documents assigned or released:

Deed 247/925, Meadow Short Plat 3/341 & 197/807, Road Maintenance Agreement 183/769
AF 2007165017, AF 2008171659, AF 2007165017, 3/340, 199/355

Additional numbers on page _____ of document.

GRANTOR(S):

Larry & Kim Ostler

Additional names on page _____ of document.

GRANTEE(S):

Ginger B. Townsend

Additional names on page _____ of document.

LEGAL DESCRIPTION (Abbreviated: i.e. Lot, Block, Plat or Section, Township, Range, Quarter):

Lot 3 Meadow SP 3/341 & 197/807

Complete legal on page _____ of document.

TAX PARCEL NUMBER(S):

03-07-25-4-0-0203-00

Additional parcel numbers on page _____ of document.

The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information.

PROMISSORY NOTE PURPOSE

Date: 07/14/2014

Borrower: Ginger B Townsend ("Borrower"), at PO Box 911, Stevenson WA 98648.

Lender: Larry & Kim Ostler ("Lender"), at PO Box 727, Stevenson, WA 98648

PURPOSE. The sole purpose of this loan from Larry and Kim Ostler to Ginger B Townsend is to finance the borrower's payment to the River View Meadow Homeowners Association's for road maintenance special assessment, as approved by a 2/3 vote of the members on June 20, 2014.

SECURITY. This note is secured by real estate in Riverview Meadows in Skamania County Washington. Tax ID # 03072540020300 / Lot # 3 of Meadow SP BK 3 / pg 341 /reconfig BK 197/pg 807

INTEREST. This Note shall bear interest, compounded annually, at 7% (ANNUAL INTEREST RATE) percent.

Larry & Kim Ostler issued check # 5308 for loan amount of \$3856 to Ginger B Townsend on July 14, 2014.

Ginger A Townsend submitted a check from her personal account to River View Meadow Home Owners Association on 07/14/14 in the amount of \$3856 check # 6562 for road maintenance special assessment to River View Meadow road special assessment.

Larry Ostler [Signature] Larry Ostler
 Kim Ostler X [Signature] Kim Ostler
 Ginger B Townsend [Signature] Ginger B Townsend
 Witness [Signature] Stephen A. Weiss
 Date: 7-14-14

PROMISSORY NOTE

Date: 07/14/2014

\$ 3856 (AMOUNT)

07/14/2014 (DATE)

FOR VALUE RECEIVED, the undersigned Ginger B Townsend ("Borrower"), at PO Box 911, Stevenson WA 98648, hereby promises to pay to the order of and conditions set forth herein to Larry and Kim Ostler (the "Lender") PO Box 727, Stevenson, WA 98648.

PURPOSE. The sole purpose of this loan is to finance the borrower's payment to the River View Meadow Homeowners Association's for road maintenance special assessment, as approved by a 2/3 vote of the members on June 20, 2014. The property is identified as Parcel # 03072540020300 / Lot 3 Meadow SP BK 3 / pg 341 / reconfig BK 197/pg 807

PAYMENT OF PRINCIPAL. The principal amount of this Promissory Note (the "Note") and any accrued but unpaid interest shall be and payable beginning with an initial payment of \$698.00, due on December 1, 2014, followed by bi-annual payment of \$349.00 each due on March 1st and August 1st of each successive year until paid in full. All payments under this Note shall be applied first to accrued but unpaid interest, and next to outstanding principal. If not sooner paid, the entire remaining indebtedness (including accrued interest) shall be due and payable on August 1st, 2020.

INTEREST. This Note shall bear interest, compounded annually, at 7% (ANNUAL INTEREST RATE) percent.

PREPAYMENT. The Borrower shall have the right at any time and from time to time to repay this Note in whole or in part without premium or penalty. Accrued interest will be charged for the through the month payment is paid in full.

REMEDIES. No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Payee shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the payee.

EVENTS OF ACCELERATION. The occurrence of an Event of Acceleration under this Note, and in addition to any other right and remedies that Payee may have, Payee shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.

SUBORDINATION. The Borrower's obligations under the Promissory Note are subordinated to all indebtedness, if any, of Maker, to any unrelated third party lender to the extent such indebtedness is outstanding on the date of this Note and such subordination is required under this loan documents providing for such indebtedness.

WAIVERS BY BORROWER. All parties to this Note including Maker and any sureties, endorsers, and guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification of substitution of any security for this Note or by way of any extension of extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice of consent of any of them.

SECURITY. This note is secured by real estate in Riverview Meadows in Skamania County Washington. Lot # 3 of Meadow SP BK 3 / pg 341 /reconfig BK 197/pg 807

Tax ID # 03072540020300

EXPENSES. In the event any payment under this Note is not paid when due, the BORROWER agrees to pay, in addition to the principal and interest hereunder, reasonable attorneys' fees not exceeding the sum equal to 15% of the then outstanding balance owing on the Note, plus all other reasonable expenses incurred by Payee in exercising any of its rights and remedies upon default. Borrower agrees to pay whether or not a lawsuit is commenced as part of the collection.

LEGAL ACTIONS. If any term, covenant, condition of provision of the Note is held by a court of competent jurisdiction to be invalid, void, or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent

deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.

GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of Washington.

SUCCESSORS. All of the foregoing is the promise of borrower and shall bind borrower and borrower's successors, heirs and assigns; provided, however, that borrower may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note.

IN WITNESS WHEREOF, Maker has executed this Promissory Note as of the day and year first above within.

Borrower: Ginger B Townsend (BORROWER SIGNATURE)

Borrower: Ginger B Townsend (BORROWER NAME)

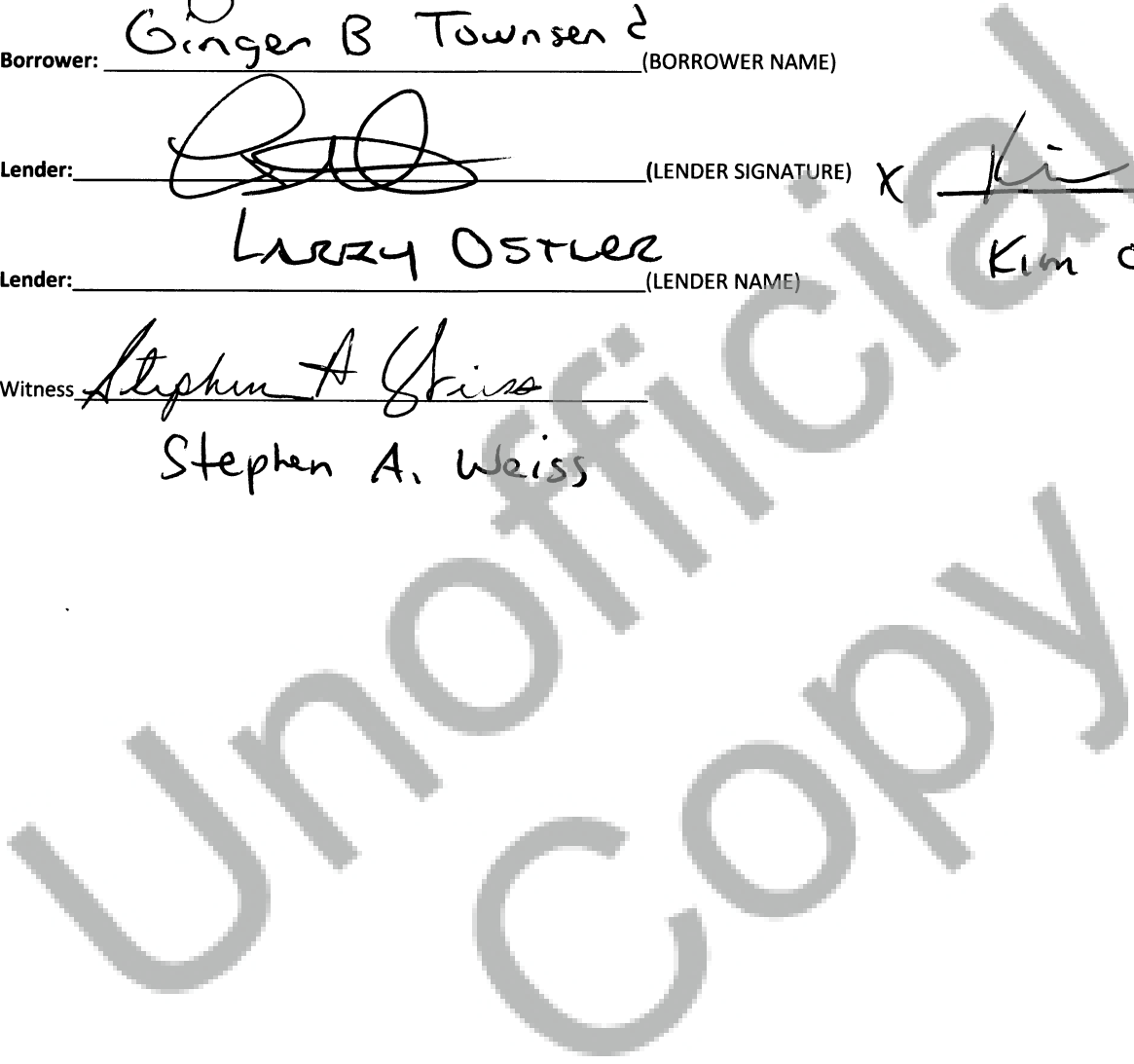
Lender: [Signature] (LENDER SIGNATURE) X

Lender: LARRY OSTLER (LENDER NAME)

[Signature]
Kim Ostler

Witness: Stephen A Weiss

Stephen A. Weiss



**RVM HOA Road Project Important!!! TL**

Sat, Jun 21, 2014 at 5:31 PM

Tom Lannen <tominthegorge@ymail.com>

Reply-To: Tom Lannen <tominthegorge@ymail.com>

To: Dan and Debra Mitchell <dannmitchell@embarqmail.com>, Michael and Jean Polansky <wildblujava@gmail.com>, Brett and Tesea Johnson <genesis@gorge.net>, Larry and Kim Ostler <lsolso10@gmail.com>, Carol Preban <preban@earthlink.net>, Ginger Townsend <gingertownsend@hotmail.com>, Kevin and Helen Sudbeck <family@sudbecksix.com>, Steve Weiss <steve@weiss-miller.com>, Sof <sofalannen@hotmail.com>, Deb Mitchell <debra.mitchell@embarqmail.com>, Teresa Johnson <asere2u@yahoo.com>, Joyce Meng <joyvuk@gmail.com>, Tom Lannen <tominthegorge@ymail.com>

Thanks to all for supporting this effort. We have positive responses from 10 of the 11 owners, and will be moving forward with securing the contractors next week. These are large companies and this is a small job for them so it is critical that we have funds for the 50% down payments by next Wednesday, June 25th.

If you're paying cash, make checks out to RVM HOA and mail them to Carol Preban, PO Box 891, Stevenson, WA 98648. If local, you can deliver it to Carol or myself.

The 50% down payment is \$1928 per lot. The balance due will be the same, payable by July 15th.

If you wish you can pay it all now, \$3856. Receipts will be issued for all payments.

If you're taking up the finance offer, call me ASAP so we can discuss the terms and get the note signed by next Wednesday, June 25th. Phone: 427-5526 or cell at 509-460-3917.

Regards,
Tom



RVM HOA Road treatment options Call for meeting

Sun, Jun 15, 2014 at 7:25 PM

Tom Lannen <tominthegorge@ymail.com>

Reply-To: Tom Lannen <tominthegorge@ymail.com>

To: Larry and Kim Ostler <lolsolo10@gmail.com>, Sof <sofalannen@hotmail.com>, Tom Lannen <tominthegorge@ymail.com>

For review

As tasked at the April 6th meeting, we have looked into various options for road maintenance. It is time to make a decision as the dryer weather has already shown what we can expect, plus the condition of the entrance hill continues to worsen. The longer we wait the more expensive it will be to put it right.

Conversations with several contractors who have the necessary equipment for the work indicate that they are filling up for the next several months, so the sooner we decide the sooner we can get their commitment.

I am recommending that we call a meeting for next Sunday, June 22nd at 4:30pm. The Polanksy's have offered their home as the place.

Since we normally have a 2 week notice, I'd like everyone to vote on agreeing to waive this. Please respond to this email with a yea or nay. If a majority agree, we will meet next Sunday.

The option we are recommending is having the road chip sealed. James Dean Construction to do the prep work which includes putting down a minimum of 240 tons of 3/4minius rock, grading to restore the crown, then watering and compacting it. Followed by Zimmerly Paving to apply two layers of chip seal with a finish coat of fog seal. The anticipated life is 15-16 years with minimal maintenance. The long term difference between this and what we have been doing is enormous. I am attaching a comparison both in excel and as a jpg file for you to review. We would need to get a 50% downpayment to them by July 1st.

The overall cost is for this approach is \$3856 per lot. Then, there are no road assessments for many, many years.

We understand that this may present hardships for some, and Larry Ostler has stepped up and offered to finance this over a 7 year period at an interest rate of 7%. No credit checks, but it will require a binding agreement. The annual payment for the recommended treatment is about \$700. Details will be worked out, but we have discussed having this year's payment (\$700) due by Dec. 1, 2014. Then for calendar 2015, splitting the annual amount into two payments (\$350 each) due on March 1 and Aug 1. This repeats for the remainder of the loan.

The alternative is to continue what we have been doing. I will no longer be doing dust control. So either others need to step up or we pay to have it done. The comparison attached is for having it done.

Regardless of how we do the dust control the road needs to be rocked. We have spent more than 40 hours getting bids, talking to road contractors, engineers and searching the internet for information. The general rule of thumb is a light to medium traffic gravel road will lose about 1/2 inch of top dressing a year. If you have a hill it gets much worse, an inch plus, plus. My driveway also proves this to be the case.

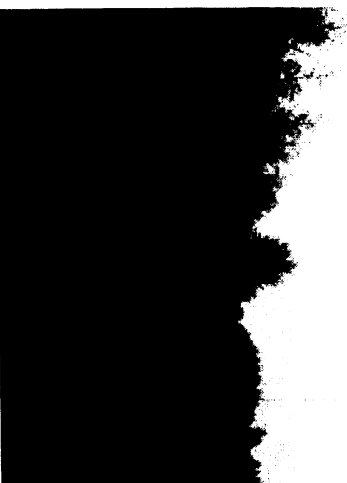
Back in 2007 when we had the road graded and compacted there were 5-6 inches of 3/4minus on our hill, today there is none. As the large pit-run run continues to be exposed, it accelerates the remaining fill and potholes form more quickly. The remainder of the road has a few spots that need rock, and it would be prudent to have at least 2" of 3/4minus applied to it and at least 4-5 inches on the hill.

The cost for this is between \$9000-11,000; then, add the cost of Dust Control of \$5000 and you're looking at \$14-16,000 for this year. Per lot that is \$1,272 to \$1,454 for this year, and then another \$500-600 per year per lot thereafter for dust control. We can also expect that the road would need to rocked again in 5-6 years at a much higher cost than today. Too bad we could not convince everyone to start building a reserve fund back in 2007.

So, please vote today on whether to have a meeting next Sunday and review the attached options. I am also attaching pictures of a chip sealed road that's about 18 years old, more traffic than ours and with only minor repairs over the years for a few potholes.

Tom

4 attachments



IMG-20140508-00247.jpg
171K

6/11

Wanted to let you know the status of bids for having the road chip sealed.

We have 2 bids from companies that can do the complete job. Both are expensive. These include the prep work-adding about 250-300 tons of rock, grading, watering and compacting it, and then adding two coats of chip seal. One bid also included an additional top coat sealer to extend road life, particularly in wet regions...where could that be?

One of these guys is OK with our getting someone else to do the prep work. Larry and I have spent many hours trying to pull this quote together, and finally we have found a local company that can do the prep for less and at a time when the others guys can seal it. The prep and chip seal need to be done one right after the other. So timing is critical. Target would be mid-late July.

In the next day or two I will be sending out all the info regarding the bids and the options for you to consider.

All options require a 50% deposit at time of signing and the balance upon completion. The various options range from \$3239 to \$3966 per lot. So the down payment would be about \$1800.

If it is agreed to do this, we'll need to collect the down payment quickly. So I am trying to get a feel for how you might want to handle this. This is confidential between you and me. I know this is a bit of a stretch for Sof and me and imagine we're not alone, but I'm trying to be pro-active in alerting everyone in the event this passes.

We also have a resident who has offered to provide financing for anyone interested. The terms are 7 years at 7%, so if the per lot cost is \$3500, the annual payment would be about \$634/year. I don't know what payment schedules might be, annual, semi-annual or what. You would be signing a binding promissory note on this. I have checked with various banks and none will loan to the HOA, and individual unsecured loans from local credit unions are running 9.5% and higher, so this is a reasonable offer.

While this cost is initially high, it gives us a durable road that should last for at least 14 years with little or no annual effort and no annual road assessments. As we demonstrated at the last meeting it is actually less expensive over the life of the road. It should also improve property values some.

If you pay upfront there should be only minimum assessments for many years, if you finance it's done in seven years and hopefully there would be many years before assessments would include road work.

Again, everyone will have the opportunity to review the proposals and vote. Give me a call if you would like to discuss this.

Thanks, Tom 509-460-3917=C 509-427-5526=H