

**Breeding Loan Agreement
With Purchase Option**

This Breeding Loan Agreement with Purchase Option, dated effective August 2008, is by and between HAVE TRUNK WILL TRAVEL, INC., a California corporation ("HTWT"), as the Loaning Institution, and HOUSTON ZOO, INC., a Texas nonprofit corporation ("HZI"), as the Receiving Institution.

A. Breeding Loan.

1. HTWT agrees to loan the following specimen(s) (the "Elephants") to HZI for the purposes of exhibition and for preservation and cooperative captive propagation.

Sex	Scientific Name	Common Name	Zoo ID
27 yr old female	Asian Elephant	Tess	Studbook No. 288, born 1981, Malaysia
3 yr old male	Asian Elephant	Tucker	Studbook No. 632, born May 12, 2005, at HTWT, calf of Tess

2. This Breeding Loan shall be in effect for an indefinite period; provided, however, that either institution may terminate this agreement by giving the other 30 days written notice.
3. The parties agree that title to and ownership of the Elephants shall remain with HTWT at all times during the term of this Breeding Loan.
4. HTWT will allow HZI full control of the care of the Elephants and the permission to introduce and breed the female "Tess" with HZI's male Asian Elephant, "Thai".

B. Transport of Elephants.

1. HTWT will transport the Elephants to HZI on a mutually agreed upon date between August 1, 2008 and October 1, 2008. HZI will reimburse HTWT for all transportation costs at a mutually agreed upon price. HTWT will self insure both elephants for the transport with no additional expense to HZI.
2. All fuel expenses incurred in shipping the Elephants to HZI will be borne by HZI; transportation expenses for returning the Elephants to HTWT will be borne by HTWT.
3. In the event of termination, HZI will return the Elephants to HTWT or to such other location as HTWT shall specify.

C. Obligations of HTWT

1. Prior to shipment both Elephants must be examined by a mutually agreed upon veterinarian and pronounced in excellent health. HZI shall have the right to have the Elephants re-examined promptly following delivery.
2. In the event of serious injury, disease or death of the female Elephant Tess, during the breeding loan period at the Houston Zoo. The Houston Zoo will reimburse HTWT for the full monetary value of the elephant as documented in the attached purchase agreement. If on post analysis it is determined that the injury or death was directly related to a pre-existing medical condition, then a partial payment will be worked out between the two parties.
3. A detailed copy of any and all information pertaining to the Elephants, including, but not restricted to, ISIS data, behavioral traits, medical history, diet, origin, and all other pertinent data will be provided by HTWT.
4. In the event of intention to sell, trade, or otherwise dispose of the Elephants, HZI will be given the first right of refusal.

D. Obligations of HZI

1. HZI will hold all necessary licenses, permits, and/or permission to acquire possession of and to maintain the Elephants.
2. HZI will provide adequate housing, diet, veterinary care, and other necessities conducive to the well being of the Elephants.
3. Prior to return of the Elephants, HTWT will be given at least 30 days notice, plus advance specific shipping information at the time of transfer of possession.
4. Any viable live offspring regardless of sex (being defined as surviving 30 days) born during the term of this Breeding Loan Agreement or within a period after termination of the agreement measured by the normal gestation period of 22 months, the offspring of the Elephants will be owned by HZI.
5. In the event of the serious illness, injury, death or escape of the Elephants and/or offspring, HTWT shall be notified as soon as possible. In the event of the Elephants and/or offspring being subjected to high risk veterinarian or husbandry procedures, the Curator and Veterinarian staff of HTWT shall be consulted and updated as soon as possible.
6. In the event of the death of the Elephants and/or offspring, a detailed necropsy report will be required and provided to HTWT. The carcass and its parts remain property of HTWT. The final disposition of the carcass and/or parts will be the decision of HTWT.

7. The Elephants will not be transferred to another location outside HZI's contiguous property without written consent of HTWT.
8. HZI will provide all information necessary to maintain appropriate studbook and record keeping systems.
9. HTWT shall be acknowledged in any publication, popular or scientific, where the elephants are involved.

E. Obligations of Both Institutions

1. HZI agrees to provide HTWT with a written status report upon request each year following the signing of the agreement.
2. Neither this agreement or any rights or privileges granted hereunder shall be assigned without the prior written consent of both institutions.

F. Special Provisions

1. Purchase Option.
 - a. HZI, as Buyer, shall have the option, and upon obtaining the Permit (defined below) the duty, to purchase the female Elephant from HTWT, as Seller, at any time on the terms set forth in the Purchase Agreement attached as Exhibit A to this Breeding Loan Agreement.
 - b. The parties acknowledge that the adult female elephant "Tess" was originally wild caught and shipped to the United States in the early 1980's; she is classified as a CITES (Convention on International Trade of Endangered Species) Appendix I species, which means she is an endangered species; and that accordingly, transfer of ownership is subject to regulations of the U.S. Fish and Wildlife Service ("USFWS").
 - i. HZI shall diligently and in good faith prepare and submit to USFWS a Form 3-200-37 application for the applicable Interstate Commerce permit (the "Permit").
 - ii. HTWT will diligently and in good faith cooperate and assist HZI in connection with the application for the Permit, including but not limited to providing paperwork to substantiate 100% ownership of the Elephants and providing all necessary legal and permit documentation for transfer of ownership.
 - c. To exercise the purchase option, HZI shall give HTWT 30 days notice thereof, which notice shall include a copy of the Purchase Agreement, signed by HZI, as Buyer, together with evidence of the Permit issued by USFWS to HZI.

- d. HZI agrees to purchase the adult Asian elephant female, "Tess", Studbook No. 288, from HTWT for a cash price of \$500,000. Payment will be made in two equal installments of \$250,000 with the first payment due upon completion and approval of all of the required USFWS permits. The second payment will be made no later than ten months after the first payment. The three year old calf, Tucker" (studbook No. 632) will be donated to HZI when the second and last payment has been received for his mother, Tess (Studbook No. 288). In addition, in the event of the healthy birth of the first female offspring from Tess, and the survival of such a female offspring for six months, HZI shall pay to HTWT a supplemental payment of \$100,000 contingent upon receipt of a copy of HTWT's approved Captive Bred Wildlife Permit (the "CBW"). The obligation to pay such supplemental payment shall survive the closing of the purchase and sale of the female elephant, Tess.
- e. Notwithstanding Section A.2 above, or any other provision of this agreement, HTWT shall have no right to terminate this agreement so long as HZI is diligently pursuing the application for the Permit.
- f. This Breeding Loan Agreement shall automatically expire upon the closing of the purchase of the female Elephant in accordance with the Purchase Agreement.

2. CONFIDENTIALITY.

- a. Each of the parties hereto hereby agree that all terms of this Breeding Loan Agreement and the Purchase Agreement set forth in Exhibit A will be kept strictly confidential and that you and your Representatives will not disclose to any person (except as specifically set forth herein) any of the terms hereof (the "**Confidential Information**"). Each party hereto further agrees to inform its officers, employees, contractors, professional consultants and other representatives (collectively, "Representatives") to whom you disclose Confidential Information of the confidential nature of the Confidential Information and to be responsible for any breach of any of the terms of this letter agreement by any of your Representatives. The term "person" as used in this letter agreement shall be broadly interpreted to include the media, any governmental representative, authority or tribunal, and any corporation, partnership, group, individual or other entity.
- b. In the event that either party hereto or its Representatives are required by applicable law, regulation or legal or judicial process (including, without limitation, by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand or other similar process) to disclose any Confidential Information, the potentially disclosing party shall provide the other party with prompt written notice of any such request or requirement to the extent not

prohibited by law so that the other party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this letter agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by the other party, the potentially disclosing party or its Representatives, as applicable, are nonetheless legally compelled to make any such disclosure of Confidential Information to any person, such party or its Representatives, as applicable, may, without liability hereunder, disclose to such person only that portion of the Confidential Information that, based on the written advice of outside counsel, is legally required to be disclosed, provided that such party or its Representatives, as the case may be, will use its best efforts to assist the other party in obtaining an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

- c. HZI reserves the right to produce and distribute all press releases pertaining to this transaction, the origin of the animals and their history (provided by HTWT). HTWT will forward all media and press enquiries to HZI, in the event they are contacted directly.

G. General Provisions. This agreement is not assignable by either party without the other party's consent. This agreement cannot be amended except in writing executed by both parties. Each party represents to the other that all necessary and appropriate corporate resolutions have been obtained to duly authorize such party to execute and enter into this agreement. This agreement shall be subject to and construed in accordance with the laws of the State of Texas, the place of performance shall be in Texas, and this agreement shall be enforceable in the state and federal courts of Texas.

[Remainder of this page intentionally left blank; signature page follows.]

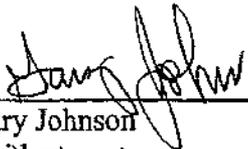
EXECUTED in multiple counterpart originals effective as of the date first set forth above:

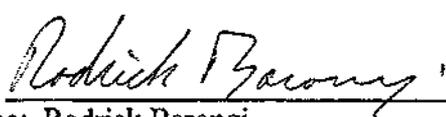
LOANING INSTITUTION:

RECEIVING INSTITUTION

HAVE TRUNK WILL TRAVEL, INC.
A California corporation

HOUSTON ZOO, INC.
A Texas non-profit corporation

By: 
Name: Gary Johnson
Title: President

By: 
Name: Rodrick Barongi
Title: Zoo Director

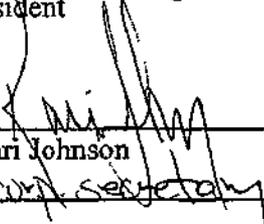
By: 
Name: Kari Johnson
Title: corp secretary

EXHIBIT A

PURCHASE AGREEMENT

A. Parties:

Seller: Have Trunk Will Travel, Inc. (HTWT)
Attn: Gary and Kari Johnson
27575 Highway 74
Perris, CA. 92570-9563

Buyer: Houston Zoo, Inc. (HZI)
Attention: Rick Barongi, Director
1513 N. MacGregor
Houston, TX. 77030

B. Specimen(s):

Sex	Scientific Name	Common Name	Zoo ID
27 yr old female	Asian Elephant	Tess	Studbook No. 288, born 1981, Malaysia

The parties acknowledge that the adult female elephant "Tess" was originally wild caught and shipped to the United States in the early 1980's; she is classified as a CITES (Convention on International Trade of Endangered Species) Appendix I species, which means she is an endangered species; and that accordingly, transfer of ownership is subject to regulations of the U.S. Fish and Wildlife Service ("USFWS").

C. Terms and Conditions

Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the female Elephant upon the following terms and conditions:

1. Within five (5) days after USFWS's issuance of the applicable permit ("Permit") for the transfer of a CITES Appendix I species relating to the above-described Tess, Buyer shall give written notice to Seller. Such notice shall include (i) a copy of the Permit, (ii) a copy of this Purchase Agreement, executed by Buyer, and the date of closing, not later than 30 days after the date of Buyer's notice to Seller.
2. The consideration to be given by Buyer to Seller for the female Elephant shall be negotiated and mutually agreed to by the parties in good faith on or before the date of closing specified in the Buyer's notice to Seller.
3. HZI agrees to purchase the adult Asian elephant female, "Tess", Studbook No. 288, from HTWT for a cash price of \$500,000. Payment will be made in two equal installments of \$250,000 with the first payment due upon completion and approval of all of the required USFWS

permits. The second payment will be made no later than ten months after the first payment. The three year old calf, Tucker" (studbook No. 632) will be donated to HZI when the second and last payment has been received for his mother, Tess (Studbook No. 288). In addition, in the event of the healthy birth of the first female offspring from Tess, and the survival of such a female offspring for six months, HZI shall pay to HTWT a supplemental payment of \$100,000 contingent upon receipt of a copy of HTWT's approved Captive Bred Wildlife Permit (the "CBW"). The obligation to pay such supplemental payment shall survive the closing of the purchase and sale of the female elephant, Tess.

4. This agreement is not assignable by either party without the other party's consent. This agreement cannot be amended except in writing executed by both parties. Each party represents to the other that all necessary and appropriate corporate resolutions have been obtained to duly authorize such party to execute and enter into this agreement. This agreement shall be subject to and construed in accordance with the laws of the State of Texas, the place of performance shall be in Texas, and this agreement shall be enforceable in the state and federal courts of Texas.

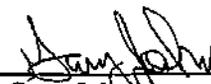
EXECUTED in multiple counterpart originals effective as of the date first set forth above:

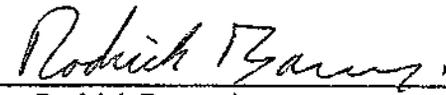
LOANING INSTITUTION:

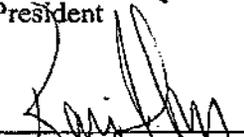
RECEIVING INSTITUTION

HAVE TRUNK WILL TRAVEL, INC.
A California corporation

HOUSTON ZOO, INC.
A Texas non-profit corporation

By: 
Name: Gary Johnson
Title: President

By: 
Name: Rodrick Barongi
Title: Zoo Director

By: 
Name: Kari Johnson
Title: corp. secretary