

WHEN RECORDED MAIL TO:
Plumas-Sierra REC
C/O Donna Mills
73233 State Route 70, Suite A
Portola, CA 96122-7069

California Energy Commission DOCKETED 13-IEP-1P
TN # 70548 APR. 29 2013

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

LOAN AND LICENSE

This Loan, made _____, by and between customer name and customer name (hereinafter OWNER), and PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE (hereinafter "COOPERATIVE"), is for the purpose of financing the installation of a Low Temperature Geothermal Energy Collector System ("Energy Collector System") in the OWNER'S residence at homeowner's address. This Loan is for owner occupied residences only. This Loan secures a financial interest in and also creates a License in favor of the COOPERATIVE for the property described as attached in EXHIBIT "ONE":

RECITALS

- A. The Energy Collector System consists of how many feet of IGSHPA approved polyethylene pipe and connected to the Owner's residence with vertical/horizontal piping installed in the area described on Exhibit One. The Energy Collector System is terminated at a pumping module (not considered a part of the Energy Collector System) located in the owner's residence and then filled with an approved heat transfer fluid to be regulated by the Owner. The entire system, identified as the Geothermal Comfort System in this Loan for the sake of convenience, is designed by heating company to heat or cool OWNER'S how many # square foot residence with an approximate heat loss of #### Btu/hr and heat gain of #### Btu/hr; and
- B. COOPERATIVE has agreed to purchase and install the Energy Collector System at OWNER'S residence located at homeowner's address, and
- C. OWNER has agreed to pay a monthly Loan payment for the use of the Energy Collector System and to pay for periodic maintenance as needed, in addition to costs of electricity otherwise provided by the COOPERATIVE in accordance with OWNER'S membership agreement with the COOPERATIVE. This Loan payment does not cover the costs of purchase or rental of the geothermal heat pump, ducting, circulation pump(s), or fluid, or maintenance associated with any of the foregoing parts of the Geothermal Comfort System.

TERMS

- (1) Monthly Payments
OWNER shall pay to COOPERATIVE, at Portola, California, the sum of \$### due by the 21st day of each month beginning on _____, for the Loan term, or until termination at an earlier date, as set forth in Paragraphs (2), (3), (4), or (7) below.
- (2) Cooperative's Remedy for Default by Owners
Should OWNER default in timely payment, COOPERATIVE may terminate electric service to the undersigned's residence at homeowner's address until the OWNER pays the outstanding arrearage in full together with any penalties, in accordance with the provisions of the COOPERATIVE's Rules. Alternatively, COOPERATIVE may elect to terminate this Loan and remove or disable the piping and abandon it in place upon 30 days advance notice, in writing, to OWNER at the address written above, and this Loan and the License shall terminate and be extinguished as provided in Paragraph (7) below.
- (3) OWNER shall, in writing, direct its primary lender and any other creditor having priority over this Loan and License Agreement, and any successors thereto, to notify COOPERATIVE in the event of a default by OWNER in performance of OWNER'S obligations under said creditor's agreements with OWNER. OWNER shall provide COOPERATIVE with evidence of such communication with its creditors having priority, and in addition, OWNER shall at all times keep COOPERATIVE informed in the event of OWNER'S default. OWNER gives further assurances that it shall execute any and all documents necessary to secure OWNER's performance under this Loan and License Agreement, and to preserve COOPERATIVE's collateral in case of such default, if any.
- (4) Due on Sale or Transfer

Should the OWNER sell or transfer title to the residence at **homeowner's address** prior to the expiration of the Loan Term, this Loan shall terminate and OWNER shall pay to COOPERATIVE an amount determined in accordance with Schedule A attached hereto and made a part hereof, representing COOPERATIVE's investment in the Energy Collector System. Such sum shall be paid to COOPERATIVE prior to or at the close of escrow or effective date of such sale or transfer of title. Upon payment or if payment has been placed in escrow, COOPERATIVE shall promptly deliver to the Owner or to the escrow holder a Request for Full Reconveyance, which shall release all of the COOPERATIVE'S right, title, and interest in and to the Energy Collector System to OWNER, and which shall further abandon and extinguish the License created in Paragraph (9) herein upon full payment to the COOPERATIVE or to its account.

(5) Should the OWNER terminate its membership in the COOPERATIVE or discontinue taking central station service from the COOPERATIVE as required by the Bylaws of the COOPERATIVE, the OWNER shall pay to COOPERATIVE an amount determined in accordance with Schedule A and terminate this Loan in accordance with Paragraph (3) above, and the License shall be extinguished upon payment.

(6) Attorneys' Fees and Costs

Whether or not suit is filed, OWNER shall pay all reasonable attorneys' fees, costs of collection, costs and expenses incurred by COOPERATIVE in connection with the enforcement or collection of the monies due under this Loan, to the extent permitted by law; in the event of litigation, the prevailing party shall be entitled to an award of its reasonable attorney fees and other costs of litigation.

(7) Term

The term of this Loan shall expire on the last day of the 15th year from the date of execution.

(8) Voluntary Early Termination by Owners

OWNER may terminate this Loan prior to the expiration of the Loan Term by (a) giving 30 days advance written notice of intent to terminate to the COOPERATIVE as herein provided, and (b) paying an amount determined in accordance with Schedule A, attached to and made a part hereof, representing COOPERATIVE's investment in the Energy Collector System. In the event of termination under this provision, COOPERATIVE shall quitclaim and release all of the COOPERATIVE's right, title and interest in and to the Energy Collector System, to OWNER by presenting OWNER a Release of the Short Form Deed of Trust, which shall abandon and extinguish the License created by Paragraph (9) herein upon full payment to the COOPERATIVE or to its account. After title passes under this provision, OWNER may remove or otherwise disable the Energy Collector System following the guidelines issued by the appropriate State agency for the abandonment of Geothermal Collector Systems at OWNER'S sole expense.

(9) No Assignment

This Loan is not assignable or transferable.

(10) License for Energy Collector System

By executing this Loan, OWNER hereby grants for the term of this Loan to COOPERATIVE an irrevocable license in favor of the COOPERATIVE for the Energy Collector System component of the Geothermal Comfort System, in the location described in Exhibit One hereto. COOPERATIVE shall have the right to enter and occupy the license area, which extends on the surface over the area of the piping described in Paragraph A outward ten feet, to the extent possible on OWNER'S property at **homeowner's address** and over such property to the public right-of-way, with reasonable advance written notice, to install or remove the Energy Collector System only, as reasonably necessary.

(11) Notices

Notice shall be provided in writing as follows:

To COOPERATIVE:

Robert Marshall, General Manager
Plumas-Sierra Rural Electric Cooperative
73233 State Route 70, Suite A
Portola, California 96122-7069

To OWNER:

Homeowner's names and address

(12) Recording

Upon execution, COOPERATIVE shall promptly record this Loan or a Short Form Deed of Trust in the office of the County Recorder in the County in which the Energy Collector System will be or is installed.

(13) Taxes and Insurance

OWNER shall pay before delinquent any and all real or personal property taxes, assessments or charges levied as a result of installing the Energy Collector System at OWNER'S property described herein. OWNER shall maintain a valid and continuing insurance policy on the property described herein.

(14) Warranties and Representations

During the term of this Loan, the COOPERATIVE will enforce on its own behalf any original manufacturer's warranty. COOPERATIVE makes no independent warranty AND DISCLAIMS ANY WARRANTY OF TITLE OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY OR promise as to the design, construction, benefits, utility or performance of the Energy Collector System, and COOPERATIVE makes no representations as to the OWNER'S potential satisfaction with the Geothermal Comfort System. COOPERATIVE's assurances are limited to the extent of its good faith belief that the installation of the Energy Collector System will meet the standards of the Uniform Building Code, and other applicable state and federal standards in place at the time of installation.

(15) Indemnity

OWNER shall save and hold COOPERATIVE free and harmless from any and all damages or claims arising out of the use of the Geothermal Comfort System generally, and from the Energy Collector System in particular.

(16) Owner Maintenance: No Alteration or Destruction

OWNER shall regularly inspect fluid levels and maintain and replenish them as recommended by the manufacturer. OWNER shall promptly notify the COOPERATIVE of any apparent, impending problem or defect with the Energy Collector System. As a condition of this Loan, a breach of which shall be material, OWNER shall promptly obtain and pay for any maintenance, replacement, or repair of any component of the geothermal heat pump, ducting, circulation pump(s), or fluid, as may be recommended by the COOPERATIVE. OWNER shall not alter, change or destroy the Energy Collector System, whether all or in part, and whether intentionally or not, without the express advance written consent of the COOPERATIVE unless the release of the COOPERATIVE'S interest has passed to OWNER in accordance with this Loan. In the event OWNER or the agents, contractors or representatives of OWNER alter or destroy the Energy Collector without first obtaining such consent of the COOPERATIVE, OWNER shall pay COOPERATIVE for the cost of repair of the Energy Collector System, or shall repay COOPERATIVE in accordance with the Schedule A at COOPERATIVE's sole election.

(17) No Liability for Damages Caused by Malfunction

COOPERATIVE shall not be liable to OWNER for any special or consequential damages caused by malfunction of the Energy Collector System or the Geothermal Comfort System. The Energy Collector System, the heat pump, ducting, circulation pumps, auxiliary heat, and controls have been sized and designed based on the OWNER's description of the intended uses of the OWNER's structure and of the structure itself, and any failure to correctly size the Energy Collector System or any of the foregoing components connected therewith that results from the OWNER's failure to adequately describe those intended uses and the structure shall be the responsibility of the OWNER.

(18) Binding Agreement

This Loan is complete and integrates any prior discussions, and all prior discussions and documents are superceded by this Loan. This Loan is binding on the COOPERATIVE and binding on the OWNER, and the OWNER'S heirs, successors or assigns.

(19) Time

Time is of the essence in this Loan.

(20) Risk of Loss

In the event of fire, earthquake or other similar natural calamity causing damage to or destruction of the Energy Collector System, OWNER assumes the risk of loss of the Energy Collector System, and OWNER shall pay the COOPERATIVE the amount the OWNER may receive from the OWNER's property insurance company as indemnity for the loss, measured as the amount determined in accordance with Schedule A attached hereto and made a part hereof, representing COOPERATIVE's investment in the Energy Collector System. In the event NO valid property insurance is in effect at time of loss, OWNER shall pay the COOPERATIVE as indemnity for the loss, measured as the amount determined in accordance with Schedule A attached hereto and made a part hereof, representing COOPERATIVE'S investment in the Energy Collector System.

Executed on _____, at Their County, California or Nevada.

By: _____
Homeowner's name

By: _____
Homeowner's name

SCHEDULE A
Loan Payment Amortization

Re-payment to Cooperative on Termination

DONNA YOU ARE GOING TO PLACE THE PAY-OFF TABLE HERE

Exhibit One

Description of License

(All that Real Property on, over, along, across, through and under the location commonly known as, **insert address and APN** , see attached EXHIBIT

“A” for legal description, from its terminus with the public right-of-way extending outward over the underground piping comprising the Energy Collector System described in that certain Loan, to cover a perimeter of ten feet beyond the external edge of the piping grid, to the extent such area is available on the Real Property.)