



WHEN RECORDED RETURN TO:

Skamania Public Utility District

1492 Wind River Highway

PO Box 500

Carson, Wa 98610

Please print or type information **Washington State Recorder's Cover Sheet** (RCW 65.04)

DOCUMENT TITLE(S) (or transaction contained therein) (all areas applicable to your document must be filled in)

Security Agreement

REFERENCE NUMBER(S) of Documents assigned or released:

☐ Additional numbers on page ____ of document.

GRANTOR(S):

1. Skamania Co. Public Utility District

2. _____

3. _____

4. _____

☐ Additional names on page ____ of document.

GRANTEE(S):

1. US Dept. of Commerce, Economic Development Administration

2. _____

3. _____

4. _____

☐ Additional names on page ____ of document.

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

T2N, R9E, S20; T2N, R6E, S4; T3N, R7E, S36; T3N, R9E, S21

☐ Complete legal on page ____ of document.

Assessor's Property Tax Parcel #

02N09E00200, 02060440040000, 03073644290000, 03090000329200

☐ Additional parcel numbers on page ____ of document.

LM 2/10/2025

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.

"I am signing below and paying an additional \$50.00 recording fee (as provided in RCW 36.18.010 and referred to as an emergency nonstandard document), because this document does not meet margin and formatting requirements. Furthermore, I hereby understand that the recording process may cover up or otherwise obscure some part of the text of the original document as a result of this request."

Melanie Sharp

Signature of Requesting Party

Note to Submitter: Do NOT sign above nor pay additional \$50 fee if the document meets margin/formatting requirements.

SECURITY AGREEMENT - MACHINERY AND EQUIPMENT

between

Public Utility District No. 1 of Skamania County

and

U.S. Department of Commerce, Economic Development Administration

This Security Agreement is entered into on February 6, 2025, by and between the United States Department of Commerce, Economic Development Administration (EDA) (the "Secured Party") whose address is 915 Second Avenue, Room 1890, Seattle, Washington, 98174, and Public Utility District No. 1 of Skamania County (the "Debtor") whose address is 1492 Wind River Highway, Carson, Washington 98610, collectively the "Parties";

WHEREAS, Debtor applied to, received and accepted from Secured Party a grant in the amount of \$9,261,402.00 pursuant to a Financial Assistance Award (the "Award"), entered into by the Parties on February 6, 2020 and amended on June 16, 2021 and July 28, 2022 and bearing EDA Project No. 07-79-07485; and

WHEREAS, The Award and the application filed by Debtor requesting said Award includes a description of the proposed project (the "Project"); and

WHEREAS, pursuant to the Award certain machinery and equipment has been deemed necessary to carry out the Project and a portion of the Award amount is to be used to purchase the machinery and equipment, which will be located in Skamania County, Washington; and

WHEREAS, the Federal interest in the machinery and equipment must be protected in accordance with EDA regulation 13 CFR § 314.9; and

WHEREAS, the Award provides the purposes for which the Award amount may be used and provides inter alia, that Debtor will not sell, mortgage or otherwise use or alienate any right to, or interest in the Project including any machinery and equipment purchased with any of the Award proceeds, or use the Project or the machinery and equipment for purposes other than and different from those purposes set forth in the Award and the application made by Debtor, such alienation or use being prohibited under the Award terms and conditions and applicable regulations; and

NOW THEREFORE, Debtor hereby grants to Secured Party a purchase money security interest in all machinery and equipment purchased with any proceeds of the Award, as described in "Exhibit A" attached hereto and made a part hereof and any machinery and equipment subsequently acquired by the Debtor using proceeds of the Award along with substitutions, replacements, additions and accessions to said machinery and equipment (the "Collateral").

The security interest herein granted shall terminate and be of no further force and effect ten years

from the date of this Agreement, which period of years has been established as the useful life of said Collateral.

Default in the performance by Debtor of any of its obligations identified in the Award or default under any agreement evidencing any of said obligations is a default under this Agreement which will entitle Secured Party to compensation. The amount of compensation due to Secured Party shall be a percentage of the fair market value of the Collateral at the time of default equal to the percentage of Award funds used to purchase said Collateral, as further described in 13 CFR § 314, as may be amended from time to time.

Upon such default, Secured Party, its successors or assigns, may declare all obligations herein recited immediately due and payable and Secured Party shall have available all remedies of a Secured Party under applicable law. Secured Party, in its sole discretion, may allow a period of time for curing a default prior to requiring compensation. This cure period is only permitted when stated by the Secured Party in writing.

Debtor further warrants, covenants, represents, and agrees as follows:

- (a) That Debtor is, or is to become, the owner of the Collateral, and has or will have when the Collateral is acquired the right to convey a security interest in it to the Secured Party. The Collateral is, or will be when acquired, free and clear of all liens, claims, charges, encumbrances, taxes, and assessments.
- (b) That the Collateral will not be sold, transferred, rented, leased, pledged, made subject to a security agreement or removed from the location set forth in Exhibit A without the written consent of Secured Party and that Collateral will not be misused, or abused, wasted or allowed to deteriorate, except for ordinary wear and tear from its intended use.
- (c) That the Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and that the Collateral and all books and records relating to the Collateral shall be available at all times for inspection by Secured Party or its authorized representative(s).
- (d) Debtor will not permit or cause the Collateral to become affixed to real estate as fixtures.
- (e) That Debtor will keep and maintain such records as are necessary to reflect and identify the Collateral and will deliver to Secured Party such lists, descriptions and designations of the Collateral as Secured Party may from time to time request.
- (f) That Debtor will sign and execute, upon request of Secured Party, any financing statement or other document or procure any documents, and pay all costs necessary to protect the EDA security interest against the rights or interests of third persons.
- (g) That Debtor will protect the title and possession of the Collateral and will pay promptly when due and before becoming delinquent, all taxes and assessments now existing or hereafter levied or assessed against the Collateral or any part thereof, and will keep the Collateral insured, if insurable, to its full insurable value, against loss or damage by fire, windstorm and theft and any

other hazard(s) reasonably expected to occur in the physical location of the Collateral or any hazard(s) as may be reasonably required from time to time by Secured Party.

(h) Upon the occurrence of a default, the Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver to take charge of the Collateral and to secure the rents, issues and profits from it for the benefit of the Secured Party.

(i) Debtor hereby specifically waives all rights of appraisal and rights of redemption where available by applicable law. Debtor hereby further waives all rights to marshaling of Debtor's assets including the Collateral and if Secured Party elects to sell the Collateral in parts or parcels separately, the EDA security interest shall continue in full force and effect until all portions of the Collateral have been sold by the Secured Party.

(j) Secured Party may, at its option, remedy any default without waiving same, or may waive any default without waiving any prior or subsequent default. No waiver by Secured Party shall be effective unless in writing.

(k) Debtor agrees that any notice given or required to be given pursuant to this Security Agreement by either Party shall be sufficient when mailed, postage prepaid to the respective addresses shown above.

(l) Debtor agrees to execute, perfect and record this security interest in accordance with applicable law and 13 CFR § 314.9 so that a Secured Party first priority lien remains perfected at all times in the Collateral. This is usually accomplished by simultaneously executing this Agreement and a Financial Statement (UCC-1) which is then perfected under state law to create a lien in the Collateral in favor of the Secured Party. Debtor agrees to refile timely continuances, when required. Debtor must submit adequate evidence, acceptable to the Secured Party, that the federal interest has been protected under applicable law. Debtor agrees that if Debtor fails to maintain the first priority lien in the Collateral as required in this paragraph, the Secured Party may do so and Debtor shall reimburse the Secured Party for all costs incurred by the Secured Party.

(m) This Agreement may not be modified or amended except by a written instrument executed by the Parties. If any provision should be held unenforceable or void, then such provision(s) shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Agreement.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seal on February 6, 2024 for this Security Agreement - Machinery and Equipment associated with EDA Project No. 07-79-07485.

DEBTOR: Public Utility District No. 1 of Skamania County

EXECUTED BY: [Signature]

TITLE: General Manager

STATE OF Washington COUNTY OF Skamania
Personally appeared the above named Randy Payne on this 10th
day of February, 2025, and acknowledged the foregoing to be their voluntary
act and deed.

Before me: Stefanie Pratkan
Notary Public for Washington
05/21/2025
My Commission Expires

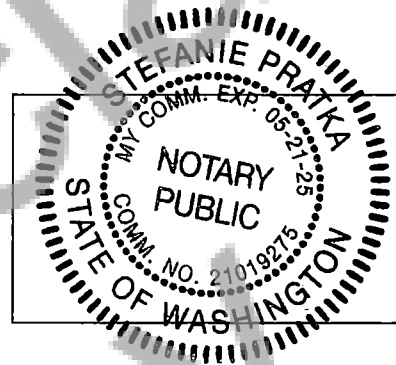


EXHIBIT A

Description of Items:

- Augsburger Mountain Site: -121.68121, 45.73677
 - GTR 8000 Base Radio Serial #112CAR0815 \$13,824
- Skamania Mountain Site: -122.06961, 45.68253
 - GTR 8000 Base Radio Serial #112CAR0812 \$13,824
- Skamania Courthouse Prime Site: -121.88355, 45.69445
 - GTR 8000 Base Radio Serial #112CAR0813 \$30,342
- Defiance Site: -121.72272, 45.64872
 - GTR 8000 Base Radio Serial #112CAR0814 \$13,824

Total Dollar Amount of All Items Listed: \$71,814

Location of the Collateral: Skamania County, Washington

EXHIBIT B
STATEMENT OF USEFUL LIFE OF COLLATERAL

I, Randy Payne, declare that:

1. I am the General Manager, and I have reviewed the information provided by the vendors of the machinery and equipment listed as Collateral by the "Debtor" in Exhibit A of the "Security Agreement – Machinery and Equipment" and corresponding UCC-1 form(s) or equivalent form(s) for EDA Project No. 07-79-07485. The sum of the Collateral listed in Exhibit A is \$71,814.
2. Based upon the information available to me, the useful life of the Collateral, described in the "Security Agreement – Machinery and Equipment" including Exhibit A, and the UCC-1 form(s) or equivalent form(s), is ten years.
3. I make this declaration with the understanding that it will be relied upon and used by the EDA in connection with this transaction, and will be appended to the "Security Agreement – Machinery and Equipment," associated with EDA Project No. 07-79-07485 which bears the notarized signature of Randy Payne.

Date: 2-10-2025

[Signature]
Randy Payne, General Manager

STATE OF Washington COUNTY OF Skamania
Personally appeared the above named Randy Payne on this 10th
day of February, 2025, and acknowledged the foregoing to be their voluntary
act and deed.

Before me: Stefanie Pratkan
Notary Public for Washington
05/21/2025
My Commission Expires

