

Desert Valley Disposal, Inc.

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

May 15, 2019

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, 2034.

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

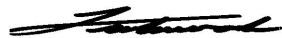
Four previous one-year extensions have been exercised and accompanied by Re-Investment Payments of \$100,000.00, \$110,000.00, \$120,000.00, and \$130,000.00, respectively. The Re-Investment Payment for this fifth one-year extension is \$140,000.00.

We are requesting that this extension of term be acknowledged by an action of the City Council at one of its regular meetings in June 2019, and that the City Clerk provide us a certified copy of that action.

We will deliver our Re-Investment Payment of ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00) within ten (10) days following the City's acknowledgement.

Please let me know if you have any questions or require any additional information.

Sincerely,



Rick Wade
President

cc: Jerryl Soriano, City Clerk
Luke Rainey, Deputy City Manager