

June 8, 2010

Mr. Trent Cave, Executive Director
Napa-Vallejo Waste Management Authority
1195 Third Street, Room 1010
Napa, CA 94559

HDR Project: #134323

Subject: Termination of Contract – Napa KDV Project

Dear Trent:

Per our discussions on June 4, 2010, with you as Executive Director of the Napa-Vallejo Waste Management Authority (Authority), HDR Engineering, Inc. (HDR) is requesting termination of our Professional Services Agreement No. 10-08 (Agreement), dated December 3, 2009, under Clause No. 10, Other Termination. The clause states, "*This Agreement may be terminated by either party for any reason and at any time by giving prior written notice of such termination to the other party specifying the effective date thereof at least thirty (30) days prior to the effective date...*" In addition it states, "*provided, however that no such termination may be effected by AUTHORITY unless an opportunity for consultation is provided prior to the effective date of termination.*"

HDR would request that this letter serve as written notice of termination with the effective date of July 7, 2010 (30 days). In addition, HDR is available for consultation per the Agreement, within the next 30 days, should the Authority wish to continue our discussion from June 4th.

The reason for this letter of termination is due to the involvement of P3 Renewable Energy, LLC (P3) and its associated business entities with two separate projects for which HDR is contracted. P3 is funding the subject KDV feasibility project for the Authority and is vested in its outcome, and at the same time a representative of P3's associated business entity is also involved in direction and approval of another of HDR's projects in Hercules, California. With this contract termination, HDR wishes to protect the Authority from possible perceived conflicts of interest in our attempt to produce an independent engineering report for the KDV Project. Although HDR would produce an unbiased report despite any circumstances, with HDR's withdrawal from the subject project, any opportunities for exertions of influence or perceptions of conflict or interest are effectively removed.

Please call me at (415) 814-6717 if the Authority wishes to schedule further opportunity for consultation, as discussed above. HDR has performed services for the Authority for over 10 years; we value our relationship, and would like to be considered for projects in the future as we have in-depth knowledge of your solid waste system. However, this particular project appears to have conflicts that outweigh the benefits of a continued contract between HDR and the Authority for this particular project. Thank you for your understanding in this matter.

Very truly yours,

HDR ENGINEERING, INC.

A handwritten signature in blue ink, appearing to read "Michael Greenberg", with a long horizontal flourish extending to the right.

Michael Greenberg, P.E.
Vice President

A handwritten signature in blue ink, appearing to read "Amy Gilleran", with a long horizontal flourish extending to the right.

Amy Gilleran, P.E., V.P.
Asst. Department Manager, Northern CA