

COST ALLOCATION AGREEMENT RELATING TO THE GUADALUPE PROJECT

13. If Seguin determines that it needs to take water from the Guadalupe well field between year 1 and year 15 of the Guadalupe Project water production, Seguin shall be responsible for repaying to SSLGC one-half of the Guadalupe Project well field debt paid to date by Schertz. If Seguin determines it needs to take water from the Guadalupe Project well field after year 15 of water production, Seguin shall pay the proportion of the remaining debt as a function of the overall water rate for the water they consume.