

**Amendment Two**  
**to the**  
**Contract for Operations and Maintenance between Ashburnham &**  
**Winchendon Joint Water Authority Water Filtration Plant**  
**and**  
**Veolia Water North America Operating Services, LLC (f/k/a U.S. Filter**  
**Operating Services, Inc.)**

THIS AMENDMENT NUMBER TWO to the Agreement is entered into on this 20<sup>th</sup> day of November 2006, by and between:

The Town of Ashburnham, located at 32 Main Street, Ashburnham, Massachusetts and the Town of Winchendon, located at 109 Front Street, Winchendon, Massachusetts, acting by and through the Ashburnham Winchendon Joint Water Authority ("AWJWA" or "OWNER");

and

Veolia Water North America Operating Services, LLC, a Delaware limited liability company ("VWNAOS" or "OPERATOR"), formerly known as U.S. Filter Operating Services, Inc., with offices at Metro South Executive Park, 1115 W. Chestnut Street, Brockton, MA 02301.

WHEREAS, OWNER and VWNAOS entered into that certain Contract for Operations and Maintenance dated August 1, 2001 (the "Contract");

WHEREAS, OWNER and VWNAOS entered into Amendment One to the Contract dated May 31, 2006 ("Amendment One"); and,

WHEREAS, the parties now desire to modify selective portions of the Contract, all as set forth herein;

NOW, THEREFORE, in mutual consideration herein described and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Pursuant to Section 4.2 of the Contract, the parties hereby extend the term of the Contract for a period of five (5) years effective as of August 1, 2006.
2. Section 5.2 of the Contract will be deleted in its entirety and replaced with the following:

*Adjustments to the Annual Fee and Maintenance and Repair Limit shall be made in accordance with Exhibit A - Annual Fee Adjustment Formula of this Amendment No. 2.*

3. Section 2.8 of the contract will include the following changes:

**Changes to paragraph 1- remove line 2 and replace with the following:**

*Operator shall keep all floors, walls, and interior surfaces clean and paint all surfaces as necessary. The OPERATOR shall supply all labor to keep all exterior painted surfaces neat, clean and repainted as necessary. Any exterior brick, block or concrete work shall be maintained by the OPERATOR. All problems shall be reported to the owner*

**Changes to paragraph 2- replace "at its expense" with "supply all labor to"**

*The OPERATOR shall supply all labor to keep the exterior grounds of the Facility and all landscaping and grass areas in safe, clean, neat and well maintained, mowed condition. The OPERATOR shall indemnify the OWNER as set forth in Section 6.1 caused by or resulting from the OPERATOR'S failure to maintain such areas.*

4. Section 2.13 shall be changed to read the following:

**Changes to paragraph 1, remove expendable and change to office and janitorial supplies.**

*OPERATOR shall pay expenses required for the normal and routine operation, maintenance and repair of the WTF including but not limited to the following: Personnel costs, fuels, chemicals, transportation and residuals disposal, electricity, and office and janitorial supplies. Unless otherwise agreed in writing by the parties, OPERATOR shall not be required to pay the following:*

5. Section 3.5-Definition of major maintenance and repairs will be added to paragraph 1.

*The OWNER is responsible for undertaking and payment for Expenditures for Major Maintenance and Repairs in excess of the Maintenance Limits as set forth in Section 5. Major Maintenance will be defined as the ongoing maintenance, repairs, and replacement or physical improvements to the OWNER'S property.*

6. This Amendment shall take effect upon the date entered unless otherwise provided for herein.
7. All terms of the Contract not specifically amended or modified by this instrument shall remain unmodified and in full force and effect.

WHEREFORE, both parties indicate their approval of this Amendment by their signature below and each party warrants that all action necessary to bind the parties to the terms of this Amendment has been taken.

**Ashburnham and Winchendon  
Joint Water Authority**

By: [Signature]  
Ashburnham Town Manager

Print Name: Kevin E. Paicos

Title: Town Admin.

Date: 11/21/06

**Ashburnham and Winchendon  
Joint Water Authority**

By: [Signature]  
AWJWA Representative

Print Name: LEO P. COLLETTE JR

Title: CHMN, AWJWA

Date: Nov. 20, 2006

**Ashburnham and Winchendon  
Joint Water Authority**

By: [Signature]  
Winchendon Town Manager

Print Name: AMOS KEONON

Title: Town Manager

Date: 11/20/06

**Veolia Water North America  
Operating Services, LLC**

By: [Signature]  
Veolia Water NA - Northeast LLC

Print Name: PHILIP G. ASHCROFT

Title: President.

Date: 11/27/06

EXHIBIT A

ANNUAL FEE ADJUSTMENT FORMULA

A. INFLATION OR DEFLATION ADJUSTMENT

A.1 Compensation shall be increased or decreased annually according to the following U.S. Department of Labor, Bureau of Labor Statistics Index: Consumer Price Index (Boston, Brockton, Nashua 1982-84=100 BLS Series Number CUURA103SA0). The first increase or decrease in compensation shall be effective on the first day of the renewal term of this agreement and shall be based on the changes in the indices over the previous year using the period of May 2005 to May 2006 as the basis for the first adjustment. Each subsequent increase or decrease in compensation shall be effective on each anniversary date of the contract and shall be based on the prior twelve (12) month change in the CPI-U indicia.

A.2 The Major Maintenance and Repair amount shall be set at \$25,000 dollars in the first year of the renewal term and shall be adjusted annually on each anniversary date of the contract.

Annual Fee Adjustments shall be made by multiplying the annual Base Payment and Major Maintenance and Repair by the CPI percentage increase referenced above in A1.

The first year adjustment is as follows:

Old Annual Fee	\$312,566.40
Old Repair and Maintenance Annual Fee	\$ 20,000.00
Total Old Fee	\$332,566.40
CPI Adjustment Factor	3.9%
New Fee	\$324,756.48
New Repair and Maintenance Annual Fee	\$ 25,000.00
Total New Fee	\$349,756.48