

AMENDMENT NO. 1
to the
AGREEMENT FOR OPERATIONS,
MAINTENANCE AND MANAGEMENT SERVICES
For the CITY OF TUPELO, MISSISSIPPI

This Amendment is made and entered into with an effective date of the 1st day of January, 2021, by and between the City of Tupelo, Mississippi (hereinafter 'Owner') and ESG Operations, Inc. (hereinafter 'ESG'). This is Amendment No. 1 to the 'Agreement for Operations, Maintenance and Management Services for the City of Tupelo, Mississippi' with an effective date of the 1st day of January, 2019, between Owner and ESG (the 'Agreement').

NOW THEREFORE, Owner and ESG agree to amend the Agreement as follows:

REPLACE Article 2.4 with the following new Article:

- 2.4 Provide and document all Repairs for the Project. The total amount ESG shall be required to pay for Repairs shall not exceed the annual Repairs limit of Four Hundred and Eight Thousand, and Three Hundred Dollars (\$408,300) for the contract year beginning January 1, 2021 and ending December 31, 2021. For all Repairs in excess of the stated annual Repairs limit, ESG shall invoice and the Owner shall pay excess repairs cost on a monthly basis. Said repairs will be invoiced via an itemized, detailed breakdown and shall include direct costs, with no markup for overhead or profit. ESG will provide Owner with an accounting of Repairs on a monthly basis.

A final accounting and reconciliation of reimbursements in accord with the stated annual Repairs limit shall be made following December 31st of each contract year. Any amount not expended during a contract year will be submitted and returned to the Owner within 60 days of the expiration of the contract year in question.

The annual Repairs limit will be negotiated annually. If Parties cannot mutually agree to the annual Repairs limit for the contract year in question, the annual Repairs limit will be equal to the prior contract year's annual Repairs limit plus an amount equal to the amount determined by the application of the Consumer Price Index (CPI) referred to in Article 4.2.

REPLACE Article 2.14 with the following new Article:

- 2.14 Pay all treatment process chemical costs at the wastewater treatment plant and lagoons up to a total annual Process Chemicals limit of Eighty-Four Thousand and Three Hundred Dollars (\$84,300) for the contract year beginning January 1, 2021 and ending December 31, 2021. For all Process Chemical costs in excess of the stated annual limit, ESG shall invoice and the Owner shall pay excess Process Chemical costs on a monthly basis. Said chemical costs will be invoiced at direct costs, with no markup for overhead or profit. ESG will provide owner with an accounting of Process Chemical costs on a monthly basis.

Amendment No. 1 to ESG-Tupelo Contract

A final accounting and reconciliation of reimbursements in accord with the stated annual Process Chemicals limit shall be made following December 31st of each contract year. Any amount not expended during a contract year will be submitted and returned to the owner within 60 days of the expiration of the contract year in question.

The annual Process Chemicals limit will be negotiated annually. If Parties cannot mutually agree to the Process Chemicals limit for the year in question, the Process Chemicals limit will be equal to the prior contract year's Process Chemicals limit plus an amount equal to the amount determined by the application of the Consumer Price Index (CPI) referred to in Article 4.2.

REPLACE Article 4.1 with the following new Article:

- 4.1 Owner shall pay to ESG as compensation for services performed under this Agreement an annualized amount of One Million, Seven Hundred Forty-Two Thousand, Two Hundred and Eighty Dollars (\$1,742,280) for the contract year beginning January 1, 2021 and ending December 31, 2021. Said amount shall be payable in advance monthly installments of One Hundred and Forty-Five Thousand, One Hundred and Ninety Dollars (\$145,190). Thereafter, the fee will be negotiated as described in Article 4.2.

Except as modified by this Amendment all other terms and conditions of the Agreement shall remain in full effect. If any inconsistency exists or arises between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall prevail.

Both parties indicate their approval of this Amendment by signature below.

Authorized Signatures:

John Clay Sykes, PE
Title: Principal & Co-Founder
ESG Operations, Incorporated

Daniel E. Groselle, Jr.
Title: Principal & Co-Founder
ESG Operations, Incorporated

Authorized Signatures:

Mayor Todd Jordan
City of Tupelo, Mississippi

Date: _____