AGENDA CITY OF STEVENSON COUNCIL MEETING May 02, 2022 5:00 PM, City Hall and Remote

Call-in numbers 253-215-8782, 669-900-6833, 346-248-7799, 312-626-6799, 929-205-6099 or 301-715-8592, Meeting ID 889 7550 7011, Zoom link

https://us02web.zoom.us/j/88975507011 or via YouTube at https://www.youtube.com/channel/UC4k9bA0lEEvsF6PSoDwjJvA/

Information in parentheses after the agenda item reference the 2021-2022 council goal the item relates to. Items with an asterisk (*) have been added or modified after the initial draft publication of the Agenda.

1. CALL TO ORDER: Mayor to call the meeting to order.

2. COUNCIL BUSINESS:

- a) Approve WWTP Improvements Phase I Contract(1) City Administrator Leana Kinley presents a copy of the contract with Stellar J Corporation awarded at the April 21st council meeting.
 - MOTION: To approve and authorize the Mayor to sign the contract for the wastewater treatment plant improvements phase 1 with Stellar J Corporation in the amount of \$10,342,431.00 as presented.
- Approve EDA Site Certificate Documents (1) City Administrator Leana Kinley presents a revised Agreement and Mortgage Economic Development Administration (EDA), a Leasehold Deed of Trust and two Statements of Interest to replace the Agreement and Mortgage approved at the March 1st special council meeting for council approval. Each site for this project has unique ownership and the EDA requires different contractual instruments to be used for each site. They are all for 20 years.

MOTION: To approve the revised Agreement and Mortgage with the US Economic Development Administration, the Leasehold Deed of Trust and the two Statements of Interest as presented, and rescind the Agreement and Mortgage approved at the March 1, 2022 council meeting.

3. ADJOURN	MENT - N	Mayor w	ill adjour	n the me	eeting.		

SECTION 00 52 00 - AGREEMENT

BETWEEN OWNER AND CONTRACTOR FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)

THIS	AGRI	EEMENT is by and between	City of Stevenson	_ ("Owner") and
Stell	ar J C	orporation		("Contractor")
Own	er an	d Contractor hereby agree as	follows:	-
ARTIC	LE 1 -	– WORK		
1.01	is g sta ger	generally described as follow tion, blower building, UV disir	ork as specified or indicated in the Contract Documes: new headworks, concrete anoxic and aeration of the contract Documes: new headworks, concrete anoxic and aeration of the contract of the	n basins, pump model, standby
ARTIC	LE 2 -	- THE PROJECT		
2.01		e Project, of which the Work	under the Contract Documents is a part, is genera	lly described as
2.02		e Site on which the Work is to A 98648	o be performed is: <u>686 Southwest Rock Creek Dri</u>	ve, Stevenson,
ARTIC	LE 3 -	- ENGINEER		
3.01		e Project has been designed	by State of the st	
3.02	rep to		s and responsibilities, and have the rights and aut ocuments in connection with the completion of	hority assigned
ARTIC	LE 4 -	- CONTRACT TIMES		
4.01	Tin	ne of the Essence		
	A.		es, if any, Substantial Completion, and completion in the Contract Documents are of the essence of	
4.02	Cor	ntract Times: Days		
	A.	completed on or before J	tion and Date of Final Completion: The Work will I uly 30, 2023, and completed and ready for fir 15.06 of the General Conditions on or before <u>Sept</u>	nal payment in
	В.		e substantially or finally completed on or before following anticipated dates: (Not Used).	e the following

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4.03 Liquidated Damages

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
 - Substantial Completion: Contractor shall pay Owner \$ for each day that expires
 after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A
 above for Substantial Completion until the Work is substantially complete.
 - 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$ for each day that expires after such time until the Work is completed and ready for final payment.
 - 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
 - 4. Milestones: Contractor shall pay Owner \$ for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of each Milestone, until Milestone is achieved.

4.04 Special Damages

- A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. <u>In addition to the actual costs specified in the above paragraph, Contractor shall reimburse</u>

 Owner for actual costs caused by a delay related to the following:
 - 1. Failure to meet completion dates that result in the Owner violating effluent limitations or regulatory compliance deadlines in the Owner's waste discharge permit conditions and regulatory orders, which can result in fines imposed by regulatory agencies.
 - 2. <u>Failure to meet completion dates that result in the Owner losing funding agency money</u> for the project, or that result in higher funding agency loan costs to the Owner.

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3. Failure to meet completion dates that result in an increase in Owner planning requirements and limit and/or delay development.

ARTICLE 5 - CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:
 - A. For all Work, at the prices stated in Contractor's Bid, attached hereto as an exhibit.

ARTICLE 6 – PAYMENT PROCEDURES

- 6.01 Submittal and Processing of Payments
 - A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.
- 6.02 Progress Payments; Retainage
 - A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications for Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 - Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract and State of Washington law, Chapter 60.28.011 Revised Code of Washington:
 - a. percent of Work completed (with the balance being retainage); and
 - b. percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
 - B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

6.03 Final Payment

A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

ARTICLE 7 - INTEREST

7.01 All amounts not paid when due shall bear interest at the rate of the <u>Federal Reserve Short Term</u> Bond Rate for the previous <u>30-day period</u>.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Contract, Contractor makes the following representations:
 - A. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 - B. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
 - E. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
 - F. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 - G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 - H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 - The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 - J. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages 1 to ____, inclusive).
 - 2. Performance bond (pages to to inclusive).
 - 3. Payment bond (pages to to inclusive).
 - 4. Other bonds.
 - a. (pages to , inclusive).
 - 5. General Conditions (pages to to linear, inclusive). (not attached but incorporated by reference)
 - 6. Supplementary Conditions (pages to inclusive). (not attached but incorporated by reference)
 - 7. Washington State Department of Ecology CCWF Specification Insert (Supplementary Conditions) (pages <u>1</u> to <u>2</u>, inclusive).
 - 8. Washington State Department of Ecology Water Pollution Control Revolving Fund (SRF) Specification Insert (Supplementary Conditions) (pages 1 to 26, inclusive).
 - 9. Specifications as listed in the Index of the Contract Documents.
 - 10. Drawings (not attached but incorporated by reference) as listed on the Contract Documents Drawing Index, Drawing O2.
 - 11. Addenda (numbers to to inclusive).
 - 12. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid (pages to to inclusive).
 - Exhibit A-1 Assignment of Contract; Consent to Assignment and Acceptance of Assignment
 - 13. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
 - d. Field Orders.
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 Terms

A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 Assignment of Contract

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- B. <u>Third-Party Beneficiary: All parties agree that the State of Washington shall be, and is hereby,</u> named as an express third-party beneficiary of this contract, with <u>full rights as such.</u>

10.03 Successors and Assigns

A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 Severability

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 Contractor's Certifications

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:
 - "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 - "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 - "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 - 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

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10.06 Other Provisions

A. Owner stipulates that if the General Conditions that are made a part of this Contract are based on EJCDC® C-700, Standard General Conditions for the Construction Contract, published by the Engineers Joint Contract Documents Committee®, and if Owner is the party that has furnished said General Conditions, then Owner has plainly shown all modifications to the standard wording of such published document to the Contractor, through a process such as highlighting or "track changes" (redline/strikeout), or in the Supplementary Conditions.

10.07 Contract to Be Assigned

- A. The contracts between Owner as "Buyer" and "Seller" for procurement of goods and special services ("procurement contract") is hereby assigned to Contractor by Owner, and Contractor accepts such assignment. A form documenting the assignment is attached as an exhibit to this Agreement. A separate form will be required for each procurement contract.
- B. This assignment will occur on the Effective Date of the Agreement, and will relieve the Owner as "buyer" from all further obligations and liabilities under the procurement contract. Contractor, as Buyer (Assignee) following assignment will assume full responsibility to Owner for the performance of obligations by Seller, which will be Contractor's Subcontractor or Supplier. Notwithstanding this assignment, all performance guarantees and warranties required by the procurement contract will continue to run for the benefit of the Owner and, in addition, for the benefit of the Contractor. Except as noted in the Procurement Contract, all rights, duties, and obligations of Engineer to Buyer and Seller under the Procurement Contract will cease upon assignment.
- C. A copy of the assigned Procurement Contract is attached.

IN WITNESS WHEREOF, Owner and Contractor have \boldsymbol{s}	igned this Agreement.
This Agreement will be effective on (whi	ch is the Effective Date of the Contract).
OWNER:	CONTRACTOR:
Ву:	By: Jeff Carlsen
Title:	Title: Vice President
Attest:	(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.) Attest:
Title:	Sheryl Trumbower Title: Assistant Secretary
Address for giving notices: 7121 E. Loop Road, Stevenson, WA 98648	Address for giving notices: 1363 Down River Drive, Woodland, WA. 98674
	License No.: STELLJC045J9

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)

SECTION 00 53 00 - CONTRACTOR'S DECLARATION OF RETAINAGE MANAGEMENT

This form must be submitted at the time the Contractor executes the contract. Contractor shall designate the option desired by checking the appropriate space.

Per RCW 60.28.011, monies reserved under the provisions of Paragraph 6.02 of the project Agreement for all Work completed and for cost of materials and equipment not incorporated in the work, at the option of the Contractor, shall be:

option of the Co	ontracto	r, snall be:			
(1)	Retained in a fund by the Owner				
(2)	Deposited by the Owner in an interest-bearing account in a bank, mutual savings bank, or savings and loan association.				
(3)	Placed in escrow with a bank or trust company owned by the Owner. When the monies reserved are to be placed in escrow, the Owner will issue a check representing the sum of the monies reserved payable to the bank or trust company and the Contractor jointly Such check shall be converted into bonds and securities chosen by the Contractor and approved by the Owner and the bonds and securities held in escrow.				
accrue from es	scrow se		me full responsibility to pay all costs which may oth, and further agrees to assume all risks in ges in securities.		
Contractor Sign Print Na		Stellar J Corporation / Jeff Carlsen	Date <u>4/26/2022</u>		
	Title	Vice President			

SECTION 00 61 00 - PERFORMANCE BOND

CONTRACTOR (name and address): **SURETY** (name and address of principal place of business): Stellar J Corporation Liberty Mutual Insurance Company 175 Berkeley Street 1363 Down River Drive Boston, MA 02116 Woodland, WA 98674 OWNER (name and address): City of Stevenson 7121 E. Loop Road Stevenson, WA 98648 CONSTRUCTION CONTRACT Effective Date of the Agreement: Amount: Ten Million Three Hundred Forty-Two Thousand Four Hundred Thirty-One Dollars and 00/100 -(\$10,342,431.00---) Description (name and location): City of Stevenson Wastewater Treatment Plant Improvements -686 Southwest Rock Creek Drive, Stevenson, WA 98648 **BOND** Bond Number: 023222515 Date (not earlier than the Effective Date of the Agreement of the Construction Contract): Amount: Ten Million Three Hundred Forty-Two Thousand Four Hundred Thirty-One Dollars and 00/100---(\$10,342,431.00---) Modifications to this Bond Form: X None See Paragraph 16 Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative. **CONTRACTOR AS PRINCIPAL SURETY** Liberty Mutual Insurance Company Stellar J Corporation (seal) (seal) Contractor's Name and Corporate Seal Surety's Name and Corporate Seal Signature (attach power of attorney) Signature Seal No. 5690 Ronald J. Lange Print Name **Print Name** Attorney-in-Fact Title Title Attest: Attest: Signature Charla M. Boadle, Witness Title Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable. EJCDC® C-610, Performance Bond Copyright © 2013 National Society of Professional Engineers, American Council of Engineering Companies,

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- 1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.
- 2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Paragraph 3.
- 3. If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after:
 - 3.1 The Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Paragraph 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default:
 - 3.2 The Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
 - 3.3 The Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.
- 4. Failure on the part of the Owner to comply with the notice requirement in Paragraph 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.
- 5. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;
 - 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;
 - 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owners concurrence, to be secured with performance and payment bonds executed by a

qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

- 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
 - 5.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
 - 5.4.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.
- 6. If the Surety does not proceed as provided in Paragraph 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Paragraph 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.
- 7. If the Surety elects to act under Paragraph 5.1, 5.2, or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication for:
 - 7.1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
 - 7.2 additional legal, design professional, and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 5; and
 - 7.3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.
- 8. If the Surety elects to act under Paragraph 5.1, 5.3, or 5.4, the Surety's liability is limited to the amount of this Bond.
- 9. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors, and assigns.
- 10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.

EJCDC® C-610, Performance Bond

- 11. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum periods of limitations available to sureties as a defense in the jurisdiction of the suit shall be applicable.
- 12. Notice to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.
- 13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

14. Definitions

14.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made including allowance for the Contractor for any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper

payments made to or on behalf of the Contractor under the Construction Contract.

- 14.2 Construction Contract: The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.
- 14.3 Contractor Default: Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.
- 14.4 Owner Default: Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
- 14.5 Contract Documents: All the documents that comprise the agreement between the Owner and Contractor.
- 15. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.
- 16. Modifications to this Bond are as follows:

SECTION 00 61 50 - PAYMENT BOND

CONTRACTOR (name and address): Stellar J Corporation 1363 Down River Drive Woodland, WA 98674	SURETY (name and address of principal place of business): Liberty Mutual Insurance Company 175 Berkeley Street Boston, MA 02116
OWNER (name and address): City of Stevenson 7121 E. Loop Road, Stevenson	WA 98648
CONSTRUCTION CONTRACT Effective Date of the Agreement:	
Description (name and location): City of Stevenson Was	sand Four Hundred Thirty-One Dollars and 00/100 (\$10,342,431.00) stewater Treatment Plant Improvements - Phase Creek, Drive, Stevenson, WA 98648
BOND	Dr
Bond Number: 023222515	
Date (not earlier than the Effective Date of the Agreement of Amount: Ten Million Three Hundred Forty-Two Thous Modifications to this Bond Form: X None	the Construction Contract): sand Four Hundred Thirty-One Dollars and 00/100(\$10,342,431.00) See Paragraph 18
Stellar J Corporation (seal) Contractor's Name and Corporate Seal	Liberty Mutual Insurance Company Surety's Name and Corporate Seal
Signature	Signature (attach power of attorney)
Sleff Carken	Ronald J. Lange
Print Name	Print Name
Title Attest: Signature	Attorney-in-Fact Title Attest: Signature
assistant Secretary	Charla M. Boadle, Witness
Title Tit Notes: (1) Provide supplemental execution by any addition to Contractor, Surety, Owner, or other party shall be consid	al parties, such as joint venturers. (2) Any singular reference
	5, Payment Bond Engineers, American Council of Engineering Companies, eers. All rights reserved. Page 1 of 3

- The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.
- If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.
- 3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.
- 4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.
- The Surety's obligations to a Claimant under this Bond shall arise after the following:
 - 5.1 Claimants who do not have a direct contract with the Contractor.
 - 5.1.1 have furnished a written notice of nonpayment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
 - 5.1.2 have sent a Claim to the Surety (at the address described in Paragraph 13).
 - 5.2 Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).
- If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to

- satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.
- 7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:
 - 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and
 - 7.2 Pay or arrange for payment of any undisputed amounts.
 - 7.3 The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.
- The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
- 9. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
- 10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.
- 11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
- No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in

the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

- 13. Notice and Claims to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.
- 14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
- 15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

16. Definitions

- 16.1 **Claim:** A written statement by the Claimant including at a minimum:
 - 1. The name of the Claimant;
 - The name of the person for whom the labor was done, or materials or equipment furnished;
 - A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
 - A brief description of the labor, materials, or equipment furnished;
 - The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
 - The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
 - 7. The total amount of previous payments received by the Claimant; and
 - The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.

- 16.2 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor. materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.
- 16.3 Construction Contract: The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.
- 16.4 Owner Default: Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
- 16.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.
- If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.
- 18. Modifications to this Bond are as follows:



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

> Liberty Mutual Insurance Company The Ohio Casualty Insurance Company West American Insurance Company

Certificate No: 8207568-023001

POWER OF ATTORNEY

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 29th day of March 2022







Liberty Mutual Insurance Company The Ohio Casualty Insurance Company West American Insurance Company

David M. Carey, Assistant Secretary

State of PENNSYLVANIA County of MONTGOMERY

On this 29th day of March, 2022 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal Teresa Pastella, Notary Public Montgomery County
My commission expires March 28, 2025 Commission number 1126044 Member, Pennsylvania Association of Notaries

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

and/or Power of Attorney Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety For bond ar any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings. bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such afterneys-infact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect an has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this







Renee C. Llewellyn, Assistant Secretary

'(POA) verification inquiries, HOSUR@libertymutual.com

AFTER RECORDING MAIL TO:

City of Stevenson PO Box 371 Stevenson, WA 98648

AGREEMENT AND MORTGAGE

WHEREAS, the City of Stevenson (hereinafter called Mortgagor) has applied to, received, and accepted from the United States Department of Commerce, Economic Development Administration (EDA), whose address is Main Commerce Building, Washington, D.C. 20230, a grant under the Public Works and Economic Development Act of 1965 (41 U.S.C. § 3121 *et seq.*) (PWEDA) in the amount of \$4,054,400 Dollars (EDA Grant Amount) pursuant to a Financial Assistance Award dated September 25, 2020, and bearing EDA Award No. 07 79 07550 (Award);

WHEREAS, pursuant to the application submitted by Mortgagor requesting said Award, which includes all forms, documentation, and any information submitted to EDA as part and in furtherance of the request for the Award, including any information submitted after the initial application (Grant Application) and pursuant to the Award, the Grant Amount is to be used for the purpose of acquiring or making improvements to the real property described in Exhibit A, attached hereto and made a part hereof (Project Property), consisting of the Wastewater Collection System Upgrade project (Project);

WHEREAS, 20 years from the start of construction, as determined by EDA, is the Estimated Useful Life, as defined in 13 C.F.R. § 314.1, of the improvements made to the Project Property pursuant to the Project;

WHEREAS, under government-wide regulations set out at 2 CFR part 200 and EDA's regulations governing the Award at 13 CFR Chapter III, any transfer or conveyance of Project Property or any portion thereof must have the prior written approval of EDA;

WHEREAS, in accordance with PWEDA, EDA is not authorized to permit transfer or conveyance of Project Property to parties that are not eligible to receive EDA grants unless EDA is repaid the Federal Share as defined at 13 CFR § 314.5 ("Federal Share") or unless the authorized purpose of the Award is to develop land in order to lease or sell it for a specific use, in which case EDA may authorize a lease or sale of the Project Property or a portion thereof if certain conditions are met;

WHEREAS, the aforesaid Award from EDA provides the purposes for which the Grant Amount may be used and provides, *inter alia*, that Mortgagor will not sell, lease, mortgage, or otherwise use or alienate any right to, or interest in the Project Property, or use the Project Property for purposes other than or different from those purposes set forth in the Award and the Grant Application made by Mortgagor therefor, such alienation or use being prohibited by 13 CFR part 314 and 2 CFR part 200; and

WHEREAS, Mortgagor and EDA desire to establish an obligation for and first priority lien or other priority position, as approved by EDA on Project Property in favor of EDA in the event that the Project Property is used, transferred, or alienated in violation of the Award, 13 CFR Chapter III, or 2 CFR part 200;

NOW THEREFORE, Mortgagor does hereby grant and convey unto EDA, its successors and assigns, a mortgage and a lien on said Project Property to secure Mortgagor's obligation (i) to comply with the terms and conditions of the Award and the regulations set forth in 13 CFR Chapter III and 2 CFR part 200, and (ii) to use Project Property only for the purposes set forth therein for the Estimated Useful Life of Project Property. Mortgagor agrees that a debt, with interest thereon at the rate set forth in 31 U.S.C. § 3717, in the amount of the Federal Share, which amount shall be determined at the sole discretion of EDA in accordance with its authorities and regulations, such amount being either EDA's pro-rata share of the fair market value of the Project Property, as further set forth at 13 CFR § 314.5, as that provision may be amended from time, the Grant Amount, or the amount actually disbursed under the Award (Indebtedness), shall be due and payable by Mortgagor to EDA upon the termination of the Award, or any attempt to use, transfer, or alienate any interest in Project Property in violation of the Award or of the regulations set forth in 13 CFR Chapter III or 2 CFR part 200 and does, moreover, agree that such Indebtedness shall be extinguished only through the full payment thereof to the Federal Government.

Mortgagor further covenants and agrees as follows:

1. Lease of Project Property:

If the Grant Application provides for and the Award authorizes Mortgagor to lease

Project Property, each lease arrangement shall be subject to the prior written approval of EDA. EDA must determine that the applicable lease arrangement is consistent with the Grant Application and authorized general and special purpose(s) of the Award; will provide adequate employment and economic benefits for the area in which Project Property is located; is consistent with EDA policies concerning, but not limited to, non-discrimination, non-relocation, and environmental requirements; and that the proposed lessee is providing adequate compensation, as defined in 13 CFR § 314.1, to Mortgagor for said lease. Any lease agreement entered into by Mortgagor of the Project Property shall be subordinate, junior, and inferior to this Agreement and Mortgage, and, at EDA's request, be expressly subordinated in writing and the written subordination recorded in the same manner as this Agreement and Mortgage

2. Charges; Liens:

Mortgagor shall protect the title and possession of all Project Property; pay when due all taxes, assessments, mechanic and/or materialmen liens, and other charges, fines, and impositions now existing or hereafter levied or assessed upon Project Property; and preserve and maintain the priority of the lien hereby created on Project Property, including any improvements hereafter made a part of the realty.

3. Hazard Insurance:

Mortgagor shall insure and keep insured all improvements now or hereafter created upon Project Property against loss or damage by fire and windstorm and any other hazard or hazards included within the term "extended coverage." The amount of insurance shall be the full insurable value of said improvements but in no event less that the full replacement value of the improvements. Any insurance proceeds received by Mortgagor due to loss shall be applied to restoration or repair of any damaged Project Property, provided such restoration or repair is economically feasible and the security of this Agreement and Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Agreement and Mortgage would be impaired, Mortgagor shall use said insurance proceeds to compensate EDA for its Federal Interest. EDA's Federal Interest, as defined at 13 C.F.R. § 314.2 ("Federal Interest") shall be satisfied when amount received is equal to the Federal Share as that term is defined at 13 CFR § 314.5 ("Federal Share").

4. Preservation and Maintenance of the Project Property:

Mortgagor shall keep Project Property in good condition and repair during the Estimated Useful Life and shall not permit or commit any waste, impairment, or deterioration of Project Property, but shall give notice written thereof to EDA without delay.

5. Indemnification

To the extent permitted by law, Recipient agrees to indemnify and hold the Federal Government harmless from and against all liabilities that the Federal Government may incur as a result of providing an award to assist, directly or indirectly, in the preparation of the Project Property or construction, renovation, or repair of any facility on the Project Property, to the extent that such liabilities are incurred because of toxic or hazardous contamination of groundwater, surface water, soil, or other conditions caused by operations of the Recipient or any of its predecessors (other than the Federal Government or its agents) on the Project Property. *See also* 13 C.F.R. § 302.19 ("Indemnification").

6. Inspection:

EDA may make or cause to be made reasonable entries upon and inspection of Project Property by EDA or an authorized representative of EDA.

7. Condemnation:

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of Project Property, or any part thereof, or for any conveyance in lieu of condemnation shall be used by Mortgagor to compensate EDA for EDA's Federal Share. EDA's Federal Share of said condemnation proceeds shall be equal to that percentage which the Grant Amount bore to the total project costs under the Award for which the condemned property was acquired or improved. *See also* 13 CFR § 314.5 ("Federal Share").

8. Recording of Agreement and Mortgage – Mortgagor's Copy:

Mortgagor shall record this Agreement and Mortgage in accordance with the laws and rules of the County where Project Property is located, and shall ensure that the lien hereby granted is a first and prior lien on Project Property senior to all other interests save those which may arise by operation of law or other priority position as approved by EDA. EDA shall be furnished with the original, recorded Agreement and Mortgage as executed.

9. Notice:

Any notice from EDA to Mortgagor provided for in this Agreement and Mortgage shall be sent by certified mail to Mortgagor's last known address or at such address as Mortgagor may designate to EDA, except for any notice given to Mortgagor in the manner as may be prescribed by applicable law as provided hereafter in this Mortgage. Likewise, any notice from Mortgagor to EDA shall be sent by certified mail to EDA's address.

10. Remedies:

Upon Mortgagor's breach of any term or condition of the Award or any provision of this Agreement and Mortgage, then EDA, its designees, successors, or assigns may declare the Indebtedness immediately due and payable, and may enforce any and all remedies available including but not limited to foreclosure by an action brought either in a United States District Court or in any State Court having jurisdiction, but such action shall not be deemed to be a release or waiver of any other right or remedy to recover repayment thereof.

After any breach on the part of Mortgagor, EDA shall, upon bill filed or the proper legal proceedings being commenced for the foreclosure of this Agreement and Mortgage, be entitled, as a matter of right, to the appointment by any competent court, without notice to any party, of a receiver of the rents, issues, and profits of Project Property, with power to lease and control such Property, and with such other powers as may be deemed necessary.

11. Remedies Cumulative:

All remedies provided in this Agreement and Mortgage are distinct and cumulative to any other right or remedy under this Agreement and Mortgage, the Award, or related documents, or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Forbearance Not a Waiver:

Any forbearance by EDA in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by EDA shall not be a waiver of EDA's rights under this Agreement and Mortgage.

13. Release:

EDA and the Mortgagor agree that, so long as the possession and use of Project Property by Mortgagor has been only for the purposes set forth in the Award and Grant Application, then after the Estimated Useful Life of the improvements to Project Property, Mortgagor may request a release of the Federal Interest in accordance with 13 CFR part 314, which will not be withheld except for good cause, as determined in EDA's sole discretion; provided, however, that in accordance with 13 CFR part 314, restrictions upon the religious use or discriminatory practices in connection with the use of Project Property shall survive this Agreement and Mortgage and any release thereof, which shall be evidenced by a separate recorded covenant.

14. Governing Law; Severability:

This Agreement and Mortgage shall be governed by applicable federal law, if any, and if there is no applicable federal law by state law, and nothing contained herein shall be construed to limit the rights the EDA, its designees, successors, or assigns are entitled to under applicable federal or state law. In the event that any provision or clause of this instrument conflicts with applicable law, such conflict shall not affect other provisions of this instrument which can be given effect without the conflicting provision, and to this end the provisions of this instrument are declared to be severable.

15. Authority to Execute Agreement and Mortgage:

Attorney for Mortgagor

Recipient represents and warrants to and covenants with EDA that Recipient has been duly authorized by Recipient's governing body by all necessary action and has received all necessary third-party consents to enter into this Agreement and Mortgage.

16. If EDA approves and enters into an Intercreditor Agreement with one or more Creditor under which EDA shares a first priority lien position with said creditors, a default in the shared mortgage shall constitute a default under this Agreement and Mortgage.

day of	IN WITNESS WHEREO	 o set its hand and seal on this the
	ATTEST:	Mortgagor
	Ву:	 By:
	Title:	 Its:
	Approved:	

this space for acknowledgment

EXHIBIT A

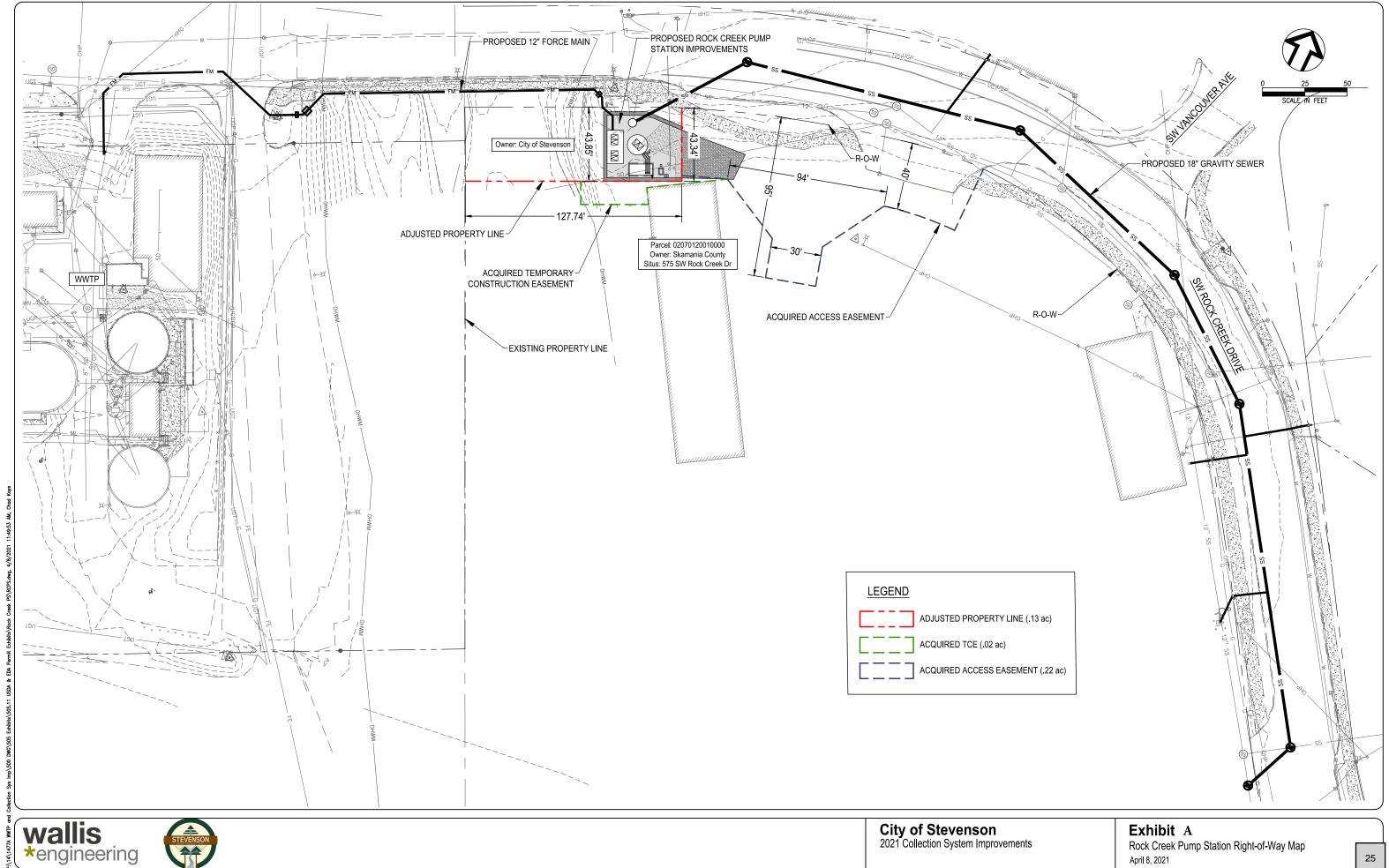
Property Description Documents

A tract of land situated in the Northeast quarter of the Northwest quarter of Section 1, Township 2 North, Range 7 East of the Willamette Meridian, City of Stevenson, County of Skamania, State of Washington, described as follows:

Commencing at a steel bar which is South 11°00'39" West, 538.52 feet and North 78°59'21" West, 767.71 feet from the North quarter corner of said Section 1, which is also South 25°45'13" East 31.01 feet from the centerline of SW Rock Creek Drive (Old Highway No. 8), thence continuing South 25°45'13" East 18.99 feet, to the Southeasterly right-of-way line of SW Rock Creek Drive (Old Highway No. 8); thence North 64°14'31" East 238.12 feet, along the Southerly right-of-way of SW Rock Creek Drive to the centerline of Rock Creek, also being the Northeast corner of that certain tract of land conveyed to the Town of Stevenson, described in Warranty Deed, recorded in Book 25, Page 360, Auditor's File No. 76184, records of Skamania County, last said point being the Point of Beginning of this description; thence continuing along the South right-of-way of SW Rock Creek Drive the following three (3) courses; 1) thence North 25°17'30" West, 20.00 feet; 2) thence North 65°03'07" East, 116.49 feet, along said line to the beginning of a curve concaved to the South having a radius of 129.80 feet; 3) thence Northeasterly 11.53 feet, along said curve through a central angle of 5°05'17"; thence South 24°57'40" East, 41.34 feet; thence South 24°40'35" East, 2.00 feet; thence South 65°03'06" West, 127.74 feet; thence North 25°17'30" West, 23.85 feet, back to the Point of Beginning.

Containing 5,605 square feet, more or less.

Identified as the area within the ADJUSTED PROPERTY LINE on the attached map.



Rock Creek Pump Station Right-of-Way Map April 8, 2021

AFTER RECORDING MAIL TO:

City of Stevenson PO Box 371 Stevenson, WA 98648

AGREEMENT AND MORTGAGE

WHEREAS, the City of Stevenson (hereinafter called Mortgagor) has applied to, received, and accepted from the United States Department of Commerce, Economic Development Administration (EDA), whose address is Main Commerce Building, Washington, D.C. 20230, a grant under the Public Works and Economic Development Act of 1965 (41 U.S.C. § 3121 *et seq.*) (PWEDA) in the amount of \$4,054,400 Dollars (EDA Grant Amount) pursuant to a Financial Assistance Award dated September 25, 2020, and bearing EDA Award No. 07 79 07550 (Award);

WHEREAS, pursuant to the application submitted by Mortgagor requesting said Award, which includes all forms, documentation, and any information submitted to EDA as part and in furtherance of the request for the Award, including any information submitted after the initial application (Grant Application) and pursuant to the Award, the Grant Amount is to be used for the purpose of acquiring or making improvements to the real property described in Exhibit A, attached hereto and made a part hereof (Project Property), consisting of the Wastewater Collection System Upgrade project (Project);

WHEREAS, 20 years from the start of construction, as determined by EDA, is the Estimated Useful Life, as defined in 13 C.F.R. § 314.1, of the improvements made to the Project Property pursuant to the Project;

WHEREAS, under government-wide regulations set out at 2 CFR part 200 and EDA's regulations governing the Award at 13 CFR Chapter III, any transfer or conveyance of Project Property or any portion thereof must have the prior written approval of EDA;

WHEREAS, in accordance with PWEDA, EDA is not authorized to permit transfer or conveyance of Project Property to parties that are not eligible to receive EDA grants unless EDA is repaid the Federal Share as defined at 13 CFR § 314.5 ("Federal Share") or unless the authorized purpose of the Award is to develop land in order to lease or sell it for a specific use, in which case EDA may authorize a lease or sale of the Project Property or a portion thereof if certain conditions are met;

WHEREAS, the aforesaid Award from EDA provides the purposes for which the Grant Amount may be used and provides, *inter alia*, that Mortgagor will not sell, lease, mortgage, or otherwise use or alienate any right to, or interest in the Project Property, or use the Project Property for purposes other than or different from those purposes set forth in the Award and the Grant Application made by Mortgagor therefor, such alienation or use being prohibited by 13 CFR part 314 and 2 CFR part 200; and

WHEREAS, Mortgagor and EDA desire to establish an obligation for and first priority lien or other priority position, as approved by EDA on Mortgagor's leasehold interest in Project Property in favor of EDA in the event that the Project Property is used, transferred, or alienated in violation of the Award, 13 CFR Chapter III, or 2 CFR part 200;

NOW THEREFORE, Mortgagor does hereby grant and convey unto EDA, its successors and assigns, a mortgage and a lien on said Mortgagor's leasehold interest in Project Property to secure Mortgagor's obligation (i) to comply with the terms and conditions of the Award and the regulations set forth in 13 CFR Chapter III and 2 CFR part 200, and (ii) to use Mortgagor's leasehold interest in Project Property only for the purposes set forth therein for the Estimated Useful Life of Project Property. Mortgagor agrees that a debt, with interest thereon at the rate set forth in 31 U.S.C. § 3717, in the amount of the Federal Share, which amount shall be determined at the sole discretion of EDA in accordance with its authorities and regulations, such amount being either EDA's pro-rata share of the fair market value of the Project Property, as further set forth at 13 CFR § 314.5, as that provision may be amended from time, the Grant Amount, or the amount actually disbursed under the Award (Indebtedness), shall be due and payable by Mortgagor to EDA upon the termination of the Award, or any attempt to use, transfer, or alienate any interest in Mortgagor's leasehold interest in Project Property in violation of the Award or of the regulations set forth in 13 CFR Chapter III or 2 CFR part 200 and does, moreover, agree that such Indebtedness shall be extinguished only through the full payment thereof to the Federal Government.

Mortgagor further covenants and agrees as follows:

1. Lease of Project Property:

If the Grant Application provides for and the Award authorizes Mortgagor to sublease Project Property, each sublease arrangement shall be subject to the prior written approval of EDA. EDA must determine that the applicable sublease arrangement is consistent with the Grant Application and authorized general and special purpose(s) of the Award; will provide adequate employment and economic benefits for the area in which Project Property is located; is consistent with EDA policies concerning, but not limited to, non-discrimination, non-relocation, and environmental requirements; and that the proposed sublessee is providing adequate compensation, as defined in 13 CFR § 314.1, to Mortgagor for said sublease. Any sublease agreement entered into by Mortgagor of the Project Property shall be subordinate, junior, and inferior to this Agreement and Mortgage, and, at EDA's request, be expressly subordinated in writing and the written subordination recorded in the same manner as this Agreement and Mortgage

2. Charges; Liens:

Mortgagor shall protect the title and possession of all Mortgagor's leasehold interest in Project Property; pay when due all taxes, assessments, mechanic and/or materialmen liens, and other charges, fines, and impositions now existing or hereafter levied or assessed upon Mortgagor's leasehold interest in Project Property; and preserve and maintain the priority of the lien hereby created on Mortgagor's leasehold interest in Project Property, including any improvements hereafter made a part of the realty.

3. Hazard Insurance:

Mortgagor's leasehold interest in Project Property against loss or damage by fire and windstorm and any other hazard or hazards included within the term "extended coverage." The amount of insurance shall be the full insurable value of said improvements but in no event less that the full replacement value of the improvements. Any insurance proceeds received by Mortgagor due to loss shall be applied to restoration or repair of any damaged Mortgagor's leasehold interest in Project Property, provided such restoration or repair is economically feasible and the security of this Agreement and Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Agreement and Mortgage would be impaired, Mortgagor shall use said insurance proceeds to compensate EDA for its Federal Interest. EDA's Federal Interest, as defined at 13 C.F.R. § 314.2 ("Federal Interest") shall be satisfied when amount received is equal to the Federal Share as that term is defined at 13 CFR § 314.5 ("Federal Share").

4. Preservation and Maintenance of the Project Property:

Mortgagor shall keep Mortgagor's leasehold interest in Project Property in good condition and repair during the Estimated Useful Life and shall not permit or commit any waste, impairment, or deterioration of Mortgagor's leasehold interest in Project Property, but shall give notice written thereof to EDA without delay.

5. Indemnification

To the extent permitted by law, Recipient agrees to indemnify and hold the Federal Government harmless from and against all liabilities that the Federal Government may incur as a result of providing an award to assist, directly or indirectly, in the preparation of Mortgagor's leasehold interest in the Project Property or construction, renovation, or repair of any facility on Mortgagor's leasehold interest in the Project Property, to the extent that such liabilities are incurred because of toxic or hazardous contamination of groundwater, surface water, soil, or other conditions caused by operations of the Recipient or any of its predecessors (other than the Federal Government or its agents) on Mortgagor's leasehold interest in the Project Property. *See also* 13 C.F.R. § 302.19 ("Indemnification").

6. Inspection:

EDA may make or cause to be made reasonable entries upon and inspection of Mortgagor's leasehold interest in Project Property by EDA or an authorized representative of EDA.

7. Condemnation:

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of Mortgagor's leasehold interest in Project Property, or any part thereof, or for any conveyance in lieu of condemnation shall be used by Mortgagor to compensate EDA for EDA's Federal Share. EDA's Federal Share of said condemnation proceeds shall be equal to that percentage which the Grant Amount bore to the total project costs under the Award for which the condemned property was acquired or improved. *See also* 13 CFR § 314.5 ("Federal Share").

8. Recording of Agreement and Mortgage – Mortgagor's Copy:

Mortgagor shall record this Agreement and Mortgage in accordance with the laws and rules of the County where Project Property is located, and shall ensure that the lien hereby granted is a first and prior lien on Mortgagor's leasehold interest in Project Property senior to all other interests save those which may arise by operation of law or other priority position as approved by EDA. EDA shall be furnished with the original, recorded Agreement and Mortgage as executed.

9. Notice:

Any notice from EDA to Mortgagor provided for in this Agreement and Mortgage shall be sent by certified mail to Mortgagor's last known address or at such address as Mortgagor may designate to EDA, except for any notice given to Mortgagor in the manner as may be prescribed by applicable law as provided hereafter in this Mortgage. Likewise, any notice from Mortgagor to EDA shall be sent by certified mail to EDA's address.

10. Remedies:

Upon Mortgagor's breach of any term or condition of the Award or any provision of this Agreement and Mortgage, then EDA, its designees, successors, or assigns may declare the Indebtedness immediately due and payable, and may enforce any and all remedies available including but not limited to foreclosure by an action brought either in a United States District Court or in any State Court having jurisdiction, but such action shall not be deemed to be a release or waiver of any other right or remedy to recover repayment thereof.

After any breach on the part of Mortgagor, EDA shall, upon bill filed or the proper legal proceedings being commenced for the foreclosure of this Agreement and Mortgage, be entitled, as a matter of right, to the appointment by any competent court, without notice to any party, of a receiver of the rents, issues, and profits of Mortgagor's leasehold interest in Project Property, with power to sublease and control such Property, and with such other powers as may be deemed necessary.

11. Remedies Cumulative:

All remedies provided in this Agreement and Mortgage are distinct and cumulative to any other right or remedy under this Agreement and Mortgage, the Award, or related documents, or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Forbearance Not a Waiver:

Any forbearance by EDA in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by EDA shall not be a waiver of EDA's rights under this Agreement and Mortgage.

13. Release:

EDA and the Mortgagor agree that, so long as the possession and use of Mortgagor's leasehold interest in Project Property by Mortgagor has been only for the purposes set forth in

the Award and Grant Application, then after the Estimated Useful Life of the improvements to Project Property, Mortgagor may request a release of the Federal Interest in accordance with 13 CFR part 314, which will not be withheld except for good cause, as determined in EDA's sole discretion; provided, however, that in accordance with 13 CFR part 314, restrictions upon the religious use or discriminatory practices in connection with the use of Mortgagor's leasehold interest in Project Property shall survive this Agreement and Mortgage and any release thereof, which shall be evidenced by a separate recorded covenant.

14. Governing Law; Severability:

This Agreement and Mortgage shall be governed by applicable federal law, if any, and if there is no applicable federal law by state law, and nothing contained herein shall be construed to limit the rights the EDA, its designees, successors, or assigns are entitled to under applicable federal or state law. In the event that any provision or clause of this instrument conflicts with applicable law, such conflict shall not affect other provisions of this instrument which can be given effect without the conflicting provision, and to this end the provisions of this instrument are declared to be severable.

15. Authority to Execute Agreement and Mortgage:

Recipient represents and warrants to and covenants with EDA that Recipient has been duly authorized by Recipient's governing body by all necessary action and has received all necessary third-party consents to enter into this Agreement and Mortgage.

16. If EDA approves and enters into an Intercreditor Agreement with one or more Creditor under which EDA shares a first priority lien position with said creditors, a default in the shared mortgage shall constitute a default under this Agreement and Mortgage.

	IN WITNESS WHEREO	F, Mortgagor has hereunto	set its hand and seal on this the
day of	, 	_, 20	
	ATTEST:		Mortgagor
	By:		By:
	Title:		Its:

Approved:	
Attorney for Mortgagor	

this space for acknowledgment

EXHIBIT A

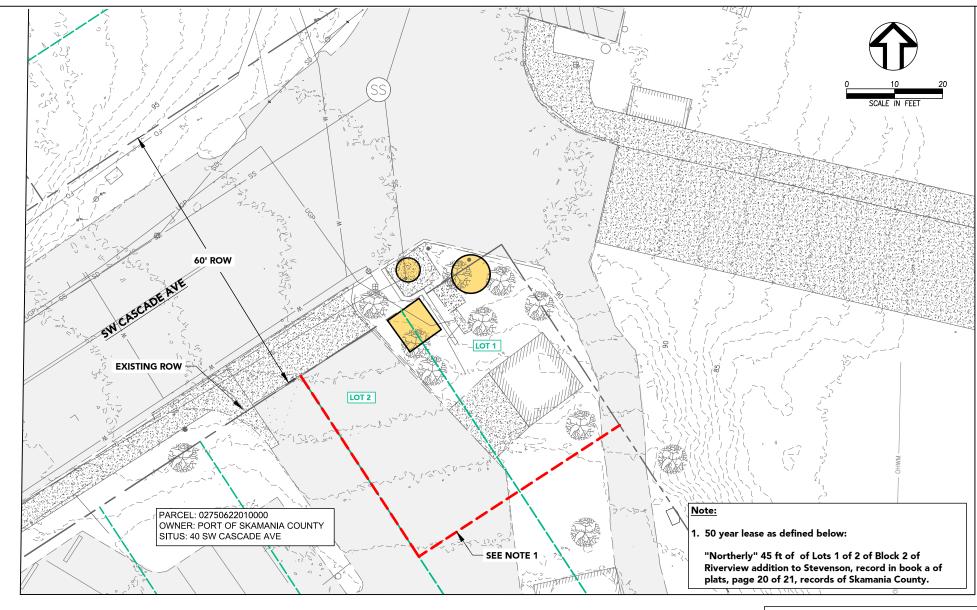
Property Description Documents

A tract of land situated in the Northeast quarter of the Northwest quarter of Section 1, Township 2 North, Range 7 East of the Willamette Meridian, City of Stevenson, County of Skamania, State of Washington, described as follows:

The northerly forty-five (45) feet of lots 1 and 2 of block 2 of the Riverview Addition to the Town of Stevenson as recorded in Book "A" of Plats, Page 20 of 21, Records of Skamania County.

Containing .020 acres, more or less.

Identified as the PUMP STATION IMPROVEMENTS on the attached map.



LEGEND

EXISTING PROPOSED FIBER OPTIC PUMP STATION IMPROVEMENTS OVERHEAD POWER UNDERGROUND POWER CATCH BASIN PROPERTY LINE SANITARY SEWER MANHOLE PAVEMENT WATER METER CONCRETE EDGE OF GRAVEL WATER VALVE UTILITY POLE BUILDING BOLLARD SANITARY SEWER TREE/BUSH STORM SEWER

SITE INFORMATION PROJECT: KANAKA PUMP STATION UPGRADE SITE ADDRESS: 40 SW CASCADE AVENUE SITE PARCEL: 02750622010000 PARCEL SIZE: 6.31 ACRES PUMP STATION SITE SIZE: 0.020 ACRES

PROPERTY RIGHTS: PORT OF SKAMANIA COUNTY

PROPERTY OWNER OWNER:

PORT OF SKAMANIA COUNTY P.O. BOX 1099, STEVENSON, WA 98648





WATER GAS

NOTICE OF FEDERAL INTEREST

On September 25, 2020, the U.S. Department of Commerce, Economic Development Administration ("EDA") awarded a grant in the amount of \$4,054,400 to the City of Stevenson (EDA Project No. 07-79-07550) (the "Award") to support the Wastewater Collection System Upgrade project, located on the property described in Exhibit A to this Notice (the "Property"). The scope of work supported by the Award included the upgrade of associated mechanical components, control system standby power system and facilities at the Fairgrounds pump station.

The Terms and Conditions of the Award and EDA regulations impose conditions on use of the Property and provide for a continuing Federal interest in the property during the Useful Life of the improvements funded by the Award, which EDA has determined to be 20 years from the date of construction completion. Specifically, the property may not be (1) used for any purpose inconsistent with the purpose of the Award or EDA regulations at 13 C.F.R. part 314; (2) mortgaged or otherwise used as collateral without the written permission of EDA; or (3) sold or transferred to another party without the written permission of EDA, provided, however, that the Award authorizes lease of the property for uses consistent with the purpose of the Award. These conditions are in accordance with the EDA regulations at 13 C.F.R. part 314, the Special Award Conditions applicable to the Award, and the EDA Standard Terms and Conditions for Construction Projects. These grant conditions and requirements cannot be nullified or voided through a transfer of ownership.

Notice of any proposed change in usage or ownership of the Property must be provided to the Regional Director, Seattle Regional Office, Economic Development Administration, Jackson Federal Building, 915 Second Ave., Room 1890, Seattle, WA 98174.

This Notice is provided by City of Stevenson though its undersigned representative.

Signature:			
Name:			
Title:			
Date:			

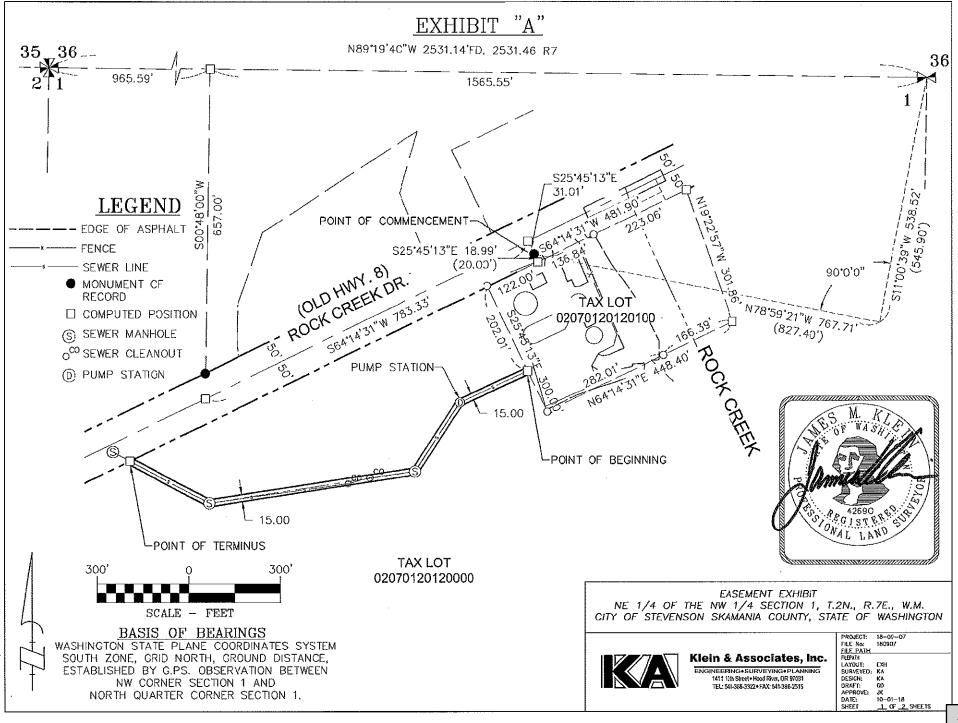
EXHIBIT A

A strip of land 15.00 feet in width, situated in the Northeast quarter of the Northwest quarter of Section 1, Township 2 North, Range 7 East of the Willamette Meridian, City of Stevenson, County of Skamania, State of Washington, being 7.50 feet on each side of the following described centerline:

Commencing at a steel bar, which is South 545.40 feet (Meas. South 11°00'39" West, 538.52 feet) and West 827.40 feet (Meas. North 78°59'21" West, 767.71 feet) from the North quarter corner of said Section 1, which is also South 36°45' East 30.00 feet (Meas. South 25°45'13" East 31.01 feet) from the centerline of Rock Creek Drive (Old Highway No. 8); thence South 36°45' East 20.00 feet (Meas. South 25°45'13" East 18.99 feet) to the Southeasterly right-of-way line of Rock Creek Drive (Old Highway No. 8); thence South 64°14'31" West, 122.00 along Southeasterly right-of-way line of Rock Creek Drive (Old Highway No. 8); thence South 25°45'13" East, 202.01 feet to the **Point of Beginning** of the center of an existing sanitary line; thence continuing along the existing sanitary line the following four (4) course; 1) thence South 65°19'30" West, 163.87 feet; 2) thence South 32°55'21" West, 177.37 feet; 3) thence South 81°17'51" West, 456.57 feet; 4) thence North 62°04'06" West, 195.08 feet to the Southeasterly right-of-way line of Rock Creek Drive (Old Highway No. 8), and the **Point of Terminus** of the described sanitary centerline.

Containing 14,893 square feet, 0.34 acres, more or less.

Identified as PUMP STATION on the attached map.



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On September 25, 2020, the U.S. Department of Commerce, Economic Development Administration ("EDA") awarded a grant in the amount of \$4,054,400 to the City of Stevenson (EDA Project No. 07-79-07550) (the "Award") to support the Wastewater Collection System Upgrade project, located on the property described in Exhibit A to this Notice (the "Property"). The scope of work supported by the Award included the upgrade of associated mechanical components, control system standby power system and facilities at the Cascade pump station.

The Terms and Conditions of the Award and EDA regulations impose conditions on use of the Property and provide for a continuing Federal interest in the property during the Useful Life of the improvements funded by the Award, which EDA has determined to be 20 years from the date of construction completion. Specifically, the property may not be (1) used for any purpose inconsistent with the purpose of the Award or EDA regulations at 13 C.F.R. part 314; (2) mortgaged or otherwise used as collateral without the written permission of EDA; or (3) sold or transferred to another party without the written permission of EDA, provided, however, that the Award authorizes lease of the property for uses consistent with the purpose of the Award. These conditions are in accordance with the EDA regulations at 13 C.F.R. part 314, the Special Award Conditions applicable to the Award, and the EDA Standard Terms and Conditions for Construction Projects. These grant conditions and requirements cannot be nullified or voided through a transfer of ownership.

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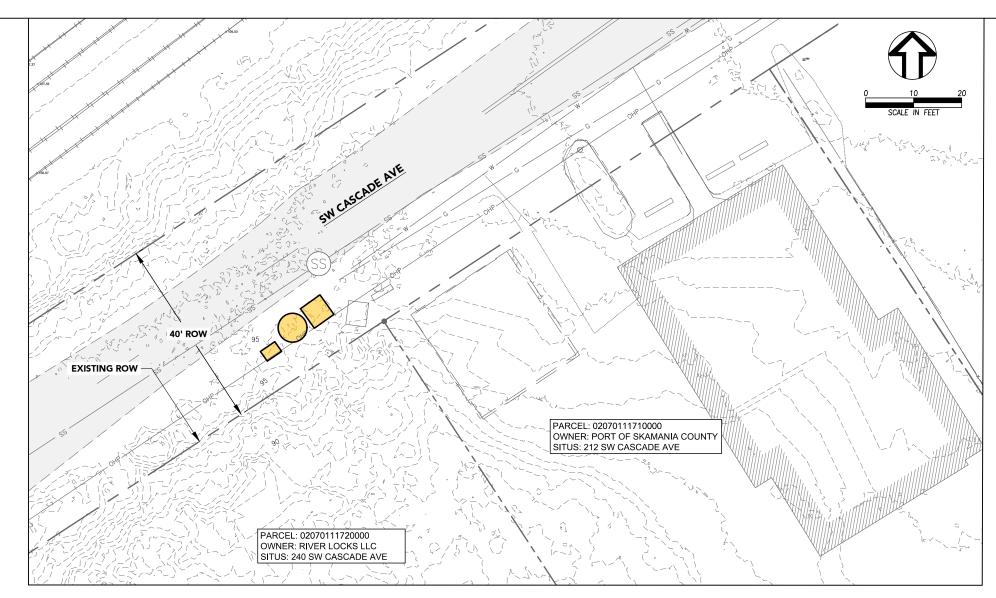
Signature:	
Name:	
Title:	
Date:	

EXHIBIT A

A strip of land within the Cascade Avenue city right of way adjacent to 212/240 SW Cascade Avenue, site parcel 01070111710000.

Containing 0.020 acres, more or less.

Identified as the highlighted PUMP STATION IMPROVEMENTS on the attached map.



LEGEND

EXISTING PROPOSED PUMP STATION IMPROVEMENTS EDGE OF CONCRETE BUILDING CONTOUR SANITARY SEWER GAS OVERHEAD POWER (SS) SANITARY SEWER MANHOLE MONUMENT

SITE INFORMATION

PROJECT: CASCADE AVENUE PUMP STATION UPGRADE SITE ADDRESS: ADJACENT TO 212/240 SW CASCADE AVENUE

SITE PARCEL:02070111710000

PARCEL SIZE: N/A

PUMP STATION SITE SIZE: 0.020 ACRES PROPERTY RIGHTS: CITY OF STEVENSON



