

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE EDWARDS AQUIFER AUTHORITY
AND THE SAN ANTONIO ZOOLOGICAL SOCIETY, INC. FOR THE
DEVELOPMENT OF AN
EDWARDS AQUIFER CONSERVATION AND EDUCATION EXHIBIT/PROGRAM
WITHIN THE SAN ANTONIO ZOO**

This Memorandum of Understanding (“MOU”) is made by and between the San Antonio Zoological Society, Inc. (“Zoo”) and the Edwards Aquifer Authority (“EAA”) (collectively the “Parties”). The Zoo is a 501(c)(3) non-profit organization with its principal offices located at 3903 North St. Mary's Street, San Antonio, Texas 78212. The EAA is a conservation and reclamation district and a political subdivision of the State of Texas with its principal offices located at 900 E. Quincy, San Antonio, Texas 78215.

1. Purpose.

The EAA was created to, among other things, provide for the protection of the federally-listed endangered and threatened species associated with the Edwards Aquifer (“Aquifer”) in the Comal and San Marcos springs and rivers and their associated ecosystems set out for inclusion within the Edwards Aquifer Habitat Conservation Plan (“EAHCP Covered Species”). The Zoo and the EAA share a commitment to conservation and education for the purpose of fostering appreciation, stewardship and preservation of natural resources. The purpose of this MOU is to establish the basis for an agreement to be made by and between the Zoo and the EAA for the development of an Aquifer conservation and education exhibit/program within the Zoo (“the Project”) at its location at 3903 North St. Mary’s Street, San Antonio, Texas. The intent of the Project is to leverage the resources of the Zoo with those of the EAA to develop exhibit demonstrations and educational programming that will raise understanding and appreciation for the Aquifer and the EAHCP Covered Species through a shared and collaborative approach.

2. Background.

The Zoo is home to a wide variety of animals representing 750 species on 56 acres, of which 34 acres are public pathways. More than 1,000,000 guests visit the San Antonio Zoo annually - 13,155 of those being children participating in education programs and 80,000 school children coming on field trips.

It is the mission of the Zoo to foster appreciation and concern for all living things. The Zoo is dedicated to providing: the highest standards of care for its animal and plant collections; a diverse educational and high quality recreational experience for all visitors; and all the resources at its disposal for conservation of the Earth’s flora and fauna.

The Zoo has previously worked in conjunction with SWCA, Inc., dba SWCA Environmental Consultants, Inc., in providing salvage refugia services to the EAA on the Zoo site during 2015 through 2016 for the EAHCP Covered Species.

3. Costs.

Costs associated with the development of an on-site Aquifer exhibit space and educational programming at the Zoo have yet to be identified and will be set forth in the lease agreement described in Section 6.5 as part of the lease of the Facility as described herein.

4. Responsibilities of EAA.

The EAA states its intent to further support the Project by leasing to the Zoo the existing salvage refugia facility developed under Contract No. 15-754-HCP between the EAA and SWCA, Inc. which became effective on June 10, 2015 (the "Salvage Refugia Contract"), to include: three (3) self-contained, portable research facilities ("Pods"), as well as associated support equipment, including electrical generator (all, herein, the "Facility"). As rent for the lease of the Facility, the Zoo will provide for the installation, operation and maintenance of exhibit space and educational programming yet to be developed as part of the Zoo's masterplan implementation as a public education space for the Aquifer at the Zoo. The EAA, working with the Zoo, will provide subject matter expertise as may be necessary or appropriate to effectuate the successful development and installation of such Aquifer exhibit and programming. The terms and conditions under which such a lease will occur will be subject to the terms of a lease agreement to be negotiated, approved, and executed at a later date as provided in Section 6.5. The lease term will be based on the useful life of the Facility as determined by a depreciation schedule to be agreed upon by the EAA and the Zoo, and at such termination date the EAA will offer the Facility to the Zoo for purchase at the agreed upon depreciated value and in accordance with applicable law.

5. Responsibilities of San Antonio Zoo

The Zoo states its intent to support the Project by acquiring ownership of any collected extant Covered Species housed at the salvage refugia facilities. The lease agreement described below in Section 6.5 will provide, that as part of the lease of the Facility described in Section 4 above, the Zoo shall develop within in its master plan and construct an exhibit and demonstration space for educating the public of the merits of conservation and preservation of the Aquifer as a natural resource. The Zoo further intends to consult with the EAA on the development and installation of such an exhibit and associated programming appropriate at the level of exchange for the value of this MOU.

6. General Terms.

6.1 This MOU will take effect on the date of the signature of the General Manager of the EAA and the Executive Director of the Zoo, whichever signs last. This MOU will remain in effect for three (3) years from the effective date, or until superseded by the lease agreement set forth in Section 6.5.

6.2 This MOU may be amended in writing at any time by mutual agreement of the Parties.

6.3 This MOU combines the existing efforts of the EAA and the Zoo to promote the understanding and appreciation of the Aquifer and associated endangered and threatened species, and shall not be interpreted as a mutually exclusive agreement between the Parties.

6.4 This MOU does not constitute an expressed or implied endorsement of the opinions, products or services of either Party. Neither Party will be bound by the acts or conduct of the other Party.

6.5 The Parties will endeavor to negotiate, approve, and execute a contract to formalize and effectuate the terms and responsibilities described on this MOU, and other relevant matters as may present themselves in the development of the lease agreement. Such lease agreement will also address the agreement of the Parties with regard to the continued operation, maintenance and ultimate decommissioning of the salvage refugia services for the time period between the end of the Salvage Refugia Contract on January 1, 2017, and the commencement of the lease agreement described herein. The Parties agree to use -commercially reasonable efforts to negotiate, obtain approval from their respective governing bodies to execute the lease agreement.


6.6 The Parties agree that the terms of this MOU are not intended to create any agreement or obligation by either Party to negotiate a definitive lease or other agreement relating to the matters addressed herein, and imposes no duty whatsoever on either Party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed lease or agreement, and without any liability to the other Party, either Party may (1) propose different terms from those summarized herein, and/or (2) terminate all negotiations with the other Party hereto. The expenditure of funds by a Party in reliance on this MOU or part performance of any provision of this MOU by either Party shall not alter the foregoing provisions of this paragraph.

Roland Ruiz
General Manager
Edwards Aquifer Authority

Date

Attest:

Jenifer Wong-Esparza
Assistant to the Secretary




Tim Morrow
Executive Director
San Antonio Zoo



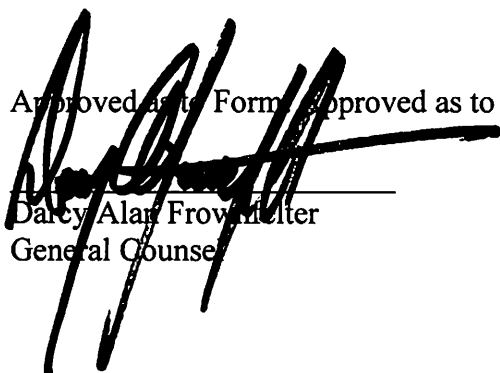
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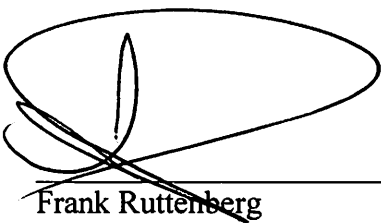


Mary Pat Detmer
Executive Assistant

Approved as to Form: Approved as to Form:



Darcy Alan Frowmelter
General Counsel



Frank Ruttenger
SAZS Attorney