UPPER VALLEY WASTE MANAGEMENT AGENCY THIRD AMENDMENT TO AGREEMENT #95-09

UPPER VALLEY DISPOSAL SERVICE SOLID WASTE HANDLING FRANCHISE AGREEMENT

THIS THIRD AMENDMENT TO AGENCY AGREEMENT #95-09 is made and entered into this 18th day of June, 2007 by and between the UPPER VALLEY WASTE MANAGEMENT AGENCY, a joint powers authority organized under the laws of the STATE OF CALIFORNIA, hereinafter referred to as "AGENCY" and UPPER VALLEY DISPOSAL SERVICE, a California corporation, hereinafter referred to as "CONTRACTOR".

WHEREAS, the AGENCY acts as a consolidated franchisor for solid waste handling services throughout the SERVICE AREA and sets rates for those solid waste handling services; and

WHEREAS, AGENCY and CONTRACTOR originally entered into Agreement #95-09 on September 25, 1995 for Solid Waste Handling Services throughout the Agency Service Area; and

WHEREAS, Agreement #95-09 was amended for a first and second time with respect to the rate setting methodology and actual rates imposed; and

WHEREAS, AGENCY and CONTRACTOR now desire to amend AGENCY Agreement #95-09 for a third time to delay for 90 days the determination of rate adjustments for the operating period of July 1, 2007 to June 30, 2008 and make certain other revisions to the franchise agreement; and

WHEREAS, this instrument is negotiated and executed by the parties hereto pursuant to the authority conferred on local agencies by Public Resources Code Sections 40059, et seq., to provide for solid waste handling services on an exclusive or non-exclusive basis and with or without competitive bidding, which has been delegated to AGENCY by the JOINT POWERS AGREEMENT pursuant to Government Code section 6500 et seq.

TERMS

NOW, THEREFORE, AGENCY AND CONTRACTOR AGREE as follows:

1. AGENCY and CONTRACTOR both agree to extend the deadline for the 2007 annual rate adjustment specified in Exhibit B, Section II.1.a of the Second Amendment to Agreement No. 95-09 to October 1, 2007, from July 1, 2007. The purpose of this extension is to allow UVDS time to more fully study and make a proposal to the UVA Board regarding new

programs, specifically a Construction and Demolition (C&D) recycling program. The Board shall act on this new programs request on or before October 1, 2007 (it is expected that this will occur at the September Board meeting). The Company shall submit its request by August 20, 2007. The rate adjustment decision by the Board shall be retroactive to July 1, 2007, and any under or over collection of funds during this first quarter shall be corrected via an adjustment on customer's October invoices. The Board makes no commitments at this time to adopt any new programs, but will reimburse the company through the rate setting process for reasonable out of pocket expenses associated with studying the new program (not to exceed ($50,000.00).

2. Exhibit B to the Second Amendment of Agreement No. 95-09 is amended to read in full as set forth Exhibit B attached hereto.

3. Except as provided in paragraphs (1) and (2) above, the terms and provisions of the Agreement shall remain in full force and effect.

4. This Third Amendment to AGENCY AGREEMENT #95-09 shall be effective as of June 18, 2007.

IN WITNESS WHEREOF, this AGREEMENT is executed by the parties hereto as of the date first above written.

UPPER VALLEY WASTE MANAGEMENT AGENCY

BY: _____
MARK LUCE, Chair of the Board of Directors of the Upper Valley Waste Management Agency

"AGENCY"

BY: _____
ATTEST:
JULIA TRAVIS, Secretary to the Board of Directors

UPPER VALLEY DISPOSAL SERVICE

BY: _____
Title:

BY: _____
Title:

"CONTRACTOR"

BY: _____
APPROVED AS TO FORM:
ROBERT PAUL, Agency Legal Counsel