

# Desert Valley Disposal, Inc.

4690 East Mesquite Avenue  
P.O. Box 2720  
Palm Springs, California 92262  
760-329-5030

April 20, 2017

Mr. Charles L. Maynard  
City Manager  
City of Desert Hot Springs  
65950 Pierson Boulevard  
Desert Hot Springs, California 92240

Via Electronic Mail

Dear Mr. Maynard:

Re: EXTENSION OF FRANCHISE AGREEMENT

We appreciate our relationship with the City of Desert Hot Springs and the opportunity to render an important service to a community with great potential.

Pursuant to Sections 4.03 and 11.01.2 of the Franchise Agreement, we are hereby advising you of our intention to extend the term of our Franchise Agreement for Solid Waste and Recycling Materials Collection and Diversion Services to June 30, 2032.

On March 18, 2014, the City Council approved our Franchise Agreement that provided for an Investment Payment by DVD of \$1,000,000.00 to the City at a time of financial emergency. The Agreement also provides DVD opportunities for annual re-investments in the City in exchange for additional one-year extensions.

Two previous one-year extensions have been exercised and accompanied by Re-Investment Payments of \$100,000.00 and \$110,000.00, respectively. The Re-Investment Payment for this third one-year extension is \$120,000.00.

We are requesting that this extension of term be acknowledged by an action of the City Council at its meeting of May 16, 2017 and that the City Clerk provide us a certified copy of that action.

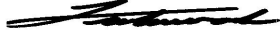
We will deliver our Re-Investment Payment of ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000.00) within ten (10) days following the City's acknowledgement.

Mr. Charles L. Maynard  
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Please let me know if you have any questions or require any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Wade", written over a horizontal line.

Rick Wade  
President

cc: Jerryl Soriano, City Clerk  
Joseph M. Tanner, Administrative Services Director  
Robert Kuznik, DVD