

AMENDMENT
To the
WATER AND WASTEWATER TREATMENT PLANT OPERATION AND
MAINTENANCE AGREEMENT

This Amendment to the Water and Wastewater Treatment Plant Operation and Maintenance Agreement (the "Amendment") is made effective this _____ day of _____, 2026, as it amends that certain Water and Wastewater Treatment Plant Operation and Maintenance Agreement dated June 25, 2025 (collectively, with the Amendment, and as may be further supplemented and amended from time to time, the "Agreement"), all by and between the Clinton Public Works Authority (the "Client") and Wright Water Corporation (the "Operator").

WITNESSETH:

NOW THEREFORE, in mutual consideration herein and subject to the terms and conditions herein stated, the Client and the Operator amend the Agreement as follows:

1. *Section 4.2 of the Agreement is hereby amended to read as follows:*

4.2 The Operator's Annual Compensation shall be automatically adjusted each year on the Adjustment Date by the same percentage as any adjustment in the Price Index. The increase in the Price Index shall be determined by calculating the percentage increase between the Price Index in effect as of the current Adjustment Date over the Price Index in effect as of the previous Adjustment Date. In no event shall the Annual Compensation be decreased by virtue of any such adjustment.

2. *Section 10 is added to the Agreement as follows:*

10) QUALIFIED MANAGEMENT AGREEMENT SAFE HARBOR

The parties understand that all or a portion of the Facilities have been or will be financed by the proceeds of tax-exempt debt. Accordingly, this Agreement shall be interpreted in a manner that is in compliance with the safe harbors found in Rev. Proc. 2017-13 (the "Rev. Proc."). In connection therewith, notwithstanding any other parts of this contract that might be interpreted to the contrary, the parties agree as follows (with the meaning of such representations interpreted consistent with the terms of the Rev. Proc.):

10.1 This Agreement shall not be interpreted as a lease.

10.2 Both parties represent and agree that the payments to the Operator under this Agreement are reasonable compensation for the services to be rendered by the Operator under this Agreement.

10.3 No element of the Operator's compensation paid hereunder shall take into account, or be contingent upon, either the Facilities' net profits or both the Facilities' revenues and expenses (other than any reimbursements of direct and actual expenses paid by the Operator to unrelated third parties) for any fiscal period. Furthermore,

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the Operator shall not be required to bear a share of the net losses from the operation of the Facilities.

- 10.4 The Client or other qualified user shall bear the risk of loss upon damage or destruction of the Facilities to the extent required by the Rev. Proc. This provision is expressly NOT intended to relieve the Operator or any other person or entity from any liability or obligation owed to the Client or any other person or entity as a result of, or relating to, damage or destruction of the Facilities to the extent not required by the Rev. Proc., but merely to intended meet the minimum requirements of the Rev. Proc. and shall not be interpreted more broadly. For example, without limitation, as provided in the Rev. Proc., a qualified user does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the service provider a penalty for failure to operate the managed property in accordance with the standards set forth in this contract. Without limitation, the Operator shall be liable to the Client for any damage or destruction of the Facilities caused by, or arising out of, the Operator's acts and/or omissions or breach of this agreement.
- 10.5 The Operator shall not take any tax position that is inconsistent with being a service provider to the Client with respect to the Facilities. For example, the Operator agrees not to claim any depreciation or amortization deduction, investment tax credit, or deduction for the payment as rent with respect to Facilities.
- 10.6 The Client must approve the annual budget for the Facilities, capital expenditures with respect to the Facilities, each disposition of property that is part of the Facilities, rates charged for the use of the Facilities, and the general nature and type of use of the Facilities.
- 10.7 The Client will not allow this Agreement to be renewed for any period without consulting with bond counsel.
- 10.8 Not more than 20 percent of the voting power of the governing body of the City of Clinton or the Clinton Public Works Authority (collectively, together with their successors and assigns, the "Potential Qualified Users") shall be vested in the directors, officers, shareholders, partners, members and employees of the Operator; the governing body of the Potential Qualified Users shall not include the chief executive officer of the Operator or the chairperson (or equivalent executive) of the Operator's governing body; and the chief executive officer of the Operator shall not be the chief executive officer of any of the Potential Qualified Users or any of their related parties as defined in Treasury Regulation 1.150-1(b).

3. *The Amendment together with all previous amendments and the Agreement constitute the entire agreement between the Client and the Operator and supersedes all prior oral*

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and written understandings with respect to the subject matter set forth herein. shall be binding upon the parties hereto and their respective legal representatives, successors and assigns. All remaining terms and provisions of the Agreement are hereby ratified and confirmed and shall remain in full force and effect to the extent they do not conflict with this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions in this Amendment shall control. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Client and the Operator.

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IN WITNESS WHEREOF, the Client and the Operator hereto have entered into this Amendment as of the date first written above.

WRIGHT WATER CORPORATION

CLINTON PUBLIC WORKS AUTHORITY

Authorized Signature

Authorized Signature

By: Scott Townley

By: _____

Name: SCOTT TOWNLEY

Name: _____

Title: CEO

Title: _____


RE: Clinton Wright Water Corporation

From Meredith Morgan <mmorgan@okpublicfinancelaw.com>

Date Mon 1/12/2026 11:41 AM

To Robert Johnston <Robert.Johnston@clintonok.gov>

Cc Allan Brooks <abrooks@okpublicfinancelaw.com>; Nathan Ellis <nellis@okpublicfinancelaw.com>; Jered Davidson <jdavidson@okpublicfinancelaw.com>; Debra Blanchard <Debra.Blanchard@clintonok.gov>

 1 attachment (27 KB)

Clinton Wright Water Amendment.docx;

Good morning! Per our conversation last week, attached is a draft amendment to the Wright Water Agreement that addresses the concerns about negotiating the annual compensation each year (Section 4.2) and adds in the language to address the safe harbor provisions published by the IRS relating to management contracts. I understand that you may have an additional amendment, which can be incorporated into this amendment. If you'd like me to add that in, please send me the proposed change. Ultimately, this will need to be approved by Clinton PWA and Wright Water Corporation and we will need a signed copy for our files. I'm happy to discuss further if there are questions.

Thanks!

Meredith B. Morgan

Attorney at Law

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From: Meredith Morgan

Sent: Friday, November 21, 2025 5:48 PM

To: 'Debra Blanchard' <Debra.Blanchard@clintonok.gov>

Cc: Robert Johnston <Robert.Johnston@clintonok.gov>; Allan Brooks <abrooks@okpublicfinancelaw.com>;

Nathan Ellis <nellis@okpublicfinancelaw.com>; Jered Davidson <jdavidson@okpublicfinancelaw.com>

Subject: RE: Wright Water Corporation

Good evening,

I'm just having time to review the management agreement you sent last week. One question – was there a reason that the contract did not provide for automatic CPI adjustment of the Annual Compensation each year? It instead says the Annual Compensation is to be negotiated annually, and if the parties cannot agree, it adjusts by CPI. It's cleaner from a tax perspective if there is not an element of