FIRST AMENDMENT TO THE
REGION 2000 SERVICES AUTHORITY
MEMBER USE AGREEMENT

THIS USE AGREEMENT is dated as of the 20th day of June, 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 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 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 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 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.

"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 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.

"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 in writing as such by the Member Jurisdiction, 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.

"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 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 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.

"Operating Costs" means all actual costs of the Authority 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 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 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 the Authority commences operation of a Facility (which is expected to 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 Campbell Facility and the Lynchburg Facility, respectively, including the respective real estate, access rights, designated buildings, equipment and rolling stock from Campbell and Lynchburg, and those Member Jurisdictions agree to sell the 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 the Campbell Facility and the Lynchburg Facility, respectively, shall be based on a calculation of the net assets and liabilities of each of 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 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 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 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.

Section 3.2. Facility Operation.

(1) Subject to the provisions of this Section and subject to the transfer of title to the 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 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 existing landfill may be used for construction and demolition debris from Bedford Residents and Businesses and as emergency backup for the transfer station operated by 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 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 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 Unacceptable 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 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 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 plus (3) 1.0 times any Debt Service Payments due in the upcoming Fiscal Year with respect to 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 15, 2008 and December 15, 2008, 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 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 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 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 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 have been delivered to each Facility by all Member 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 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 financial 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 at the time of closure. If the actual cost is $2.2 million dollars, the Member Jurisdiction would be responsible for the difference of $200,000. If the actual cost were $1.8 million, 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 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 transfer of such closed landfill (in which case the liability shall be that of the Member Jurisdiction) or after the transfer of such closed landfill (in which case the liability shall be that of the Authority). For

cells constructed after the 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 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(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 Bonds and Subordinate Bonds and otherwise incur financial obligations **(together, the "Obligations")** in a manner such that 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 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 Obligations, for as long as such 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 hereby authorizes 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]

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 Authority Member Use Agreement dated this 20th day of June, 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 27 pages.

REGION 2000 SERVICES AUTHORITY

By: _____

Title Chairman

[THE REMAINDER OF THIS SIGNATURE PAGE LEFT BLANK INTENTIONALLY]

On behalf of the County of 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 20th day of June, 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 27 pages.

COUNTY OF APPOMATTOX, VIRGINIA

By: _____
Chairman
Board of Supervisors

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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 20th day of June, 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 27 pages.

COUNTY OF CAMPBELL, VIRGINIA

By: Hugh T Pendleton Jr.
Chairman
Board of Supervisors

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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 20th day of June, 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 27 pages.

COUNTY OF NELSON, VIRGINIA

By: _____
Chairman
Board of Supervisors

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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 this 20th day of June, 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 27 pages.

CITY OF BEDFORD, VIRGINIA

By: Willard D Tray
Mayor

[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 this 20th day of June, 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 27 pages.

CITY OF LYNCHBURG, VIRGINIA

By: _____
Mayor