// A regular meeting of the Council of the City of Lynchburg was held on the 13th day of May, 2008, at 7:30 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. Council Member Gillette gave the Invocation, followed by the Pledge of Allegiance. The following Members were present:

Present: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Absent: 0

// Mayor Foster presented a Certificate of Recognition to high school seniors Sung Kyu Kim, Virginia Episcopal School, and Jean-Jose Sopngwi, Virginia Episcopal School, for serving on the Mayor's Youth Council. Mayor Foster also recognized Charlie Andrews, E. C. Glass High School, for his service on the Mayor's Youth Council.

// Copies of the minutes of the April 8, 2008 (two meetings) meetings, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote approved the minutes as presented:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// Copies of the minutes of the April 15, 2008 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote approved the minutes as presented:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// Copies of the minutes of the April 17, 2008 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote approved the minutes as presented:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// Copies of the minutes of the April 22, 2008 (two meetings) meetings, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote approved the minutes as presented:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of Commonwealth's Attorney, City Council Report #5 was considered. On motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-08-047, as presented, amending the City/Federal/State Aid fund budget and appropriating $400,000, fully reimbursable, to continue the Domestic Violence Prosecution Unit program:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of Schools – Board of Trustees, a public hearing was held to receive input from citizens regarding appointments (or reappointments) to vacancies that will exist June 30 in each of the three (3) School Board representational districts. At the request of Mayor Foster, the Clerk read into the record the names of the current School Board members whose terms will expire on June 30: District 1, Ellis M. Frankfort; District 2, Sterling A. Wilder; and District 3, Treney L. Tweedy. The Clerk then read into the record the names of volunteers who have applied to-date to serve on the School Board: District 1—Alex Bell, Regina Dolan-Sewell, Robert A. Hopkins, Danna R. Jones, Kelly Love, Kevin G. Smith, Dr. Lloyd G. Tannenbaum, Bryan E. Tiller, Terry G. Ward, and Mona M Williams; District 2—Joseph T. Catlett, Jr., Jeffrey Pixton, Ada La'Verne Smith, and Thomas H. Webb. The following candidates spoke before City Council to communicate their interest and present their credentials and qualifications to serve on the School Board – Dr. Regina Dolan-Sewell, Robert A. Hopkins, Kelly Love, Jeffrey Pixton, Ada La'Verne Smith, Kevin G. Smith, Dr. Lloyd G. Tannenbaum, Thomas H. Webb, and Mona M Williams. Charlie White and Ellen Nygaard spoke in support of Dr. Regina Dolan-Sewell. Don Harvey and Martha Hicks spoke in support of Thomas Webb. There was no one else present who wished to speak. Council Members discussed whether to close the public hearing or continue it to the May 27 meeting to allow more time to receive names of volunteers. While some Council Members expressed interest in closing the public hearing due to the number of qualified applicants, other Council Members commented that the normal process has been to continue the public hearing to allow more time to receive the names of additional applicants. In response to questioning, City Attorney Walter Erwin stated that City Council could schedule the interviews of candidates for the School Board prior to closing the public hearing. City Council reached consensus to continue the public hearing until the May 27 meeting to allow more time for citizens to apply for the positions on the School Board.

// In the matter of Community Planning - CDBG, a public hearing was held to receive public input regarding the 2008/09 allocation of $1,007,647 in Community Development Block Grant (CDBG) and $472,719.29 in HOME Program funds. Council Member Garrett read the following statement: "In addition to serving on City Council, I also serve as commissioner for the Lynchburg Redevelopment and Housing Authority. However, I do not receive a financial interest or benefit from my service as a commissioner and therefore I do not have a conflict of interest in this manner. Even though I serve as a member of City Council and as a commissioner for the Redevelopment and Housing Authority, I am able to participate in the distribution of CDBG funds fairly, objectively and in the public interest. Therefore I will participate in the discussion of and vote on this matter." Council Member Seiffert, who is also a commissioner for the Lynchburg Redevelopment and Housing Authority, stated that since City Council is only conducting the public hearing tonight, he will wait and make his declaration at the May 27 work session. Community Development Director Charlene Montford provided a brief summary regarding the CDBG and HOME Programs.

Fourteen (14) individuals spoke in support of the following projects:

Fifth Street Corridor Project; Jubilee Occupational Readiness Program; Hunton Community Center; The Gateway; Amazement Square Reach for the Stars Outreach Program; and the Spot Blight Abatement

Program. One individual asked that funding be provided to improve the bus service, since it is mostly low income individuals who use the public transit system as their main means of transportation. Mr. Tom Daniel, on behalf of Lynchburg Community Action (LynCAG), spoke in support of the various projects submitted for funding by LynCAG. Lynchburg Redevelopment and Housing Authority (LRHA) Executive Director Ed McCann along with LRHA Board Member Shanda Rowe spoke in support of the various projects submitted for funding by the Housing Authority. Mr. Walter Fore, a member of the Community Development Advisory Committee, expressed concern regarding use of CDBG funds for the Section 108 loan for Bluffwalk. Mr. Fore also expressed concern regarding the process used to distribute the HOME Program funds and requested that the Committee be provided with a detailed line item accounting for the money that the different agencies and corporations have received since 2005 to the present. There was no one else present who wished to speak to this item, and the public hearing was closed. Mayor Foster announced that a work session regarding the FY 2009 Community Development Block Grant (CDBG) and HOME Programs is scheduled for May 27.

// In the matter of Community Planning - CDBG, a public hearing was held to receive public input regarding the adoption of a Resolution to approve the reallocation of $40,273 in FY 2006-07 HOME Program funds for the rehabilitation of the Shalom Apartments. Community Development Director Charlene Montford provided a brief summary regarding the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Gillette, seconded by Council Member Garrett, Council by the following recorded vote adopted Resolution #R-08-048, as presented, approving the reallocation of $40,273 in FY 2006-07 HOME Program funds for the rehabilitation of the Shalom Apartments:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// In the matter of Community Planning - Zoning, a public hearing was held regarding City Council Report #9 outlining the petition of Hernan and Guadalupe Garces for a conditional use permit at 1 Vista Avenue to allow the operation of a bed and breakfast with up to 3 guest rooms as part of an existing residence in an R-2, Low-Medium Density Single-Family Residential District. City Planner Tom Martin provided a brief summary regarding the petition. Mr. Hernan Garces outlined the request and asked for approval. Two individuals spoke in support of the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Garrett, seconded by Council Member Gillette, Council by the following recorded vote adopted Resolution #R-08-049, as presented, granting the Conditional Use Permit:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// In the matter of Community Planning - Zoning, a public hearing was held regarding City Council Report #10 outlining the petition of Quaker Memorial Presbyterian Church for a conditional use permit at 5810 Fort Avenue to allow the expansion of church parking facilities in an R-2, Low-Medium Density Single-

Family Residential District. City Planner Tom Martin provided a brief summary regarding the petition. Vice Mayor Dodson stated that he is a life long member of the Church and would therefore like to abstain from discussion and voting on this petition. Mr. Russ Nixon, Nixon Land Surveying, representing the petitioner, outlined the request and asked for approval. Mr. Nixon explained that the Church understands that they will need to meet all of the stormwater quantity and quality requirements, which would include stabilization of the channel. There was no one else present who wished to speak to this item, and the public hearing was closed. In response to Council questioning, Mr. Nixon stated that the Church plans to build no more than 40 parking spaces. On motion of Council Member Seiffert, seconded by Council Member Johnson, Council by the following recorded vote adopted Resolution #R-08-050, as presented, granting the Conditional Use Permit:

Ayes: Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 6
Noes: 0
Abstention: Dodson 1

// In the matter of City Code, a public hearing was held regarding City Council Report #11 regarding amending Section 35.1-45 of the City Code relating to flood hazard districts. Environmental Planner Erin Hawkins provided a brief summary regarding the request, explaining that the City is required by the Federal Emergency Management Agency (FEMA) to update its ordinance to remain in compliance with and participate in the National Flood Insurance Program. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote adopted Ordinance #O-08-051, as presented, amending Section 35.1-45 of the City Code relating to flood hazard districts:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of CATV, a public hearing was held regarding City Council Report #12 regarding adopting an Ordinance authorizing the City Manager to sign an amendment to the cable television franchise agreement with Ntelos, changing the terms and conditions such that Ntelos is treated the same as Comcast. Information Technology Director Mike Goetz provided a brief summary regarding the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Johnson, seconded by Council Member Garrett, Council by the following recorded vote adopted Ordinance #O-08-052, as presented, authorizing the City Manager to sign an amendment to the cable television franchise agreement with Ntelos, changing the terms and conditions such that Ntelos is treated the same as Comcast:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of Finance - Bonds, a public hearing was held regarding City Council Report #13 regarding authorizing the issuance of $14,200,000 principal amount of revenue obligations in the form of Sewer Revenue Bonds to pay the cost of capital improvements to the sewer system. Financial Services Director

Donna Witt provided a brief summary regarding the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Seiffert, seconded by Council Member Garrett, Council by the following recorded vote adopted Resolution #R-08-053, as presented, authorizing the issuance of $14,200,000 principal amount of revenue obligations in the form of Sewer Revenue Bonds to pay the cost of capital improvements to the sewer system:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of Budget FY 2008, a public hearing was held regarding City Council Report #14 regarding amending the FY 2008 Budgets to implement the Third Quarter budget adjustments and appropriating funds to implement revenue, expenditure and transfer adjustments for the General Fund Operating, City/Federal/State Aid, Asset Forfeiture, Regional Airport, Airport Capital Projects, Fleet Services, Solid Waste Management, Solid Waste Capital, Water Operating, Water Capital Projects, Sewer Operating, Sewer Capital Projects, School Operating, School Capital Projects, Regional Juvenile Detention, City Capital Projects and Comprehensive Services Act Funds. Financial Services Director Donna Witt provided a brief summary regarding the request. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting Ordinance #0-08-054, as presented, amending the FY 2008 Budgets to implement the Third Quarter budget adjustments and appropriating funds to implement revenue, expenditure and transfer adjustments for the General Fund Operating, City/Federal/State Aid, Asset Forfeiture, Regional Airport, Airport Capital Projects, Fleet Services, Solid Waste Management, Solid Waste Capital, Water Operating, Water Capital Projects, Sewer Operating, Sewer Capital Projects, School Operating, School Capital Projects, Regional Juvenile Detention, City Capital Projects and Comprehensive Services Act Funds:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of Industrial Development Authority (IDA), City Council Report # 15 regarding approving the issuance of bonds not to exceed $5,600,000 through the Economic Development Authority of Amherst County, Virginia (EDA), for Randolph College was considered. Mr. Ted Craddock, Lynchburg IDA legal counsel, provided a brief summary regarding the request. On motion of Council Member Johnson, seconded by Council Member Gillette, Council by the following recorded vote adopted Resolution #R-08-055, as presented, approving the issuance of bonds not to exceed $5,600,000 through the Economic Development Authority of Amherst County, Virginia (EDA), for Randolph College:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7
Noes: 0

// In the matter of City Council, City Council Report #16 regarding establishing a Local Sesquicentennial Committee and designating Greg Starbuck, Executive Director of the Historic Sandusky Foundation, as liaison to coordinate with the Virginia Sesquicentennial of the American Civil War Commission was considered. City Manager Kimball Payne provided a brief summary regarding the request. Council Member Garrett stated that he serves on the Historic Sandusky Foundation Board, that he does not receive any funding for his service and therefore does not have a conflict of interest, and that he is able to participate objectively and in the public interest regarding this matter. On motion of Council Member Seiffert, seconded by Council Member Gillette, Council by the following recorded vote adopted Resolution #R-08-056, as presented, establishing a Local Sesquicentennial Committee and designating Greg Starbuck, Executive Director of the Historic Sandusky Foundation as liaison to coordinate with the Virginia Sesquicentennial of the American Civil War Commission:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// In the matter of Community Planning - General, City Council Report # 17 regarding approving the public street dedication and naming of "Wheatland Court" in the Ivy Creek Farm Subdivision off Link Road was considered. City Planner Tom Martin provided a brief summary regarding the request. On motion of Council Member Helgeson, seconded by Council Member Gillette, Council by the following recorded vote adopted Resolution #R-08-057, as presented, approving the public street dedication and naming of "Wheatland Court" in the Ivy Creek Farm Subdivision off Link Road:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// In the matter of FY2009 Budget/CIP, City Council Report #18 regarding adoption of the FY2009 Budget and FY2009-2013 Capital Improvement Program (CIP) was considered. City Manager Payne provided a brief summary regarding the request. Council Members decided to vote on each budget ordinance separately. Council Member Garrett inquired regarding information contained in a letter placed before Council just prior to the meeting from Mike Carroll, General Manager, Greater Lynchburg Transit Company (GLTC), regarding a projected surplus of $376,907 due to additional funds from the State. GLTC General Manager Mike Carroll stated that recently GLTC learned that the amounts originally programmed in its budget for Federal and State operating assistance were lower than the amounts now reflected in the State's Six Year Transportation Plan, and that it is anticipated that the net result is that GLTC will have a revenue in excess of projected expenditures of $376,907. Mr. Carroll explained that the GLTC Board of Directors is recommending that this amount be tagged as an "unobligated reserve" in its budget to provide a source of funding for GLTC should budgeted funds not be sufficient in FY2009 due to extremely volatile fuel prices and to help reduce future requests to City Council for funding. Council Members discussed other options for use of the projected surplus, including funding the five additional police officers and related equipment that were not budgeted due to lack of resources. Mr. Carroll informed that the primary cause of the additional State revenue is the boost in transit funding and that it is his understanding that the intent of the General Assembly, as expressed by the staff of the Virginia Department of Rail & Public Transportation, is that any additional State funds are to be utilized for service enhancements and not to reduce the local match. City Manager Kimball Payne recommended that City

Council take no action at tonight's meeting regarding the $376,907 and to allow staff time to determine if there are any "strings" attached to the additional monies from the State. Mr. Payne went on to say that staff could also prepare some options for City Council to consider at the May 27 work session. Mr. Payne stated that he would like for City Council to go ahead and introduce the budget ordinances as presented since City Council would need to take action at some point regarding the additional State funding. In response to questioning, Mr. Payne stated that the action could be in the form of a budget amendment. Following discussion, and on motion of Council Member Gillette, seconded by Council Member Seiffert, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-058, as presented, adopting the FY 2009 General Fund Operating Budget (excluding External Service Provider expenditures) and appropriating $178,430,834 for this budget:

Ayes: Dodson, Garrett, Gillette, Johnson, Seiffert, Foster 6

Noes: Helgeson 1

On motion of Council Member Johnson, seconded by Vice Mayor Dodson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-059, as presented, adopting the FY 2009 Mandated and Contractual External Service Providers Budget and appropriating $6,505,875 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-060, as presented, adopting the FY 2009 Central Virginia Area Agency on Aging Budget and appropriating $15,000 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-061, as presented, adopting the FY 2009 Central Virginia Community College Board and Related Operations Budget and appropriating $1,834 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Vice Mayor Dodson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-062, as presented, adopting the FY 2009 Court Appointed Special Advocate Budget and appropriating $12,000 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Johnson, seconded by Council Member Gillette, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-063, as presented, adopting the FY 2009 Dr. Martin Luther King, Jr./Lynchburg Community Council Budget and appropriating $5,000 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Garrett, seconded by Council Member Gillette, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-064, as presented, adopting the FY 2009 Region 2000 Economic Development Council Budget and appropriating $82,250 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Johnson, seconded by Council Member Garrett, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-065, as presented, adopting the FY 2009 Robert E. Lee Soil & Water Conservation District Budget and appropriating $10,000 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-066, as presented, adopting the FY 2009 Virginia Legal Aid Society Budget and appropriating $10,000 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

Council Members Helgeson and Seiffert expressed concern regarding the increase in the Schools budget in light of declining student enrollment. On motion of Vice Mayor Dodson, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-067, as presented, adopting the FY 2009 School Operating Budget and appropriating $94,773,891 for this budget:

Ayes: Dodson, Garrett, Gillette, Johnson, Foster 5

Noes: Helgeson, Seiffert 2

On motion of Vice Mayor Dodson, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-068, as presented, adopting the FY2009 Greater Lynchburg Transit Budget and appropriating $6,268,268 for this budget:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Budget Ordinance #O-08-069, as presented, adopting all other FY 2009 Operating Fund Budgets and appropriating the sums for each fund:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Johnson, seconded by Council Member Gillette, Council by the following recorded vote introduced and laid over to a later meeting for final action Ordinance #O-08-070, as presented, adopting the FY 2009-2013 Capital Improvement Program:

Ayes: Dodson, Garrett, Gillette, Johnson, Seiffert, Foster 6

Noes: Helgeson 1

On motion of Council Member Seiffert, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Ordinance #O-08-071, as presented, adopting the FY 2009 Capital Budget and appropriating $27,881,658 for the City Capital Projects Fund; $1,478,520 for the Schools Capital Projects Fund; $1,300,000 for the Airport Capital Projects Fund; $6,972,000 for the Water Capital Projects Fund; and $18,225,000 for the Sewer Capital Projects Fund:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Johnson, seconded by Council Member Garrett, Council by the following recorded vote introduced and laid over to a later meeting for final action Ordinance #O-08-072, as presented, approving the payment of monetary incentives, awards and bonuses to City employees under certain circumstances:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

On motion of Council Member Gillette, seconded by Council Member Johnson, Council by the following recorded vote introduced and laid over to a later meeting for final action Ordinance #O-08-073, as presented, setting the personal property tax relief rate for the fiscal year beginning July 1, 2008 through June 30, 2009 at 52.94%:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// On motion of Council Member Johnson, seconded by Council Member Seiffert, Council by the following recorded vote elected to hold a closed meeting to consider appointments to Council-appointed Boards and Commissions, i.e., School Board, and a discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the City pursuant to Section 2.2-3711(A)(1) and (5), respectively, of the Code of Virginia, 1950, as amended:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster 7

Noes: 0

// The meeting was re-opened to the public.

// Council Member Gillette made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Seiffert, and Council by the following recorded vote adopted the motion:

Ayes: Dodson, Garrett, Gillette, Helgeson, Johnson, Seiffert, Foster	7
Noes:	0

// The meeting was recessed at 11:33 P.M. to May 27, at 1:00 P.M., to conduct a work session regarding several items.

Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 27, 2008** AGENDA ITEM NO.: 17

CONSENT: REGULAR: **X** CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Continuation of the Public Hearing Regarding School Board Appointments**

RECOMMENDATION:

To receive input from citizens regarding appointments (or reappointments) to vacancies that will exist June 30 in each of the three (3) School Board representational districts.

SUMMARY:

The Code of Virginia stipulates that Council may appoint only those nominees or applicants whose names have been considered at a public hearing. The May 13 public hearing was continued in order to allow more time for public input. The City Code requires that these appointments be made during the month of June; so therefore, no action may be taken on this matter except at the June 10 or June 24 meetings.

PRIOR ACTION(S):

May 13, 2008: City Council Public Hearing

FISCAL IMPACT:

None

CONTACT(S):

Pat Kost 455-3982

ATTACHMENT(S):

None

REVIEWED BY: lkp

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 27, 2008** AGENDA ITEM NO.: 18

CONSENT: REGULAR: **X** CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Amendment to the Region 2000 Services Authority Member Use Agreement**

RECOMMENDATION: After a public hearing, adopt a resolution approving the revised Member Use Agreement for the Region 2000 Services Authority incorporating references to add the County of Appomattox as a member of the Authority and incorporating other minor changes.

SUMMARY: The Region 2000 Services Authority continues its work to take over and operate the Lynchburg landfill as a regional resource on July 1, 2008. The decision of Appomattox County to join in this regional initiative requires that the Member Use Agreement be amended to include that locality. Four other minor changes are included in this revision: clarification of excess revenues, confirming the delay in the actual conveyance of the Campbell County landfill due to pending litigation, acknowledging Appomattox County's intent to utilize its existing landfill until closure and minor changes that deal with tax exempt bond issuance. Accordingly, all of the member localities (Appomattox County, Campbell County, Nelson County, Bedford City and Lynchburg) are conducting the requisite public hearings and are being asked to adopt the appropriate resolution.

PRIOR ACTION(S):

- Local Government Council and solid waste staff (from localities) explored various options
- Phase I Report completed by R. W. Beck in April 2005
- Phase II Report completed by R. W. Beck in May 2006
- Region 2000 Proof of Concept Report in December 2006 with DEQ response in January 2007
- City Council approved funding to implement the Regional Solid Waste Management Initiative in February 2007
- City Council approved resolution adopting Articles of Incorporation establishing the Region 2000 Services Authority and entering into a Member Use Agreement on July 10, 2007
- City Council approved resolution adopting revised Articles of Incorporation and Member Use Agreement to remove references to Amherst County on October 9, 2007.
- City Council approved resolution in support of a Regional Solid Waste Management Plan on March 11, 2008.
- Appomattox County voted on Monday, May 19, 2008 to join the Region 2000 Services Authority.

FISCAL IMPACT: Considerable long term savings for City of Lynchburg and participating members regarding solid waste disposal activities

CONTACT(S): Kimball Payne, 455-3990; Dave Owen, 455-6708

ATTACHMENT(S): Revised Member Use Agreement (black-lined version), Resolution

REVIEWED BY: lkp

RESOLUTION

WHEREAS, the Counties of Campbell and Nelson and the Cities of Lynchburg and Bedford established the Region 2000 Services Authority (the "Authority") by adopting Articles of Incorporation which were approved by the Commonwealth of Virginia State Corporation Commission effective December 28, 2007; and

WHEREAS, Appomattox County has indicated its desire to become a member of the Authority and to participate in the regional solid waste effort; and

WHEREAS, the governing bodies of the other Member Jurisdictions are willing to allow Appomattox to become a member of the Authority.

NOW THEREFORE, BE IT RESOLVED by the Authority and the Boards of Supervisors of Appomattox, Campbell and Nelson Counties and the City Councils of Lynchburg and Bedford, pursuant to Section 15.2-5112 of the Code of Virginia (1950), as amended, and following duly advertised public hearings, that Appomattox County shall become a member of the Authority, effective upon issuance of a certificate approving such expansion of the Authority by the State Corporation Commission. Appomattox has paid the Authority $27,000.00, and shall make an additional payment of $95,607.00 to the Authority prior to August 1, 2008 to reimburse the Authority its proportional share of the engineering, legal and other costs associated with the initial creation of the Authority.

The Board of the expanded Authority shall consist of the following five members, who shall serve for an initial term of 3 years expiring June 30, 2008. Subsequent terms shall be for three years.

Appomattox County

Member - Aileen T. Ferguson
P.O. Box 863, Appomattox, VA 24522
Alternate – John K. Spencer

Campbell County

Member – R. David Laurell
P.O. 100, Rustburg, VA 24588
Alternate – Clifton M. Tweedy

Nelson County

Member - Stephen A. Carter
P.O. Box 336, Lovingston, VA 22949
Alternate – Susan E. McSwain

City of Lynchburg

Member – L. Kimball Payne, III
900 Church Street, Lynchburg, VA 24504
Alternate – David A. Owen

City of Bedford

Member - Charles Kolakowski
P.O. Box 807, Bedford, VA 24523
Alternate – Barrett F. Warner

BE IT FURTHER RESOLVED by the Authority and the Boards of Supervisors of Appomattox, Bedford and Nelson Counties and the City Councils of Lynchburg and Bedford that the First Amendment to the Region 2000 Services Authority Member Use Agreement is hereby approved, and the Chairman of the Board of Supervisor and/or Mayor of each governing body is authorized to sign the Amendment on behalf of each locality.

Adopted this _____ day of _______, 2008.

By: ___________________________________
Clerk of Council

064L

FIRST AMENDMENT TO THE REGION 2000 SERVICES AUTHORITY MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the ____ day of ________, ~~2007~~2008, by and among the Region 2000 Services Authority **("Authority")**, a public body politic and corporate, organized under the laws of the Commonwealth of Virginia, and the County of Campbell, Virginia **("Campbell")**, the County of Nelson, Virginia **("Nelson")**, the County of Appomattox **("Appomattox")**, the City of Lynchburg, Virginia **("Lynchburg")** and the City of Bedford, Virginia **("Bedford")**, each a political subdivision of the Commonwealth of Virginia **(collectively the "Member Jurisdictions")**.

RECITATIONS:

R-1 The Member Jurisdictions have created the Authority by adopting concurrent resolutions containing Articles of Incorporation.

R-2 Lynchburg and Campbell each independently own and operate a solid waste disposal landfill, one located in each jurisdiction.

R-3 Nelson does not own or operate a currently active solid waste disposal landfill. Bedford and Appomattox currently ~~owns and operates a landfill~~ own and operate landfills which will not be owned by the Authority.

R-4 After extensive study and analysis, the Member Jurisdictions have determined that it would be more economical and efficient to form a regional authority to own and operate the separate landfills identified in R-2 in a single, coordinated manner and to otherwise provide for solid waste disposal on a regional basis as provided for in this Agreement.

R-5 The Member Jurisdictions and the Authority have negotiated terms on which Lynchburg and Campbell will convey title to ~~their solid waste landfill Facilities~~ the Lynchburg Facility and the Campbell Facility (each as defined herein), respectively, to the Authority, and also transfer to the Authority all improvements thereto, equipment, permits, and other documentation that is related to ownership and operation of the ~~Facilities~~Campbell Facility and the Lynchburg Facility, and terms by which the Authority will operate the Facilities (as defined herein) for the benefit of the Member Jurisdictions.

That for and in consideration of the mutual and reciprocal benefits inuring to the parties hereunder, and in further consideration of the duties imposed upon the parties hereby, the parties covenant and agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise defined, each capitalized term in this Agreement shall have the meaning set forth below.

"Acceptable Waste" means non-hazardous "municipal solid waste," "industrial waste," "agricultural waste," and "construction waste," as defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, *et seq.* **("Regulations")**, as may be amended from time to time, and such other wastes as the Authority shall agree in writing to accept from time to time, subject to such limitations and exclusions as are imposed by Applicable Law, or as identified in ~~the~~any applicable permit, and excluding all Unacceptable Wastes.

"Act" means the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia, 1950, as now in effect or as hereafter amended.

"Annual Budget" means the annual budget of the Authority as described in Section 5.10.

"Annual Deficit" means any actual deficit at the end of a Fiscal Year consisting of an excess of actual Operating Costs over actual Operating Revenues for such Fiscal Year incurred by the Authority~~ acting pursuant to an Annual Budget and any amendments~~.

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession or operation (including but not limited to closure and post-closure operations) of any of the Facilities or the performance of any obligations under any agreement entered into in connection therewith.

"Articles of Incorporation" means the Articles of Incorporation of the Authority as they may be amended from time to time.

"Authority Board" means the Board of the Authority as set forth in the Articles of Incorporation.

"Authority Default" means any of the events of default described in Section 6.2.

"Authority Director" means an individual appointed by the Authority to manage the operations of the Authority, subject to the control and direction of the Authority Board.

"Bonds" means any bonds (as defined in the Act) issued by the Authority to finance the acquisition, construction and equipping of the Facilities, including any bonds issued to refund such bonds, but shall not include Subordinate Bonds.

"Business" means a commercial establishment, other than a Private Hauler, operating in a Member Jurisdiction.

"Bylaws" means the Bylaws of the Authority, as they may be amended from time to time.

"Campbell Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit number 285 that ~~was~~is separately owned and operated by Campbell prior to the creation of the Authority, and that is to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Capital Expenditure" means any single expenditure intended to benefit the Facilities, and which will be amortized over more than one (1) Fiscal Year, or is for such dollar amount as may be established by the Authority Board.

"DEQ" means the Virginia Department of Environmental Quality, or its successor agency.

"Debt Service Payments" means the payments of principal, premium, if any, and interest required to be made by the Authority by the terms of any Bonds or Subordinate Bonds. ~~It shall also include any payments to Member Jurisdictions that have advanced funding to the Authority.~~

"Designated Hauler" means any business entity other than a Member Jurisdiction (1) which is entitled to deliver Acceptable Waste to the Facility on behalf of a Member Jurisdiction for a fee paid by the Member Jurisdiction, (2) which collects Acceptable Waste pursuant to a contract with or franchise from the Member Jurisdiction and is designated ~~to the Authority~~in writing as such by the Member Jurisdiction~~ in writing~~, or (3) which collects Acceptable Waste from a town located in one of the counties which is a Member Jurisdiction and which is designated in writing as such by the Member Jurisdiction.

"Event of Default" means any of the events of default set forth in Section 6.2 and 6.3.

"Excess Revenue" means the sum of the incremental difference between the revenue contribution of the existing Lynchburg and Campbell contracts and market rate customers (all private haulers) beyond the cost of service disposal fee. Excess Revenue will be distributed to Lynchburg and Campbell , respectively, based on the amount of Facility air space contributed, respectively to the Authority. The amount of excess revenue will depend upon the cost of service rate each year. ~~tipping fee per ton charged to each Private Hauler and the tipping fee per ton charged to the Member Jurisdictions multiplied by each Private Hauler's total tonnage delivered to the regional landfills Facilities during a fiscal yearFiscal Year.~~

~~"Facility" or "Facilities" means the solid waste disposal landfills, including all improvements thereto, that were separately owned and operated by Lynchburg and Campbell, respectively, prior to the creation of the Authority, and that are to be subsequently conveyed to the Authority for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ. The landfills shall be referred to as the "Lynchburg Facility" (DEQ permit numbers 273 and 558), or the "Campbell Facility" (DEQ permit number 285), respectively, if the context requires such specificity, otherwise the use of "Facility" or "Facilities" includes both landfills owned and operated by the Authority, and any improvements thereto.~~ "Facility" or "Facilities" means the Campbell Facility, the Lynchburg Facility, any improvements, additions, extensions and replacements thereto and any other facilities hereinafter operated by the Authority related to solid waste disposal. A plat showing the boundaries of each of the Facilities to be transferred to the Authority is attached hereto as Exhibit A. Campbell and Lynchburg shall be responsible for preparing the plats. The Lynchburg Facility and the Campbell Facility include closed landfills which will be transferred to the Authority, but will remain the financial responsibility of Lynchburg and Campbell respectively. The area of the closed landfills will be shown on **Exhibit A**.

"Financial Assurance" means the ability to satisfy DEQ, as required by law and in accordance with one or more financial mechanisms set forth in DEQ regulations, that the Authority has sufficient financial ability to fund closure and post-closure activities at the Facilities as ~~defined~~required by DEQ.

"Fiscal Year" means the period from July 1 of one year to June 30 of the next year.

"Hazardous Waste" means "hazardous waste" as defined in the Code of Virginia and as more specifically defined in the Virginia Hazardous Waste Management Regulations, currently 9 VAC 20-60, *et seq*, as may be amended from time to time.

"Indenture" means any indenture of trust, trust agreement or similar agreement, including any supplement, modification or amendment thereto, entered into between the Authority ~~had~~and a corporate trustee, pursuant to which Bonds are issued.

"Lynchburg Facility" means the solid waste disposal landfill, including all improvements thereto, subject to DEQ permit numbers 273 and 558 that are separately owned and operated by Lynchburg prior to the creation of the Authority, for the Authority to own and operate subject to the terms of this Agreement and as permitted by DEQ.

"Member Jurisdiction" means the initial localities that enter into this Agreement, and any additional localities that subsequently enter into this Agreement as members of the Authority.

"Member Jurisdiction Default" means any of the events of default described in Section 6.3.

~~"Indenture" means any Indenture of Trust entered into between the Authority and a corporate trustee, pursuant to which the Bonds are issued.~~

"Operating Costs" means all actual costs of the Authority ~~property~~ properly allocable to acquiring, constructing, equipping, maintaining and operating the Facilities as set forth in the Annual Budget, including, but not limited to:

(1) Salaries and fringe benefits of employees;

(2) Utilities, fuel, equipment (including but not limited to trucks and heavy equipment) tools and supplies;

(3) All costs incurred for engineering services, and other services, which may include design, permitting, operation, testing, monitoring, closure, post-closure and corrective action;

(4) All costs for compliance with all permit conditions and compliance with Applicable Law, including costs for treatment and disposal of leachate or materials inappropriately disposed or delivered to the Facilities;

(5) Debt Service Payments;

(6) All costs incurred for legal services, which may include zoning, permitting, financing, issues related to the operation of the Facilities, and defense of claims brought against the Authority;

(7) Insurance costs and the costs of bonds, letters of credit, escrows or other ~~financial assurance~~Financial Assurance or allowance for environmental monitoring and assurance, closure, post-closure or property value guarantees, or for compliance with Applicable Law;

(8) Capital Expenditures necessary for compliance with Applicable Law, Capital Expenditures necessary for normal maintenance and reasonable periodic expansion of improvements to the Facilities,

and Capital Expenditures incurred in connection with Uncontrollable Circumstances;

(9) Purchase and maintenance costs of equipment and maintenance of the Facilities;

(10) All accounting and bookkeeping fees and charges;

(11) All costs associated with uncollectible accounts;

(12) All amounts required to be paid by the Authority to create funds required by an Indenture, or to replenish deficits in any such funds;

(13) Any fees fines or costs which may be imposed by the ~~Virginia Department of Environmental Quality (“~~DEQ~~”),~~ or any other federal, state or local agency or department having jurisdiction, whether intermittently or on an annual basis.

(14) Any payments made to Virginia’s Region 2000 Local Government Council or other governmental entity for services provided to the Authority.

(15) Amounts paid to reserve accounts created by the Authority to maintain such accounts at required levels.

“Operating Revenues” means all income and revenues derived by the Authority from the ownership or operation of the Facilities, but excluding any payments of a Member Jurisdiction’s Pro Rata Share.

“Private Hauler” means any person (other than a Member Jurisdiction or a Designated Hauler) who collects waste from within the Member Jurisdiction’s boundaries and who disposes of Acceptable Waste at the Facilities.

“Pro Rata Share” means each Member Jurisdiction’s share of the Annual Deficit, which shall be a fraction of the Annual Deficit determined as follows: the numerator shall be the total tons of Acceptable Waste which was delivered to the Facilities by that Member Jurisdiction and its Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred; the denominator shall be the total tons of Acceptable Waste which was delivered to the Facilities by all Member Jurisdictions and their Designated Haulers, Private Haulers, Businesses and Residents in the Fiscal Year (or partial Fiscal Year, for the first year of operation, if applicable) in which the Annual Deficit occurred.

“Resident(s)” means a person residing in a Member Jurisdiction.

"Start-Up Date" means the date that ~~title~~the Authority commences operation of a Facility (which is expected to ~~the Facilities is transferred to the Authority~~be July 1, 2008).

"Subordinate Bonds" means bonds, notes or other evidence of indebtedness of the Authority secured by a pledge or revenues expressly made subordinate to the pledge of revenues to secure payment of the Bonds.

"Tipping Fee" means the fee payable to the Authority for the disposal of Acceptable Waste.

"Unacceptable Waste" means all waste other than Acceptable Waste.

"Uncontrollable Circumstance" means any event or condition, whether affecting the Facilities, any Member Jurisdiction or the Authority, that interferes with the acquisition, design, construction, equipping, start-up, operation, ownership or possession of the Facilities or other performance required hereunder, if such event or condition is beyond the reasonable control, and not the result of willful action of the party relying thereon as justification for any nonperformance including but not limited to an act of God, storm, flood, landslide, earthquake, fire or other casualty, war blockade, insurrection, riot, the order or judgment of any local, state, or federal court, administrative agency or governmental officer or body (other than such an officer or body of the party relying thereon), a strike, lockout or other similar labor action.

ARTICLE II

TERM OF AGREEMENT

Section 2.1. Term.

This Agreement shall become effective upon its execution by authorized officers of all Member Jurisdictions and the Authority, subject to the terms and conditions contained herein, and shall be effective for a term of fifty (50) years, commencing on the date hereof, unless further extended pursuant to the provisions of the Act, provided that this Agreement shall in any event continue until adequate closure and post-closure obligations and responsibilities with respect to the Facilities have been met, and provided further that as long as any Bonds or other debt of the Authority remains outstanding, this Agreement cannot be terminated.

Section 2.2. Amendments.

The Authority and Member Jurisdictions covenant and agree that except as stated herein the terms, conditions and requirements contained in this Agreement shall apply equally to each Member Jurisdiction, and further covenant and agree that this Agreement shall not be amended or changed in any way without the consent of the Authority and the consent of the governing body of each Member Jurisdiction.

ARTICLE III

FACILITY PURCHASE AND OPERATION

Section 3.1. Facility Purchase.

(1) The Authority agrees to purchase the ~~Facilities~~Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from ~~the County of~~ Campbell and ~~the City of~~ Lynchburg, and those Member Jurisdictions agree to sell the ~~Facilities~~Campbell Facility and the Lynchburg Facility, respectively, including the respective designated buildings, equipment and rolling stock, to the Authority. The closing on such purchase shall take place on or about July 1, 2008, assuming the Authority has sufficient funding in place to complete the purchase and that the Authority has been able to obtain title insurance indicating that the localities own the property in fee simple and that there are no objections to the title. The localities agree to transfer the property with a Special Warranty Deed. The closing on the purchase of the real estate and improvements portion of the Campbell Facility may be deferred, at the option of the Authority, until conclusion of certain pending litigation related to the closed portion of the Campbell Facility. In the event of such delay, the Authority will enter into an agreement with Campbell relating to the maintenance and operation of the Campbell Facility until such purchase.

The purchase price for ~~each~~the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of ~~the~~ those Facilities as determined in an independent assessment by R. W. Beck, Inc. The assets include the site improvements, the landfill capacity and land, the buildings, the equipment and rolling stock, and the closure and post-closure reserve funds that Lynchburg and Campbell agree to transfer to the Authority. The liabilities include the ~~outstanding debt that Lynchburg and Campbell currently have on the Facilities, and the~~ cost of closure and post-closure for the portion of the Facilities that have been used prior to transfer. An estimate of the assets and liabilities, and the net amount to be paid to Lynchburg and/or Campbell, or the net amount that Lynchburg and/or Campbell agree to pay to the Authority, are set forth in **Exhibit B**. A final determination of net assets and liabilities, and the amount to be paid to or paid by Lynchburg and Campbell, respectively, will be ~~made~~ further estimated as of the date of closing of each such purchase by R. W. Beck, Inc. using the same methodology and will reflect arms-length transactions between the Authority and Campbell and the Authority and Lynchburg, respectively. The final amounts will be approved by the Authority Board.

(2) The Authority ~~may~~ intends to purchase the Facilities through the issuance of any debt instrument legally available to the Authority, including, but not limited to the

issuance of Bonds~~ and entering into a contract with one or more of the Member Jurisdictions willing to advance the funding for a portion of such purchase or the entire purchase~~.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the ~~Facilities from~~ Campbell Facility and the Lynchburg Facility, respectively, to the Authority as provided in Section 3.1, the Authority agrees that it will equip, operate and maintain the Facilities. The Authority further agrees to use its best efforts to obtain the necessary permits and approvals required under Applicable Law to equip, operate and maintain the Facilities. This includes the maintenance of the closed landfills in Campbell and Lynchburg, respectively, the cost of which shall be paid annually to the Authority by Campbell and Lynchburg, respectively.

(2) The Authority shall construct and maintain at its expense any improvements and buildings necessary for the operation of the Facilities and shall furnish all labor, tools, and equipment necessary to operate the Facilities, in accordance with Applicable Law.

Section 3.3. Use of Facilities.

Use and operation of the Facilities shall be conducted in compliance with the terms and conditions of any permit lawfully issued by the appropriate locality, and such permits as are issued by DEQ, whether issued or amended before or after the effective date hereof.

Section 3.4. Use of Facilities Following Closure.

Following the closure of each of the Facilities, the Member Jurisdiction that previously owned the Facility shall have the right to use such Facility for recreational purposes or other use approved by the Authority, subject to an ~~Agreement~~ agreement with the Authority whereby the Member Jurisdiction accepts responsibility for any liability associated with such use.

Section 3.5 Operation of Facilities.

All of the operations, management and fiscal services of the Authority shall be provided through contractual arrangements through the Virginia's Region 2000 Local Government Council.

ARTICLE IV

OBLIGATIONS RELATING TO DELIVERY AND ACCEPTANCE OF WASTE

Section 4.1. Acceptance of Waste by Authority.

(1) Beginning on the Start-Up Date and continuing throughout the term of this Agreement, the Authority agrees to accept and dispose of Acceptable Waste delivered by Member Jurisdictions, Designated Haulers, Private Haulers, Businesses and Residents in accordance with the terms of this Agreement, for the useful life of the Facilities.

(2) To the extent permitted by law, each Member Jurisdiction hereby covenants that all Acceptable Waste generated in its political jurisdiction, and over which each Member has control, shall be delivered to the Facilities for disposal pursuant to the Facility Schedule developed pursuant to Section 4.1(3). Sludge, household hazardous waste and recyclable materials may be disposed of separately by the Member Jurisdictions. Bedford's ~~County may use its~~~~County's~~ existing landfill may be used for construction and demolition debris from ~~City~~Bedford Residents and Businesses and as emergency backup for the transfer station operated by ~~the City~~Bedford. Appomattox's existing landfill may be used by Appomattox until closed, which is expected in 2009.

(3) The Member Jurisdictions agree that concurrent use of ~~both landfills~~ the Campbell Facility and the Lynchburg Facility is not intended nor is it the most efficient allocation of the Authority's resources. Therefore, the Campbell Facility will be subject to interim closure while the Lynchburg Facility will remain in operation as the primary recipient of Acceptable Waste. Pursuant to this understanding and prior to the Start-Up Date, the Authority shall develop a schedule designating when ~~each Facility (Lynchburg Facility, and~~ the Campbell Facility~~)~~ and the Lynchburg Facility will each be in active operation, when each will be in interim closure and permanently closed, and directing each Member Jurisdiction's Acceptable Waste to the appropriate landfill in accordance with this schedule. The schedule shall be reviewed and amended from time to time as deemed appropriate by the Authority.

(4) The Authority may, but is not required to, receive Acceptable Waste from outside the Member Jurisdictions.

Section 4.2. Operating Rules.

The Authority shall promulgate specific rules and procedures for the use and operation of the Facilities, which shall be deemed a part of this Agreement following notice to Member Jurisdictions of such rules. The rules and procedures may be modified by the Authority from time to time upon notice to Member Jurisdictions from the Authority. A copy of such operating rules shall be available at the offices of the Authority upon request. The Member Jurisdictions agree to be bound by such rules and procedures. The rules may include fines for attempts to dispose or disposal, of Unacceptable Waste at the Facilities and procedures for banning Designated Haulers, Private Haulers, Businesses, Residents and any other persons who violate the rules from using the Facilities. The Authority and Member Jurisdictions agree that such rules and procedures shall not be inconsistent with this Agreement.

Section 4.3. Use of Facilities by Member Jurisdictions.

The Authority and Member Jurisdictions agree that no person or entity shall be permitted to utilize the Facilities except pursuant to the general terms and conditions of this Agreement.

Section 4.4. Title to Acceptable and Unacceptable Waste.

(1) Upon the Authority's acceptance of any Acceptable Waste, the Authority shall acquire title to such Acceptable Waste.

(2) The Authority shall never be deemed to have acquired title to Unacceptable Waste unless it specifically represents that it is aware the waste is Unacceptable Waste and it is specifically taking title to the same. Inoperability of the Authority's scales shall not affect the transfer of title.

(3) In the event of any dispute concerning title to any waste, the Member Jurisdiction which disputes the Authority's position shall have the burden of proof. If the Authority denies its title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was duly transferred to the Authority. If the Authority asserts a claim of title to any waste, the dissenting Member Jurisdiction must prove that the title thereto was not duly transferred to the Authority.

Section 4.5. Disposal of Unacceptable Waste.

(1) If, prior to the disposal thereof, the Authority determines that any waste delivered to a Facility is Unacceptable Waste, the Unacceptable Waste will not be disposed of at the Facility.

(2) If after the disposal thereof, the Authority determines that any waste disposed of at a Facility is Unacceptable Waste, the disposing party shall cause the Unacceptable Waste, and any material contaminated by such Unacceptable Waste, to be promptly removed and properly disposed of at its own expense, and if the party so responsible for disposal fails to promptly effect such removal and disposition, the Authority may do so, in which event the party so responsible for disposal shall be liable to the Authority for all costs incurred by it. Such costs shall include direct and indirect costs of removal, overhead, fines, penalties, and any loss or liability incurred as a result of the improper disposal of such U~~unlawful u~~nacceptable ~~waste~~Waste. If the disposing party fails to pay the amount determined as aforesaid within thirty (30) days from the date the Authority sends its invoice, the Authority shall have the right to pursue collection through any lawful means, and shall have the right to recover all costs incurred by it in such collection, including reasonable attorney's fees.

(3) If the Authority has the ability to do so, the Authority shall afford the disposing party the opportunity to defend itself against any proposed imposition of fine or penalty, or any claim brought on the basis of liability resulting from the alleged disposal of Unacceptable Waste.

Section 4.6. ~~-~~Recycling and Solid Waste Management Plan.

The Authority will be responsible for preparing the Solid Waste Management Plan for the Member Jurisdictions for submission to the Virginia Department of Environmental Quality. The Authority will also assist the Member Jurisdictions in preparing and submitting all reports required by state law or DEQ regarding recycling, including reporting from Businesses and shall have the authority to operate such recycling programs as approved by the Authority Board.

Section 4.7. Litter Control. The Authority shall use its best efforts to keep the roads leading into ~~each of the Facilities~~any Facility free from litter.

ARTICLE V

TIPPING FEES; OTHER CHARGES

Section 5.1. Tipping Fees.

(a) From and after the Start-Up Date, the Authority shall charge Tipping Fees for Acceptable Waste delivered to any of the Facilities and accepted by the Authority for disposal at a Facility's landfill, and for other services rendered by the Authority. The Tipping Fees shall be established by ~~July~~ March 1 of each year (other than the initial year, which will be established by June 1 of such year) and an estimate shall be provided to the Member Jurisdictions by February 1 for budget purposes. Subject to the terms and conditions of this Agreement, the Authority and Member Jurisdictions recognize and agree that there may be separate schedules of Tipping Fees, which schedules may include the following: (i) Member Jurisdictions; (ii) Designated Haulers; (iii) Private Haulers; (iv) Business and (v) Residents. Member Jurisdictions shall be responsible for payment of any Tipping Fees incurred by a Designated Hauler of each Member Jurisdiction. The Authority shall establish its Tipping Fees for any given Fiscal Year in an amount (based upon the Authority's projection of total tonnage for the upcoming Fiscal Year) that will provide Operating Revenues at a minimum sufficient to pay (1) all Operating Costs (excluding Debt Service Payments) less existing surplus funds above a reasonable operating reserve established by the Authority that are available to pay such Operating Costs, plus (2) 1.15 times any Debt Service Payments due in the upcoming Fiscal Year or any higher coverage level required in connection with any of the Authority's outstanding Bonds ~~other than Bonds issued as subordinate indebtedness~~ plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to ~~subordinate indebtedness.~~Subordinate Bonds. Once so established, the Tipping Fees may be adjusted from time to time during a Fiscal Year to correct an error in calculation or projections of tonnage or to prevent a default in the payment of the principal of, or the premium, if any, or interest on, any Bonds of the Authority, but a minimum of sixty (60) days' notice of any proposed increase in the Tipping Fees must be provided to the Member Jurisdictions and their Designated Haulers. In addition, notwithstanding any contrary provision of this Agreement, the Authority shall revise its charges as often as may be necessary so as to produce revenues sufficient at all times to pay the Operating Costs and Debt Service Payments, unless other funds are available for such purposes.

(b) The Authority shall set the Tipping Fees for Private Haulers on a cost – plus methodology, which will allow the Authority to recover the cost of service as well as to allow the Authority to create a capital or other reserve fund or to reimburse the Member Jurisdictions for their capital and other costs. The Authority may set varying fees for Private Haulers based on factors such as annual tonnage disposed, character of the waste and multi-year contracts.

(c) The Authority shall determine what charges, if any, shall apply to Businesses and Residents using the Facilities.

Section 5.2. Payments.

(1) All amounts payable hereunder shall be invoiced on a monthly basis unless otherwise indicated. Amounts invoiced shall be due thirty (30) days after the date of receipt of the invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid. Each such invoice shall set forth the information relevant to a determination of the total amount due, as shown on such invoice. Initially, Member Jurisdictions will pay their respective Tipping Fees six (6) months in advance on July 15, 2008 and January 15, 2009, in order to provide sufficient cash flow funds for the Authority's initial year of operation. Such prepaid amounts shall be based on estimates to be determined by the Authority by June~~ne~~ 15, 2008 and December 15~~December 1~~, 2008~~8~~,~~.~~ respectively.

(2) The Authority shall maintain separate records for the amounts payable by each Member Jurisdiction for its own disposal and for disposal by its Designated Haulers.

Section 5.3. Charges for Deliveries Outside Normal Hours and Other Charges

The Authority shall have no duty to accept waste at times other than a Facility's normal hours of operation, but it may establish such charges for "late" deliveries as it deems appropriate to the extent permitted by Applicable Law. In addition, the Authority may establish charges for any other services provided by the Authority.

Section 5.4. Late Payment.

(1) Any amount payable under this Agreement by Member Jurisdictions, Designated Haulers or Private Haulers that is not paid when due in accordance with this Agreement shall bear interest compounded monthly at the lesser of the following: one and one-half percent (1.5%) for any calendar month, or portion of a calendar month, in which there is an unpaid balance, or, if lower, the highest interest rate allowed by law.

(2) The Authority may pursue collection of delinquent accounts through any means available to it, and the Authority shall be entitled to recover from the non-paying party all costs of collection incurred by it, including reasonable attorney's fees.

Section 5.5. Duty to Pay Amount Invoiced During Pendency of Dispute.

If any Member Jurisdiction disputes ~~that~~ the amount of an invoice presented to it by the Authority, such Member Jurisdiction shall nevertheless pay the Authority the amount so invoiced. Once such dispute is resolved, if the resolution requires a reimbursement by the Authority for overpayment by such Member Jurisdiction, the Authority shall forthwith refund such overpayment.

Section 5.6. Uniform Charges to Member Jurisdictions.

The Tipping Fees charged to Member Jurisdictions shall be uniform, so that no Member Jurisdiction may be charged more for a classification of waste than ~~in~~ any other Member Jurisdiction.

Section 5.7. "Moral Obligation" to Pay Rata Share of Annual Deficit.

(1) Once the Authority determines an Annual Deficit, it shall invoice each Member Jurisdiction for its Pro Rata Share thereof. Each ~~such~~ Member Jurisdiction shall have a "moral obligation" to appropriate its Pro Rata Share of such Annual Deficit and remit payment thereof to the Authority within sixty (60) days from the date it receives such invoice. Invoices shall be deemed received three (3) days after being placed in the U.S. Mail, postage prepaid.

(2) The obligation of each Member Jurisdiction to make payment of its Pro Rata Share under this Section shall be subject to, and contingent upon appropriations being made for such purpose by each governing body of the Member Jurisdiction, which governing body shall have a "moral obligation," but not a legally enforceable obligation, to make such appropriations; provided, however, that within thirty (30) days after receipt of such notice the chief administrative officer of each Member Jurisdiction shall present such invoice for payment to such Member Jurisdiction's governing body. Nothing in this Section or this Agreement shall constitute a pledge of the full faith and credit of any Member Jurisdiction under any provisions of its charter or the Constitution, or statutes of Virginia, or a bond or debt of any Member Jurisdiction within the meaning of any provision of the Constitution, or statues of Virginia, or such Member Jurisdiction's

charter. Subject to the provisions of this Section, the obligation of each Member Jurisdiction to make payments under this Agreement and to observe and perform all other covenants and agreements under this Agreement is unconditional, irrespective of any rights of set-off, recoupment, or counterclaim that any Member Jurisdiction may have, jointly or individually, against the Authority. Each Member Jurisdiction shall notify the Authority promptly after such meeting as to whether the amount so requested was appropriated. If a governing body shall fail to make such appropriation, the chief administrative officer of such Member Jurisdiction shall give written notice to the governing body of the consequences of such failure to appropriate. The current governing body of each Member Jurisdiction, while recognizing that it is not empowered to make any binding commitment to make such appropriations, hereby states its intent to make such appropriations upon request of the Authority and hereby recommends that future governing bodies of the Member Jurisdiction do likewise.

If, as a result of failure of the governing body of any Member Jurisdiction to appropriate monies to make payment of that Member Jurisdiction's Pro Rata Share, such Member Jurisdiction fails to make payment of such Pro Rata Share as set forth in Section 5.7(1) above, the Authority may refuse to allow disposal of Acceptable Waste from such Member Jurisdiction and from designated Haulers, Private Haulers and Residents of such member Jurisdiction. Upon payment by such Member Jurisdiction of such Pro Rata Share, the Authority shall commence disposing of Acceptable Waste from such Member and from Designated Haulers, Private Haulers and Residents of such Member Jurisdictions.

Section 5.8. Member Jurisdictions' Obligation to Pay Costs of Closure, Post-Closure, Corrective Action and Environmental Liability.

(a) Each Member Jurisdiction shall be required to contribute to costs budgeted or incurred for closure, post-closure and corrective action, or an additional charge for services provided by each Facility. The contribution of each such Member Jurisdiction shall be a fraction of the total cost, determined as follows: the numerator shall be the total tons of Acceptable Waste which ~~has~~have been delivered to each Facility by that Member Jurisdiction and its Designated Haulers from the Start-Up Date through the date of the computation; the denominator shall be the total tons of Acceptable Waste which ~~has~~have been delivered to each Facility by all Member ~~Jurisdiction~~ Jurisdictions and their Designated Haulers from the Start-Up Date through the date of the computation. The fractions so determined shall be recomputed annually once the audited financial statement for the Authority is available after the conclusion of each Fiscal Year. Notwithstanding the above, Lynchburg and Campbell shall be responsible, respectively, for the closure, post-closure, and corrective action costs for that portion of the Lynchburg Facility and the Campbell Facility, respectively, that contain landfills that were closed prior to the ~~Effective Date of this Agreement~~transfer of such Facility to the Authority. Lynchburg and Campbell agree to indemnify and hold harmless the other Member Jurisdictions from any costs and/or liabilities associated with the closed portions of the Lynchburg and Campbell Facilities, respectively, and to pay any costs incurred by the Authority relative to the closed portions.

(b)~~–~~ At the time the Authority closes all or part of a Facility and begins post-closure care, the Authority will conduct a f~~F~~inancial true-up to determine if the amount set aside for closure and post-closure is sufficient to cover actual costs. For example, assume the closure cost for the portion of the Facility was estimated to be $2.0 million ~~dollars~~ at the time of closure. If the actual cost is $2.2 million dollars, the M~~m~~ember Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million~~ dollars~~, the Member Jurisdiction would receive a refund or credit of $200,000. Any interest income earned on closure and post-closure reserves will be used for closure and post closure activities for the Facility to which such funds relate and will be taken into account in the financial true-up determination.

(c) Each Member Jurisdiction that operated a closed landfill, or portion of a Facility that was closed prior to the transfer of such Facility, which has been transferred to the Authority shall be responsible for all costs and liability associated with any environmental liability at that closed landfill or portion thereof. For the portions of the landfills that are being transferred to the Authority which have been used by the Member Jurisdiction prior to being transferred but are not closed, a determination will be made at the Start-Up Date as to what percentage of the total capacity of each landfill has been used by the Member Jurisdiction transferring the landfill prior to that date by R.W. Beck, Inc. Subsequently, once such landfill is permanently closed, a capacity true-up determination will be made by the Authority. The Authority and the Member Jurisdiction shall be responsible for all costs and liability associated with any environmental liability for such landfill on the basis of such percentage of capacity, unless it can be determined by ~~Agreement~~agreement of the Member Jurisdiction and the Authority that the source of the environmental liability can be established to have been placed in the landfill either prior to the ~~Start-Up Date (and~~ transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the ~~Start-Up Date and~~ transfer of such closed landfill (in which case the liability shall be that of the Authority). For cells constructed after the ~~Start-Up Date and~~ transfer of such closed landfill, the costs associated with environmental liability shall be the responsibility of the Authority.

Section 5.9. Books and Records.

The Authority shall be responsible for the maintenance of all books, records and accounts necessary to record all matters affecting the Tipping Fees or other amounts payable by or to Member Jurisdictions and the Authority under this Agreement. All such books, records and accounts shall be maintained in accordance with generally accepted accounting principles, shall accurately, fairly and in reasonable detail reflect all the Authority's dealings and transactions under this Agreement and shall be sufficient to enable those dealings and transactions to be audited in accordance with generally accepted accounting principles. Within one hundred twenty (120) days after the close of each Fiscal Year, or, if later, within thirty (30) days after the date the annual report is available, the Authority shall deliver to each Member Jurisdiction an annual report accompanied by a certificate of an independent certified public accountant, including, among other things, a statement of the financial position of Authority at the end of such Fiscal Year, –a statement of Operating Revenues and Operating Costs under this Agreement, and the amount, if any, of the Annual Deficit. All such books, records and accounts shall be available for inspection and photocopying by any Member Jurisdiction on reasonable notice so that it can verify Tipping Fees or other amounts payable under this Agreement. All such books, records and accounts shall be kept by the Authority for at least six years (or any longer period required by Applicable Law).

Section 5.10. Budget.

On or before each March 1, the Authority shall (a) adopt its Annual Budget for the ensuing Fiscal Year, which shall include, without limitation, projected Operating Costs and Operating Revenues, taking into account Tipping Fees established in accordance with Sections 5.1 and 5.6; and (b) provide to each Member Jurisdiction the Annual Budget and Tipping Fees that will be charged to it for the ensuing Fiscal Year; but subject to periodic changes to said Tipping Fees as provided for herein.

Section 5.11. Excess Revenue.

In the event there is Excess Revenue at the end of a Fiscal Year, the Authority Board may vote to distribute some or all of such Excess Revenue to Lynchburg and Campbell, respectively, based on the basis of the relative percentage of available air space each Facility had at the ~~Start-Up Date~~date of transfer. The determination of available air space may be recalculated after transfer if the Authority is able to make use of more available air space for any reason. In the event of such recalculation, the Authority will determine an appropriate financial true-up or change in calculation of Excess Revenue based on such recalculation.

ARTICLE VI

DEFAULT AND TERMINATION

Section 6.1. Remedies for Default.

(1) In the event of the breach by any party of an obligation under this Agreement, the right to recover damages or to be reimbursed will ordinarily constitute an adequate remedy. Therefore no party may terminate its obligations under this Agreement for cause for any breach except as provided in Section 6.4.

(2) Once any payment due from a Member Jurisdiction is delinquent as defined herein, the Authority may refuse to accept Acceptable Waste from such Member Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction. Upon payment by such Member Jurisdiction of all amounts due from it, the Authority shall commence disposing of Acceptable Waste from such Member

Jurisdiction and from Designated Haulers, Private Haulers and Residents of such Member Jurisdiction.

(3) The parties hereto acknowledge that in the event of any Event of Default the non-defaulting party(s) shall be entitled to recover, to the extent proven, all of its (their) respective damages, including incidental and consequential damages, caused by such Event of Default. The parties hereto agree that damages for any such Event of Default may include, without limitation: (i) amounts payable under this Agreement (including, without limitation, Tipping Fees); (ii) lost revenues and damages under any contract unable to be performed or realized, in whole or in part, by reason of such Event of Default; (iii) accelerated amounts if required under any contract or agreement as a result of an Event of Default specified in Section 6.3(~~a~~1); (iv) interest at the rate described in Section 5.4(1) from the date of payment on any amounts borrowed or required to be advanced in connection with such Event of Default, including interest on amounts paid to mitigate damages or prevent a default from arising under any agreement relating to the Facilities or their operations; (v) increased Operating Costs, and (vi) reimbursement for all reasonable expenses and costs, including the fees and expenses of its counsel, incurred in connection with any proceeding brought to recover such damages or to enforce the provisions of this Agreement. To the extent permitted by Applicable Law, the parties hereto hereby waive the right to trial by jury in any action or proceeding brought to enforce, construe or recover damages for any breach of this Agreement.

Section 6.2. Events of Default by Authority.

Each of the following shall constitute an Event of Default by the Authority (“Authority Default”).

(1) The Authority’s persistent or repeated failure or refusal substantially to fulfill any of its material obligations to any Member Jurisdiction in accordance with this Agreement unless such failure or refusal shall be excused or justified by an Uncontrollable Circumstance or a default by a Member Jurisdiction hereunder; provided, however, that no such failure or refusal shall constitute an Authority Default unless and until:

(a) such Member Jurisdiction has given written notice to the Authority stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist that will, unless corrected, constitute a material breach of this Agreement by the Authority and that will in its opinion give the Member Jurisdiction a right to terminate its obligations to the Authority under this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) the Authority has neither corrected such default nor initiated reasonable steps to correct it within a reasonable period of time (which shall in any event be not less than thirty (30) days from the date of receipt of the notice given pursuant to clause (a) of this Section); provided that if Authority has commenced to take reasonable steps to correct such default within such reasonable period of time, it shall not constitute an Authority Event of Default for as long as the Authority is continuing to take reasonable steps to correct it; or

(2) An order or decree shall be entered, with the Authority's consent or acquiescence, appointing a receiver or receivers of the Facilities or any part thereof or of the revenues of the Authority, or if such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty (60) days after its entry, or any proceeding shall be instituted, with the Authority's consent or acquiescence, for the purpose of effecting a compromise between the Authority and its creditors, or for the purpose of adjusting such creditors' claims pursuant to any federal or state statute now or hereafter enacted, or if the Authority makes an assignment for the benefit of its creditor or admits in writing its inability to pay its debts generally as they become due.

Section 6.3. Events of Default by Member Jurisdictions.

Each of the following shall constitute an Event of Default by a Member Jurisdiction **("Member Jurisdiction Default")**.

(1) The failure by a Member Jurisdiction to pay any amount under this Agreement within sixty (60) days after receipt of written invoice therefor; provided that failure to pay such Member Jurisdiction's Pro Rata Share as a result of failure of the governing body of such Member Jurisdiction to appropriate the necessary monies shall not constitute a Member Jurisdiction Default; or

(2) The failure or refusal by a Member Jurisdiction to fulfill any of its obligations to the Authority in accordance with this Agreement unless such failure or refusal is excused or justified by an Uncontrollable Circumstance, provided that no such failure or refusal shall constitute an Event of Default unless and until:

(a) the Authority has given prior written notice to such Member Jurisdiction stating that in its opinion a particular default or defaults (described in reasonable detail in such notice) exist which will, unless corrected, constitute a material breach of this Agreement on the part of the Member Jurisdiction and which will in its opinion give the Authority a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) such Member Jurisdiction has neither corrected such default, nor initiated reasonable steps to correct it, within five (5) business days from the date of the notice given pursuant to paragraph (2)(a) of this Section (or within such longer period of time as is necessary and reasonable under the circumstances); provided that if such Member Jurisdiction is continuing to take reasonable steps to correct it, unless such default creates an emergency situation which may endanger the continued operation of the Facility, in which case an Event of Default shall be deemed to have occurred if such default is not corrected within ten (10) days or less.

Section 6.4. Termination on Default.

To the extent permitted by Applicable Law, and subject to the provisions of Section 2.1 hereof, upon the occurrence of an Authority Default, any Member Jurisdiction, after giving written notice to all parties, may terminate this Agreement, and any rights hereunder, with respect to itself and any Designated Haulers of such Member Jurisdiction. The termination of this Agreement by any Member Jurisdiction shall not terminate this Agreement as to any other Member Jurisdiction. The proper exercise of the right of termination shall be in addition to, and not in substitution for, such other remedies, whether damages or otherwise, of the party exercising the right of termination.

Subject to the terms and conditions of this Agreement, if any Member Jurisdiction fails to pay its Tipping Fees, Pro Rata Share, closure costs, post-closure costs or corrective action costs, such Member Jurisdiction shall remain liable for such amounts, (subject to appropriation for Pro Rata Share), and shall continue to be bound by the terms of this Agreement which provide for such payments, even after the lawful termination hereof by such Member Jurisdiction.

Section 6.5. Survival of Certain Rights and Obligations.

No termination of this Agreement shall limit or otherwise affect the rights and obligations of any party that have accrued before the date of such termination. Additionally, all obligations of Member Jurisdictions with regard to any Unacceptable Waste shall survive the termination of this Agreement

ARTICLE VII

MISCELLANEOUS

Section 7.1. Entire Agreement; Modification.

This Agreement represents the entire agreement between the Member Jurisdictions and the Authority and supersedes all prior negotiations, representations or agreements, either written or oral.

Section 7.2. Assignment.

No assignment of this Agreement, or any right occurring under this Agreement, shall be made in whole or part by any Member Jurisdiction without the Authority's express written consent.

Section 7.3. Partnership.

Nothing herein shall be construed to constitute a joint venture between the Authority and any Member Jurisdiction or the formation of a partnership.

Section 7.4. Severability of Invalid Provisions.

If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 7.5. Notices.

All notices, certificates, requests or other communications under this Agreement must be in writing and will be deemed given, unless otherwise required, when either mailed by first-class U.S. Mail, postage prepaid, or delivered by hand, to the address set forth below:

If to Authority:	Region 2000 Services Authority Executive Director 828 Main Street – 12th Floor Lynchburg, VA 24504
If to Appomattox	Appomattox County, Virginia Aileen T. Ferguson County Administrator P.O. Box 863 Appomattox, VA 24522
If to Campbell	Campbell County, Virginia R. David Laurrell County Administrator P.O. Box 100 Rustburg, VA 24588
If to Nelson	Nelson County, Virginia Stephen A. Carter

	County Administrator P.O. Box 336 Lovingston, VA 22949
If to City of Bedford	Bedford, Virginia Charles Kolakowski City Manager P.O. Box 807 Bedford, VA 24523
If to City of Lynchburg	Lynchburg, Virginia L. Kimball Payne, III City Manager 900 Church Street Lynchburg, VA 24504

The parties may by notice given under this Section designate such other addresses as they may deem appropriate for the receipt of notices under this Agreement. If, by reason of the suspension of or irregularities in regular mail service, it is impractical to mail notice of any event when notice is required to be given, then any manner of giving notice which is satisfactory to the intended recipient will be deemed to be sufficient.

Section 7.6. Representations As to Ability to Perform

The Authority is not a party to any legal, administrative, arbitration or other proceeding or controversy pending, or, to the best of the Authority's knowledge threatened, which would materially adversely affect the Authority's ability to perform under this Agreement. Each Member Jurisdiction represents as to itself that it is not a party to any legal, administrative, arbitration, or other proceeding or controversy pending, or, to the best of its knowledge, threatened, which would materially and adversely affect its ability to perform under this Agreement.

Section 7.7. Further Documents and Data.

The parties to this Agreement will execute and deliver all documents and perform all further acts that may be reasonably necessary to perform the obligations and consummate the transactions contemplated by this Agreement.

Section 7.8. Counterparts.

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will be an original, and the counterparts taken together will constitute one and the same instrument.

Section 7.9. Tax Exemption Covenant.

(1) The Authority may issue ~~Notes and~~ Bonds and Subordinate B~~b~~onds and otherwise incur financial obligations **(together, the "Obligations")** in a manner such that ~~their~~ the interest on any of such Obligations is excludable from gross income for federal income tax purposes under Section 103 (a) and related provisions of the Internal Revenue Code of 1986, as amended, and applicable rules and regulations. The Authority and each Member Jurisdiction agree that after the ~~Notes and Bonds~~Obligations have been issued, they will not take any action or omit to take any action which would adversely affect such exclusion, which includes, but is not limited to, restricting the expenditure of funds set aside for Financial Assurance (including the interest thereon) for Financial Assurance expenses only and expressly not pledging any such funds toward payment of or as security for such tax-exempt Obligations.

(2) Pursuant to Section 15c2-12(b) of regulations issued by the Securities and Exchange Commission, as may be amended from time to time, the Authority and Member Jurisdictions may be required to agree with owners of ~~the Notes and Bonds~~Obligations, for as long as such ~~obligations~~ Obligations are outstanding, to supply certain national securities information repositories with (1) annually certain and statistical information, and (2) periodically, notification of certain specified material events affecting the Authority, the Member Jurisdictions and such obligations. The particulars of this ongoing disclosure requirement will be set forth in one or more of an indenture, loan agreement or continuing disclosure agreement~~.~~ or similar agreement. Each Member Jurisdiction agrees to cooperate with the Authority in fulfilling this requirement, including providing the Authority with timely notice of the occurrence of any of the specified events which are material to its operations and ~~herby~~hereby authorizes ~~it~~its County Administrator or City Manger to execute and deliver any agreement considered necessary or appropriate evidence of such Member Jurisdiction's continuing disclosure undertaking.

Section 7.10 Litigation.

The parties agree that any litigation involving this Agreement or the operation of the Authority shall be brought only in the Circuit Court or District Court for one of the Member Jurisdictions.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be signed as of the date above written.

[SEE ATTACHED SIGNATURE PAGES]

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

On behalf of the Region 2000 Services Authority, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Service ~~a~~ Authority Member Use Agreement dated this ____ day of _________, ~~2007~~2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of ___ pages.

REGION 2000 SERVICES AUTHORITY

By: ___________________________________

Title __________________________________

ATTEST:

____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of ~~Campbell~~Appomattox, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this ____ day of __________, ~~2007~~2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of ___ pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: ________________________________

Chairman

Board of Supervisors

ATTEST:

____

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Campbell, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this _____ day of __________, 2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of ___ pages.

COUNTY OF CAMPBELL, VIRGINIA

By: ___________________________________
Chairman
Board of Supervisors

ATTEST:

____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of Nelson, Virginia, the undersigned certifies his intent that his signature, affixed below constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated this ____ day of __________, ~~2007~~2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of ___ pages.

COUNTY OF NELSON, VIRGINIA

By: ____________________________________

Chairman
Board of Supervisors

ATTEST:

____

Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Bedford, Virginia, the undersigned certifies his intent that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated as of ________________, ~~2007~~2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, which Member Use Agreement consists of ___ pages.

CITY OF BEDFORD, VIRGINIA

By: ________________________________
Mayor

ATTEST: ___________________________
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the City of Lynchburg, Virginia, the undersigned certifies his intend that his signature, affixed below and duly attested by the Clerk of City Council, constitutes valid execution of the First Amendment to the Region 2000 Services Authority Member Use Agreement dated as of ____________________, ~~2007~~2008, by and among the Region 2000 Services Authority, the County of Appomattox, the County of Campbell, the County of Nelson, the City of Bedford and the City of Lynchburg, Virginia, which Member Use Agreement consists of ___ pages.

CITY OF LYNCHBURG, VIRGINIA

By: ___________________________________
Mayor

ATTEST:

____
Clerk

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]