

LOAN AGREEMENT

This Loan Agreement ("Agreement") is entered into by and between the Los Trancos Water District, a county water district of the State of California ("District") and Doug Fuchs, a private individual ("Fuchs"), effective February __, 2010 ("Effective Date").

RECITALS

- A. Fuchs has created and owns the art pieces described as wood carvings ("Carvings").
- B. The District and Fuchs wish to enter into this Agreement regarding the loan of the Carvings to the District from Fuchs on the terms and conditions set forth below.

AGREEMENT

1. LOAN. Fuchs agrees to loan the Carvings to the District. The District and Fuchs shall agree on the placement and installation of the Carvings in a location on District property.

2. CONSIDERATION. The loan shall be without any exchange of monetary compensation or other consideration between the parties.

3. LIABILITY. This Agreement is made upon the express condition that the District shall defend, indemnify and hold Fuchs harmless from and against any and all suits, claims or actions for any injury or injuries arising from the location of the Carvings on District property that may occur, or that may be alleged to have occurred, from and after the Effective Date. The District, however, shall not be liable for any damage, destruction or theft of the Carvings and Fuchs shall hold District (including its officers, employees and agents) harmless from any damage, destruction or theft.

4. TERM. This Agreement commences on the Effective Date and extends until the District or Fuchs gives written notice requesting the removal of the Carvings from District property. Notice shall be provided two weeks prior to the removal. The party requesting removal shall remove the Carvings and return them to Fuchs.

5. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of Fuch's heirs, successors and assigns.

IN WITNESS WHEREOF, the District and Fuchs have executed this Agreement effective as of the date written above.

LOS TRANCOS WATER DISTRICT

DOUG FUCHS

By: _____

By: _____

Tom Uridel
President of the Board of Directors
162 Los Trancos Circle
Portola Valley, CA 94028

Doug Fuchs
65 Old Spanish Trail
Portola Valley, CA 94028

