

THIS AMENDMENT, dated the 14th of November, 2012 (the “Agreement”), is made among the **CITY OF BEDFORD, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“City”), **BEDFORD COUNTY, VIRGINIA**, a county of the Commonwealth of Virginia (“County”), and the **BEDFORD COUNTY PUBLIC SERVICE AUTHORITY** (the “BCPSA”), a public body politic and corporate of the Commonwealth of Virginia

WHEREAS, there has been prepared, circulated and advertised that certain Consolidation Agreement dated 31 October 2012 between the City, the County and the BCPSA; and

WHEREAS, issues have been raised as to several matters contained in the agreement related to the transfer of tangible personal property assets owned by the City, real estate being conveyed by the City, the fund of startup cost for the Bedford Regional Water Authority (the “Authority”) and issues related to the agreement of assumption of certain bonds by the Virginia Resource Authority.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, and agreements contained herein, the City, the County and the BCPSA agree to amend the Consolidation Agreement as follows:

1. That under Article II “Transfer of System”, Section 2.1(c), the City is conveying to the Authority those certain vehicles as set forth in Exhibit “D-2”. In addition to the vehicles set forth in Exhibit “D-2”, the City is conveying to the Authority the following additional assets:

- a. Case Model 580 M, Back-hoe #25, Serial Number JJG0308185

- b. 1997 Chevrolet Pick-up #14, VIN: 1GCGK24RXVZ132375,
- c. 2004 Ford F-450-Utility #47, VIN: 1FDXF46574EC86981,
- d. 2009 GMC C7500 Dump Truck #18, VIN: 1GDM7C1B49F402530
- e. Golf Cart, Serial #6104073

Additionally, the City owns a crash attenuation trailer which the City will continue to own; however, the City agrees that the Authority shall have the use of the trailer if the same is not being utilized by City operations. The City and the Authority shall enter into a lease for the use of this asset which addresses the issues of insurance, liability and the like.

2. That under Article II “Transfer of System”, Section 2.1(a), real estate owned by the City that is being conveyed to the parties described in Exhibit “B”. Exhibit “B” contains an aerial photograph of the Stony Creek Reservoir but does not include a description of the property. The parties agree that the real estate being conveyed shall include the reservoir, spillway and related equipment and all of the real estate located on the easterly side of Wheats Valley Road. For identification purposes, this includes Bedford County Tax Map Nos. 55-A-19, 55-A-22, 55-A-23, 55-A-30, 55-A-32 and a portion of 55-A-16 located on the east side of Wheats Valley Road. The parties agree that the primary purpose of the mountain watershed that is being conveyed to the Authority is to protect the water quality of the impoundment. The secondary purpose of the conveyance is to afford potential future recreational opportunities including, without limitation, fishing, hiking, bicycling and equestrian activities. Motorized vehicles, other than those related to Authority purposes shall be prohibited on all Trails and off-road terrain. The Property owned by the City on the west side of Wheats Valley Road;

specifically the western portion of Tax Map No. 55-A-16 and Tax Map No. 55-A-17 shall be retained by the City. The City agrees that the retained property will be used for agriculture, horticulture and silviculture purposes and shall not be developed for residential or commercial purposes.

3. That as there will be startup costs related to the Authority before the same is operational, the parties agree that the City, the County and the BCPSA each will fund one third of the necessary startup costs.

4. That this agreement is subject to the Virginia Resources Authority consenting to the assumption of the bonds, agreeing to the transfer of assets of the City and assets of the BCPSA to the Authority and approving the Authority's revenue pledge to support the repayment of the bonds, as such actions may be required under existing bond agreements.

IN WITNESS WHEREOF, the City, the County and the BCPSA have caused this Agreement to be executed in their names by their duly authorized officers as of the date first above written.

ATTEST:

Teresa W. Hatcher
City Clerk

CITY OF BEDFORD, VIRGINIA

By Willard B. Traup
Its Mayor

ATTEST:

[Signature]
Board of Supervisors Clerk

COUNTY OF BEDFORD, VIRGINIA

By [Signature]
Vice-Chairman, Board of Supervisors

ATTEST:

[Signature]
Secretary

BEDFORD COUNTY
PUBLIC SERVICE AUTHORITY

By [Signature]
Its Chairman