

**REVISED CONTRACT BETWEEN
GUADALUPE RIVER TROUT UNLIMITED AND
GUADALUPE-BLANCO RIVER AUTHORITY**

This Revised Contract (this "Contract") is dated as of January 26, 2016, by and between Guadalupe River Trout Unlimited ("GRTU"), a Texas chapter of Trout Unlimited, a 501(c)(3) non-profit corporation, and Guadalupe-Blanco River Authority ("GBRA"), a conservation and reclamation district created and operating pursuant to Article XVI, Section 59, of the Texas Constitution.

Recitals

On July 17, 2001 GBRA and GRTU entered into a seventeen-year contract regarding operation of Canyon Reservoir from May - September each year in defined non-drought years (the "2001 Contract"). The 2001 Contract terminates December 31, 2018. The 2001 Contract removed the final obstacle delaying TCEQ consideration of and action on GBRA's then-pending Application to amend Certificate of Adjudication No. 18-2074, as amended, (the "Canyon Water Right") to provide significant water supply benefits to the region.

GBRA filed with the Texas Commission on Environmental Quality ("TCEQ") an application for a new water right on the Guadalupe River, Water Use Permit No. 12378 (the "MidBasin Permit") for its proposed MidBasin Project. GRTU is protesting the issuance of the MidBasin Permit in an administrative hearing, SOAH DOCKET NO. 582-15-2477; TCEQ DOCKET NO. 2014-1658-WR (the "Contested Case").

GRTU and GBRA both desire to terminate the 2001 Contract and enter into this Contract regarding operation of Canyon Reservoir, and to settle and finally resolve GRTU's participation in the Contested Case.

Agreement

IN CONSIDERATION of the foregoing and the mutual benefits and agreements contained herein, GRTU and GBRA agree as follows:

1. Subject to the condition set forth in Paragraph 5, below, the 2001 Contract is terminated and is of no further force and effect.
2. Subject to the condition set forth in Paragraph 5, below, GBRA agrees that the minimum daily release from Canyon Reservoir for each day during the second half of the month of May (May 16 through May 31) and during the months of June, July, August and September of each calendar year during the term of this Contract will be not less than the release specified below for that day (averaged over 24 hours), if but only if the water level in Canyon Reservoir reaches an elevation equal to or greater than 909.0 feet m.s.l. prior to that day during the period between May 15 and September 30 of that calendar year and then only so long as the elevation remains above 905.0 feet m.s.l.:

		Minimum Daily Release
<u>Month</u>	<u>Day</u>	
May	16-31	150 cfs
June	1-30	150 cfs
July	1-31	150 cfs
Aug	1-31	150 cfs
Sept	1-30	150 cfs

If the water level in Canyon Reservoir reaches an elevation equal to or greater than 909.0 feet m.s.l. on or after May 15 of that year but then drops to or below 905.0 feet m.s.l. before September 30 of that year, no minimum daily release is required for any subsequent day that year unless the water level again reaches an elevation equal to or greater than 909.0 feet m.s.l. prior to September 30 of that year. The minimum daily release from Canyon Reservoir as specified above may be altered temporarily: (a) if required by operating emergencies or requirements of the U.S. Army Corps of Engineers; or (b) as may otherwise be required by law.

3. The minimum daily releases specified in Paragraph 2, include, and are not in addition to, all water passed through, released or spilled from Canyon Reservoir for any other reason including, without limitation: inflows to Canyon Reservoir that are passed through as spills or pursuant to conditions contained within the Canyon Water Right, as it may be amended, or GBRA's license issued by the Federal Energy Regulatory Commission; inflows that are passed through to honor downstream senior water rights; and stored water that is released by GBRA for downstream delivery to GBRA or others. Releases during any day above the minimum daily release specified for that day in Paragraph 2, above, may not be used to satisfy the minimum daily release for any prior or subsequent day.

4. GRTU agrees to file on or before January 28, 2016 with the State Office of Administrative Hearings ("SOAH") a request to withdraw as a party to the Contested Case.

5. Termination of the 2001 Contract and the daily minimum release requirement set forth in Paragraph 2, above, shall not take effect unless and until the SOAH judge enters an order dismissing GRTU as a party to the Contested Case.

6. Once dismissed from the Contested Case, GRTU shall not oppose issuance of the MidBasin Permit and shall not assist or support either directly or indirectly any party in its opposition to the issuance of the MidBasin Permit either during or after the conclusion of the Contested Case. GRTU further agrees to notify its members by email by February 1, 2016 of this Contract and of the cooperative nature of the efforts by GBRA to reach the agreements set forth in this Contract. GRTU will also recommend to its members that they not oppose issuance of the MidBasin Permit but that they support issuance of the MidBasin Permit. GRTU further agrees not to oppose any specific effort by GBRA (including, without limitation, any effort within an application by GBRA for authorization if needed) to temporarily store in Canyon Reservoir groundwater or surface water from the MidBasin Project or any other source, including the pumpback into Canyon Reservoir of water that had previously been passed through, released or spilled from Canyon Reservoir for any reason, and then subsequently divert or release such

other water from Canyon Reservoir, in addition to amounts authorized under the Canyon Water Right, as it may be amended, for delivery to GBRA or others for use.

7. This Contract and all rights and obligations hereunder, including the release requirement set forth in Paragraph 2 above, shall terminate on December 31, 2026.

8. GRTU and GBRA agree to cooperate in the furtherance of this Contract, to execute and deliver any and all other documents, and to take all additional actions which may be necessary or appropriate to give full force and effect to the terms and intent of this Contract. GRTU and GBRA further agree to meet annually in the fall of each year during the life of this Contract to discuss ways that they can work together to balance their interests to the extent feasible through modifications to this Contract. Either party may at any time propose modifications of this Contract. Proposed modifications may include, for example, alternative minimum daily releases, a revised termination date or other modifications. Neither party shall be under any obligation whatsoever to agree to any modification to this Contract proposed by the other party. No agreement to modify this Contract shall be binding unless the agreement is in writing and duly authorized, executed and delivered by both GRTU and GBRA.

9. This Contract shall be interpreted, construed and performed in accordance with the laws of the State of Texas.

10. Consideration having been given, this Contract is a binding contract on GRTU and GBRA and any successor to GBRA's powers, functions and duties. Neither party may assign this Contract without first obtaining the prior written consent of the other party.

11. If either party desires to initiate litigation relating to the interpretation, construction or performance of this Contract, including any claim alleging breach of this Contract by the other party, that action must be brought only in a Texas State court of proper jurisdiction. To the extent that the district court of Comal County, Texas, has jurisdiction, then any such action must be brought exclusively in that court. Either party may seek specific performance, or damages, or both. The prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees, experts' fees, expenses and costs of court.

12. This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, even though no one counterpart contains the original signatures of both parties.

13. GRTU represents that this Contract has been duly authorized, executed and delivered by GRTU. GBRA represents that this Contract has been duly authorized, executed and delivered by GBRA.

14. This Contract constitutes the entire agreement between GBRA and GRTU and, subject to Paragraph 5 above, supersedes any prior understanding or oral or written agreements between GBRA and GRTU respecting the subject matter of this Contract.

15. Any notice ("Notice") required or allowed by this Contract shall be in writing and be given both by email and by depositing the Notice in the United States Mail postpaid and registered or certified, with return receipt requested, and addressed to the party to be notified. Notice deposited in the mail in the previously described manner shall be conclusively deemed to be effective from and after the expiration of three (3) days after the Notice is deposited in the mail. For purposes of notice, the email and mail addresses of and the designated representative for receipt of notice for each of the parties shall be as follows:

For GBRA:

Guadalupe-Blanco River Authority
Attention: General Manager
933 E. Court Street
Seguin, Texas 78155
email: bwest@gbra.org

For GRTU:

Guadalupe River Trout Unlimited
Attention: Phillip Dopson
PO BOX 536,
Austin, TX 78767
email: dopsonp@grtu.org

David Schroeder
11505 Charred Oak Dr.
Austin, Texas 78759
Email: dschroed991@sbcglobal.net

Either party may change its email address or mail address or both by giving written Notice of the changes to the other party at least fourteen (14) days before the change becomes effective.

IN WITNESS WHEREOF, this Contract is executed on behalf of GRTU and GBRA by their respective authorized officers, in multiple counterparts, each of which shall constitute an original.

GUADALUPE RIVER TROUT UNLIMITED

BY 
Phillip Dopson, Treasurer

GUADALUPE-BLANCO RIVER AUTHORITY

BY 
W.E. West, Jr., General Manager