THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

BOND TRANSCRIPT

Closing Date: December 1, 2004

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THE CITY OF BLUEFIELD
(WEST VIRGINIA)

$3,160,000
SEWER REFUNDING REVENUE BONDS,
SERIES 2004

BOND ORDINANCE

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

SEWER REFUNDING REVENUE BONDS,
SERIES 2004

BOND ORDINANCE

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THE CITY OF BLUEFIELD

AN ORDINANCE AUTHORIZING THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2004 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,500,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PREPAYMENT AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, The City of Bluefield (the "Issuer") presently owns and operates through its Sanitary Board a public municipal sewerage system, which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the "System") and has heretofore financed or refinanced the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, issued in the original aggregate principal amount of $4,985,000 (the "Series 1992 Bonds"), the Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995, issued in the original aggregate principal amount of $7,945,000 (the "Series 1995 Bonds"), the Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds"), and Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds");

WHEREAS, the Series 1992 Bonds were issued pursuant to an ordinance of the Issuer enacted by the Board of Directors of the Issuer on June 2, 1992, as supplemented by a supplemental resolution enacted and adopted by the Board of Directors of the Issuer on June 2, 1992 (such ordinance, as so supplemented and amended, herein called the

"Series 1992 Bonds Ordinance"), the Series 1995 Bonds were issued pursuant to an ordinance of the Issuer enacted by the Board of Directors of the Issuer on June 27, 1995, as supplemented by a supplemental resolution enacted and adopted by the Board of Directors of the Issuer on August 22, 1995 (such ordinance, as so supplemented and amended, herein called the "Series 1995 Bonds Ordinance"), the Series 1998 A Bonds were issued pursuant to an ordinance of the Issuer enacted by the Board of Directors of the Issuer on July 14, 1998, as supplemented by a supplemental resolution enacted and adopted by the Board of Directors of the Issuer on May 11, 1999 (such ordinance, as so supplemented and amended, herein called the "Series 1998 A Bonds Ordinance"), and the Series 2000 A Bonds were issued pursuant to an ordinance of the Issuer enacted by the Board of Directors of the Issuer on July 11, 2000, as supplemented by a supplemental resolution enacted and adopted by the Board of Directors on July 11, 2000 (such ordinance, as so supplemented and amended, herein called the "Series 2000 A Bonds Ordinance" and together with the Series 1992 Ordinance, the Series 1995 Ordinance and the Series 1998 A Ordinance, herein collectively called the "Prior Ordinances");

WHEREAS, the Series 1992 Bonds were issued as two term bonds, one in the original aggregate principal amount of $2,185,000, maturing July 1, 2008 (the "2008 Term Bond"), and one in the original aggregate principal amount of $2,800,000, maturing July 1, 2017 (the "2017 Term Bond");

WHEREAS, under the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds;

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of The City of Bluefield and other users of the System to currently refund the 2017 Term Bond, in order to achieve interest cost savings (the "Refunding"), but to leave outstanding the 2008 Term Bond, thus effecting the refunding of a portion of the Series 1992 Bonds;

WHEREAS, the Issuer is advised that present value interest savings will be realized as a result of the Refunding;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents and other users of the System, to currently refund the 2017 Term Bond to its first redemption date, being January 1, 2005, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Bluefield Sewer Refunding Revenue Bonds, Series 2004" (the "Series 2004

Bonds"), in the maximum aggregate principal amount of $3,500,000, and other moneys of the Issuer, such Series 2004 Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, on a parity with the Issuer's outstanding 2008 Term Bond, Series 1995 Bonds, Series 1998 A Bonds and Series 2000 A Bonds, and containing such other terms and provisions as are hereinafter provided;

WHEREAS, the Issuer now desires to authorize the Refunding as aforesaid, and to provide for the financing thereof by the issuance of the Series 2004 Bonds as hereinafter provided.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2004 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

"Authorized Officer" means the Mayor or City Manager of the Issuer, or the Executive Director of the Sanitary Board, or any other officer of the Issuer specifically designated by resolution of the Board of Directors of the Issuer.

"Board of Directors" means the Board of Directors of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Board of Directors as presently constituted.

"Bond Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Bond Commission.

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Sanitary Board, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 2004 Bonds, shall mean the Bond Insurer designated in the Supplemental Resolution.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2004 Bonds, the Series 2000 A Bonds, the Series 1998 A Bonds, the Series 1995 Bonds and the 2008 Term Bond, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2004 Bonds, in substantially the form set forth in EXHIBIT A hereto.

"City" or "Issuer" means the The City of Bluefield, a municipal corporation and political subdivision of the State of West Virginia, in Mercer County thereof, and, unless the context clearly indicates otherwise, includes the Governing Body and the Sanitary Board of the Issuer and any other commission, board or department established by the Issuer to operate and maintain the System.

"City Clerk" or "Clerk" means the City Clerk of the Issuer.

"City Manager" means the current City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2004 Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or "Costs of the Refunding" or similar terms, means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the 2017 Term Bond, including payment of redemption premiums, if any, and accrued interest thereon; amounts which may be deposited in the Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to the Refunding, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the

services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Series 2004 Bonds and refunding of the 2017 Term Bond and such other expenses as may be necessary or incidental to the financing herein authorized, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2004 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Refunding.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means The Depository Trust Company, New York, New York or its successor.

"DTC-eligible" means, with respect to the Series 2004 Bonds, meeting the qualifications prescribed by DTC.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Board of Directors of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Board of Directors, as it may now or hereafter be constituted.

"Government Obligations" means certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments) or any Tap Fees.

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any purpose except keeping the accounts of said System in the normal operations of its business and affairs.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 2004 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2004 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Series 2004 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from investment of proceeds of the Series 2004 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of Gross Revenues remaining after deduction of Operating Expenses, as hereinafter defined.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and

expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the 2017 Term Bond or the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means Crews & Associates, Inc., Charleston, West Virginia, as the purchaser of the Series 2004 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2004 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2004 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2004 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Board of Directors at the time of approval of such sale of said Series 2004 Bonds.

"Outstanding," when used with reference to Bonds or the 2017 Term Bond and as of any particular date, describes all Bonds, including the 2017 Term Bond, theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Bond Commission and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prepayment Agent" means the prepayment agent under the Prepayment Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Prepayment Agreement" means the agreement to be entered into between the Issuer and the Bond Commission, providing for the defeasance and ultimate payment of the 2017 Term Bond, the deposit therein of proceeds of the Series 2004 Bonds, the disposition of moneys in the various funds and accounts under the Series 1992 Bonds Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Prepayment Fund" means the Prepayment Fund established pursuant to the Prepayment Agreement.

"Prior Bonds" shall mean collectively, the Series 1992 Bonds consisting of the 2008 Term Bond, the Series 1995 Bonds, the Series 1998 A Bonds, and the Series 2000 A Bonds.

"Prior Ordinances" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Qualified Investments" means and includes the investments set forth in the Supplemental Resolution and designated as such.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Account" means the Redemption Account created in the Series 2004 Bonds Sinking Fund by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

"Refunding" means the defeasance and redemption on January 1, 2005, of the 2017 Term Bond, the funding of the Reserve Account for the Series 2004 Bonds and the payment of costs of issuance of the Series 2004 Bonds and other costs relating to the refunding of the 2017 Term Bond.

"Registered Owner," "Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Repair and Replacement Fund" means the Repair and Replacement Fund continued by Section 4.01 hereof.

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2004 Bonds and the Prior Bonds.

"Reserve Account Requirement" means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Series 2004 Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund continued by Section 4.01 hereof.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1992 Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, issued in the original aggregate principal amount of $4,985,000, and comprised of the 2008 Term Bond and the 2017 Term Bond (as hereinafter defined).

"Series 1995 Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995, issued in the original aggregate principal amount of $7,945,000.

"Series 1998 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645.

"Series 2000 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000, issued in the original aggregate principal amount of $307,000.

"Series 2004 Bonds" means the Sewer Refunding Revenue Bonds, Series 2004, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2004 Reserve Account" means the Series 2004 Bonds Reserve Account established in the Series 2004 Bonds Sinking Fund pursuant to Section 4.01 hereof.

"Series 2004 Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service for the Series 2004 Bonds.

"Series 2004 Sinking Fund" means the Series 2004 Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds created for the Series 2004 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2004 Bonds and authorizing the sale of the Series 2004 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including the Repair and Replacement Fund.

"System" means the complete existing public municipal sewerage system of the Issuer, including the lands, properties and easements owned by or through the Sanitary Board of Bluefield, Incorporated, a Virginia corporation, for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever, both within and without the Issuer.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

"2008 Term Bond" means the portion of the Series 1992 Bonds maturing July 1, 2008, and issued in the original aggregate principal amount of $2,185,000.

"2017 Term Bond" means the portion of the Series 1992 Bonds maturing July 1, 2017, and issued in the original aggregate principal amount of $2,800,000.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Board of Directors hereby finds and determines as follows:

A. The Issuer is a municipal corporation and political subdivision of the State of West Virginia, in Mercer County of said State.

B. The Issuer now owns and operates, through the Sanitary Board, the System, the acquisition and construction of which has been financed or refinanced in part by the proceeds of the Prior Bonds and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 2004 Bonds and funding of the Prepayment Fund, a portion of the Prior Bonds, consisting of the 2017 Term Bond, will be defeased and the Series 2004 Bonds will be secured by a first lien on the Net Revenues, on a parity with the Prior Bonds, including the 2008 Term Bond which was issued as part of the Series 1992 Bonds and which is not being currently refunded.

D. The Issuer intends to issue the Series 2004 Bonds and to pledge for payment thereof, the Net Revenues of the System.

E. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the 2017 Term Bond, to provide for the repair, maintenance and operation of the System, the payment of interest upon all bonds issued pursuant to the Act and to create a sinking fund, as hereinafter provided, to pay the principal thereof as and when it becomes due and reasonable reserves therefor, to provide an adequate Repair and Replacement Fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

F. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2004 Bonds presented to the Issuer by the Original Purchaser, the Series 2004 Bonds show a net present value savings to the Issuer after deducting all expenses of the Refunding and the costs of issuing the Series 2004 Bonds.

G. The Issuer shall not sell the Series 2004 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph F, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2004 Bonds, and the Issuer shall not issue the Series 2004 Bonds without having obtained from an independent certified public accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2004 Bonds and the net interest cost in dollars of the 2017 Term Bond.

H. Subject to the determination and certification required by paragraph G, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue the Series 2004 Bonds and secure the Series 2004 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the Series 2004 Bonds Reserve Account, unexpended proceeds of the Series 2004 Bonds and as further set forth herein.

I. The Series 2004 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

J. All things necessary to make the Series 2004 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2004 Bonds, will be timely done and duly performed.

K. The enactment of this Ordinance, and the execution and issuance of the Series 2004 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. The 2017 Term Bond Outstanding as of the date of issuance of the Series 2004 Bonds in the aggregate principal amount of $2,800,000 is hereby ordered to be refunded pursuant to the terms of the Prepayment Agreement, and the pledge of Net Revenues in favor of the Holders of such 2017 Term Bond imposed by the Series 1992 Bonds Ordinance, the moneys in the funds and accounts created by the Series 1992 Bonds Ordinance for the payment of the 2017 Term Bond and any other funds pledged by the Series 1992 Bonds Ordinance to payment of the 2017 Term Bond are hereby ordered terminated, discharged and released upon the payment into the Prepayment Fund from the proceeds of the Series 2004 Bonds, together with other moneys available therefor, of the following: (a) if required by the Prepayment Agreement, an amount equal to the fiscal and paying agent charges and any other charges to become due and payable in connection with the 2017 Term Bond and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such 2017 Term Bond as the same become due, to the first date upon which the entire aggregate amount of the 2017 Term Bond may be redeemed, being January 1, 2005, all as set forth in the Prepayment Agreement. Contemporaneously with the deposit of such Series 2004 Bond proceeds into the Prepayment Agreement, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the 2017 Term Bond shall be deposited in the Prepayment Fund, the Series 2004 Bonds Reserve Account or such other fund or account as shall be set forth in the Prepayment Agreement, and invested as provided in the Prepayment Agreement.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 2004 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their respective manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed

and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference with respect to the Series 2004 Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the

Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as

of the next ensuing mandatory redemption date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory redemption date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory redemption date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the redemption date (interest to be paid from the Sinking Fund), as will exhaust as nearly as practicable such Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory redemption date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount

of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Series 2004 Bonds. For the purposes of refunding a portion of the Outstanding Series 1992 Bonds of the Issuer (consisting of the 2017 Term Bond), funding the Series 2004 Bonds Reserve Account and paying costs in connection therewith, there shall be issued the Series 2004 Bonds of the Issuer, in an aggregate principal amount of not more than $3,500,000. Said Series 2004 Bonds shall be designated "Sewer Refunding Revenue Bonds, Series 2004" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 2004 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2004 Bonds shall be numbered from R-1 consecutively upward. The Series 2004 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 2004 Bonds. The Series 2004 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of Series 2004 Bonds of each maturity, and shall be registered in the name of Cede & Co., as nominee of DTC. Notwithstanding anything herein to the contrary contained, so long as the Series 2004 Bonds are so issued and registered, DTC (or its nominee) shall be treated as the sole Registered Owner for all purposes hereunder. Each Bond shall bear a legend substantially to the following effect "Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this certificate is presented by an authorized representative of DTC, to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein."

With respect to Series 2004 Bonds registered in the records of the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent shall have no responsibility or obligation to any other participant in DTC or to any Person on behalf of whom such a participant in DTC holds a beneficial interest in the Series 2004 Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any other participant in DTC with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any notice with respect to any Series 2004 Bonds, including without limitation any notice of redemption, tender, purchase or any event which would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any other participant in DTC or any other Person, other than a Registered Owner, as shown in the records of the Registrar, of any amount with respect to principal of, premium, if any, or interest on, any Bond, or (iv) any consent given by DTC as Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the records of the Registrar as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption, sale, purchase or any event which would or could give rise to a sale or purchase right or option with respect to any Bond for the purpose of making payment of any purchase price of such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Issuer and Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2004 Bonds and the purchase price of any Bond only to or upon the order of the respective Registered Owners, as shown in the records of the Registrar as provided in this Ordinance, or their respective attorneys or legal representatives duly

authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2004 Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the records of the Registrar, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

The Registered Owners have no right to a depository for the Series 2004 Bonds. The Issuer may remove DTC or any successor thereto for any reason at any time. In such event or in the event DTC shall notify the Issuer that DTC is discontinuing its book-entry system for the Series 2004 Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the DTC of Bond certificates and transfer one or more separate Bond certificates to other participants or beneficial owners as DTC may direct. In such event, the Series 2004 Bonds shall no longer be restricted to being registered in the records of the Registrar in the name of Cede & Co., as nominee, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names other participants in DTC receiving Series 2004 Bonds shall designate, in accordance with the provisions of this Ordinance. The provisions of this Section applicable to DTC shall apply, mutatis mutandis, to any successor depository performing the same functions hereunder as DTC.

The Issuer represents hereby that it has executed a Letter of Representations, the terms of which are applicable to the issuance of the Series 2004 Bonds hereunder. Such Letter of Representations is for the purpose of effectuating the Book-Entry Only System only and shall not be deemed to amend, supersede or supplement the terms of this Ordinance which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Ordinance, the terms of this Ordinance shall control. DTC may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 3.12. Delivery of Series 2004 Bonds. The Issuer shall execute and deliver the Series 2004 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2004 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) If not registered in the name of DTC or its nominee, a list of the names in which the Series 2004 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2004 Bonds to DTC for the benefit of the Original Purchaser;

(C) Copies of this Ordinance and the Supplemental Resolution certified by the Clerk;

(D) The unqualified approving opinion of Bond Counsel regarding the Series 2004 Bonds; and

(E) A copy of such other documents and certificates as the Original Purchaser may reasonably require.

Section 3.13. Form of Series 2004 Bonds. The definitive Series 2004 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2004 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2004 Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 2004 Bonds. Upon the issuance and delivery of the Series 2004 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 2004 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2004 Bonds Sinking Fund and applied to payment of interest on the Series 2004 Bonds at the first interest payment date.

B. The amount of Series 2004 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon and all moneys in the funds and accounts created by the Series 1992 Bonds Ordinance for the payment of the 2017 Term, shall be sufficient to accomplish the refunding and defeasance of the portion of the Series 1992 Bonds consisting of the 2017 Term Bond, which amount shall be set forth in the Prepayment Agreement, shall be deposited in the Prepayment Fund.

C. The amount of Series 2004 Bond Proceeds which, together with other moneys of the Issuer dedicated to such purpose, is equal to the Series 2004 Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2004 Bonds Reserve Account, provided that, to the extent the Series 2004 Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 2004 Bond Proceeds shall be deposited in the Series 2004 Bonds Reserve Account only

to the extent needed to satisfy the balance of the Series 2004 Bonds Reserve Account Requirement.

D. The balance of the proceeds of the Series 2004 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2004 Bonds and miscellaneous costs of refunding the 2017 Term Bond at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Series 2004 Bonds Sinking Fund established in Section 4.02 hereof and applied to the next ensuing payment of interest on the Series 2004 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 2004 Bonds from which such proceeds are derived.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2004 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2004 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2004 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2004.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with (or continued if created by the Prior Ordinances), and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund (created by the Prior Ordinances);

(2) Repair and Replacement Fund (created by the Prior Ordinances);

(3) Costs of Issuance Fund; and

(4) Rebate Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds and accounts are hereby established (or continued if created by the Prior Ordinances), with and shall be held by the Bond Commission:

(1) Series 1992 Bonds Sinking Fund (created by the Series 1992 Bonds Ordinance);

(a) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account.

(2) Series 1995 Bonds Sinking Fund (created by the Series 1995 Bonds Ordinance);

(a) Within the Series 1995 Bonds Sinking Fund, the Series 1995 Bonds Reserve Account.

(3) Series 1998 A Bonds Sinking Fund (created by the Series 1998 A Bonds Ordinance);

(a) Within the Series 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account.

(4) Series 2000 A Bonds Sinking Fund;

(a) Within the Series 2000 A Bonds Sinking Fund, the Series 2004 A Bonds Reserve Account.

(5) Series 2004 Bonds Sinking Fund;

(a) Within the Series 2004 Bonds Sinking Fund, the Series 2004 Bonds Reserve Account; and

(b) Within the Series 2004 Bonds Sinking Fund, the Series 2004 Bonds Redemption Account.

(6) Prepayment Fund.

In addition to the foregoing funds and accounts established or continued in this Section 4.02 and Section 4.01, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

Section 4.03. System Revenues and Application Thereof. So long as any of the Series 2004 Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2004 Bonds on the next ensuing semiannual interest payment date;

provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2004 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2004 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund and in the Series 2004 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2004 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2004 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2004 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2004 Bonds Reserve Account therein, any amounts necessary to fund such Reserve Account to maintain the Series 2004 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Series 2004 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2004 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2004 Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional deposits into the Series 2004 Bonds Reserve Account sufficient to maintain the Series 2004 Bonds Reserve Account Requirement in accordance with the provisions hereof.

The payments into the Series 2004 Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) for deposit in the Series 2004 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2004 Bonds Reserve Account below the Series 2004 Bonds Reserve Requirement or any withdrawal from the Series 2004 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2004 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2004 Bonds Reserve Account is less than the Series 2004 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2004 Bonds Reserve Account for deposit into the Series 2004 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2004 Bonds Reserve Account to an amount equal to the Series 2004 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2004 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2004 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2004 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2004 Bonds Reserve Requirement.

Amounts in the Series 2004 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2004 Bonds when due, when amounts in the Series 2004 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Repair and Replacement Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. No further

payments shall be required to be made into the Repair and Replacement Fund when there shall have been deposited therein, as so long as there shall remain on deposit therein, the sum of $500,000.

Withdrawals and disbursements may be made by the Issuer from the Repair and Replacement Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board of Directors, moneys in the Repair and Replacement Fund in excess of $500,000 may be transferred by the Issuer to the respective redemption account and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created or continued hereunder, and all amounts required for said Sinking Funds shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. If on any monthly payment date the Net Revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03 and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Accounts, shall be made on a parity basis and pro-rata, with respect to the Prior Bonds, the Series 2004 Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such Series of Bonds then Outstanding, if less than the full amount required hereby.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES AND CONTINUING DISCLOSURE AGREEMENT

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Repair and Replacement Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from each Reserve Account to the corresponding Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the applicable Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in each Reserve Account an amount at least equal to the applicable Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from a Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts

on deposit in a Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer, if any, shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the applicable Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in any Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate, Rebates and Rebate Fund. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2004 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying

fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2004 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Series 2004 Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2004 Bonds or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2004 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the moneys in the Series 2004 Bonds Sinking Fund and the Series 2004 Bonds Reserve Account therein and the unexpended proceeds of the Series 2004 Bonds, all as herein provided. No Holder or Holders of the Series 2004 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2004 Bonds or the interest thereon.

Section 6.03. Bonds Secured by Parity Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all of the Series 2004 Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Outstanding Prior Bonds and all moneys in the Series 2004 Bonds Sinking Fund, including the Series 2004 Bonds Reserve Account therein. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Outstanding Prior Bonds and the Series 2004 Bonds and to make the payments into all funds and accounts and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Outstanding Prior Bonds and the Series 2004 Bonds as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Series 2004 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year and all payments required into all funds and accounts of the Bonds for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the Issuer shall not reduce the rates or charges of the System set forth in the rate ordinance enacted by the Issuer on June 10, 2003.

Section 6.05. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System except as provided in the Prior Ordinances. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of

$10,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be deposited by the Issuer into the Repair and Replacement Fund. Such payments of such proceeds into the Repair and Replacement Fund or the Repair and Replacement Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, as in this section

defined, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the Issuer a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the Issuer, on account of increased rates, rentals,

fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the time of war the Issuer will also carry and maintain insurance to the extent available against risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Repair and Replacement Fund and used only for the repairs and restoration of the damaged and destroyed properties or for the other purposes provided herein for the Repair and Replacement Fund.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Issuer or the Board of Directors having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. Reserved.

Section 6.11. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or

employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Section 6.13. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.14. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping

records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as it shall direct.

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System.

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use

if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer intends to obtain a Municipal Bond Insurance Policy for the Series 2004 Bonds from the Bond Insurer. Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution, are required by the Bond Insurer as a condition to insuring the Series 2004 Bonds, shall apply to the Series 2004 Bonds and any other Bonds

which may be insured by the Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer;

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(D) If the Issuer defaults on the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and

decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 2004 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Fiduciaries and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of their duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or

not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an

assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Bluefield
Post Office Box 4100
Bluefield, West Virginia 24701
Attention: City Manager

REGISTRAR AND PAYING AGENT

[Name and address
to be set forth in the
Supplemental Resolution]

DEPOSITORY BANK

[Name and address
to be set forth in the
Supplemental Resolution]

ORIGINAL PURCHASER

Crews & Associates, Inc.
300 Summers Street, Suite 930
Post Office Box 2764 (25330)
Charleston, West Virginia 25301
Attention: Vice President

BOND INSURER

[Name and address
to be set forth in the
Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Board of Directors or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, provided however, that the Prior Ordinances shall remain in full force and effect so long as any of the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Board of Directors were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 10.14. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Board of Directors of the Issuer to contain sufficient information to give notice of the contents of such Ordinance,

published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the Bluefield Daily Telegraph , a newspaper published and having a general circulation in The City of Bluefield, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Board of Directors of the Issuer at the public hearing to be had at a public meeting of the Board of Directors on November 17, 2004, at 6:00 p.m., in the meeting room of the Board of Directors in the City Hall of The City of Bluefield and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Board of Directors and it shall then take such action as it shall deem proper in the premises.

First Reading:	October 26, 2004
Second Reading:	November 3, 2004
Passed on Final Reading Following Public Hearing:	November 17, 2004

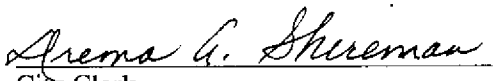
Section 10.14. Effective Date. This Ordinance shall take effect immediately upon enactment.

Enacted this 17th day of November, 2004.

[SEAL]

Mayor

ATTEST:



City Clerk

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the Board of Directors of THE CITY OF BLUEFIELD at a regular meeting of the Board of Directors held at 1:30 p.m., on November 17, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Bluefield, the first publication having been not less than 10 days prior to such public hearing.

Dated this 1st day of December, 2004.

[SEAL]

Drema L. Shreeman
City Clerk

EXHIBIT A - BOND FORM

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest

Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 20____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Bluefield Sewer Refunding Revenue Bonds, Series 2004" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2004, the proceeds of which are to be used, together with other funds of the Issuer (i) to refund a portion of The City of Bluefield Sewer Refunding Revenue Bonds, Series 1992, consisting of the term bond with a maturity date of July 1, 2017, currently outstanding in the aggregate principal amount of $2,800,000 (the "2017 Term Bond"), which 2017 Term Bond was issued as part of the Series 1992 Bonds to refinance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2004 Bonds and (iii) to pay certain costs of issuance of the Series 2004 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Board of Directors of the Issuer on _____, 2004, and supplemented by a supplemental resolution adopted by said Board of Directors on _____, 2004 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such

bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Bluefield, West Virginia.

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Name of Bond Insurer].

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the Issuer and by lot within a maturity, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Repair and Replacement Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 1992, DATED JUNE 1, 1992, CONSISTING OF A TERM BOND MATURING JULY 1, 2008 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,185,000 (THE "2008 TERM BOND"), SEWER REFUNDING REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,945,000 (THE "SERIES 1995 BONDS"), SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS"), AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE "SERIES 2000 A BONDS" AND TOGETHER WITH THE 2008 TERM BOND, THE SERIES 1995 BONDS, THE SERIES 1998 A BONDS, HEREIN COLLECTIVELY CALLED THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Series 2004 Bonds Sinking Fund and the Series 2004 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2004 Bonds Sinking Fund and the Series 2004 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the 2017 Term Bond, fund a reserve account for

the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

(Manual or Facsimile Signature)
City Manager

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be Provided by Bond Insurer]

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____
to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

10/26/04
079810.00001

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION ESTABLISHING AMOUNT, MATURITIES, INTEREST RATES, PRICES, REDEMPTION PROVISIONS AND OTHER DETAILS AS TO THE SEWER REFUNDING REVENUE BONDS, SERIES 2004, OF THE CITY; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A REGISTRAR AGREEMENT, A PREPAYMENT AGREEMENT, AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A PREPAYMENT AGENT, REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, The City of Bluefield (the "Issuer"), in the County of Mercer, State of West Virginia, is a municipal corporation of said State, the governing body of which is this Board of Directors;

WHEREAS, this Board of Directors duly enacted on November 17, 2004, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2004 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,500,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH;

PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PREPAYMENT AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, such Ordinance provided for the issuance of The City of Bluefield Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), in an aggregate principal amount not to exceed $3,500,000, for the purposes of currently refunding a portion of the Issuer's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, consisting of a term bond maturing on July 1, 2017 (such portion herein called the "Refunded Series 1992 Bonds"), funding the Series 2004 Bonds Reserve Account, and paying costs of issuance of the Series 2004 Bonds and other costs relating to such refunding, all in accordance with the Act (as defined in the Ordinance);

WHEREAS, the Ordinance further provided that the exact principal amount of the Series 2004 Bonds to be sold and the dates, maturities, interest rates, redemption provisions, prices and other terms of the Series 2004 Bonds should be established, that a Bond Insurer, a Prepayment Agent, Registrar, Paying Agent and Depository Bank be designated, that a Prepayment Agreement and a Registrar Agreement be approved, and that other matters pertaining to the Series 2004 Bonds be provided for by a supplemental resolution of this Board upon receipt of a Bond Purchase Agreement acceptable to this Board;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance;

WHEREAS, the Series 2004 Bonds are proposed to be purchased by Crews and Associates, Inc. (the "Original Purchaser"), pursuant to a Bond Purchase Agreement by and among the Original Purchaser and the Issuer (the "Bond Purchase Agreement");

WHEREAS, the Issuer has not obtained a commitment for Municipal Bond Insurance for the Series 2004 Bonds and has determined that the Series 2004 Bonds shall not be insured;

WHEREAS, this Board wishes to approve the final terms of the Series 2004 Bonds, including the exact principal amount, interest rates, redemption provisions, maturities, purchase price and other terms of the Series 2004 Bonds and to delegate to the Mayor the authority to approve, within the parameters set forth herein and in the Ordinance, the final terms and provisions of all documents relating to the Series 2004 Bonds (the "Bond Documents"), without the requirement of further official action by this Board; and

WHEREAS, this Board deems it essential and desirable that this Supplemental Resolution be adopted and that the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Prepayment Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2004 Bonds, hereinafter described, be approved, that the exact principal amount, the prices, the maturity dates and amounts, the redemption provisions and the interest rates of the Series 2004 Bonds, be fixed hereby in the manner stated herein, and that other matters relating to the Series 2004 Bonds be herein provided for, all in accordance with said Ordinance;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2004 Bonds. The Series 2004 Bonds shall be dated December 1, 2004, upon original issuance, shall be issued in the aggregate principal amount of $3,175,000, shall bear interest and prices with interest payable semiannually on such dates and shall have such redemption provisions and other terms as are in EXHIBIT A - SERIES 2004 BOND TERMS, attached hereto and incorporated by reference herein. All other provisions relating to the Series 2004 Bonds shall be as provided in the Ordinance, and the Series 2004 Bonds shall be in substantially the form provided in the Ordinance.

Section 2. Section 6.04 of the Ordinance shall be deleted in its entirety and replaced with the following:

> Section 6.04. Rates. Prior to the issuance of the Series 2004 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to

pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year and all payments required into all funds and accounts of the Bonds for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the Issuer shall not reduce the rates or charges of the System set forth in the rate ordinance enacted by the Issuer on June 10, 2003.

Section 3. Section 6.08 of the Ordinance shall be deleted in its entirety and replaced with the following:

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, as in this section defined, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the Issuer a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive

months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the Issuer, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of

the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in this Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Section 4. The Bond Purchase Agreement between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor of the Bond Purchase Agreement on behalf of the Issuer are hereby authorized, approved, and directed. The Mayor or the City Manager shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. Execution of the Bond Purchase Agreement by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2004 Bonds, including the

payment of all necessary fees and expenses in connection therewith. The price of the Series 2004 Bonds shall be as set forth in the Bond Purchase Agreement.

Section 5. The Continuing Disclosure Certificate of the Issuer, to be dated as of the date of delivery of the Series 2004 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor or the City Manager thereof shall be and the same is hereby authorized, approved and directed. The Mayor or the City Manager shall execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. Execution of the Continuing Disclosure Certificate by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

Section 6. The Prepayment Agreement by and between the Issuer and the West Virginia Municipal Bond Commission as Prepayment Agent, to be dated as of the date of delivery of the Series 2004 Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor or the City Manager thereof shall be and the same are hereby authorized, approved and directed. The Mayor or the City Manager shall execute and deliver the Prepayment Agreement with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. Execution of the Prepayment Agreement by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

Section 7. The Official Statement, to be substantially in the form attached hereto (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor or the City Manager), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor or the City Manager shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor or the City Manager. The execution of the Official Statement by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor or the City Manager is hereby ratified and approved.

Section 8. The Registrar Agreement to be dated as of the date of delivery of the Series 2004 Bonds, by and between the Issuer and the Registrar designated herein, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Mayor or the City Manager shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the City Manager. The execution of the Registrar Agreement by the Mayor or the City Manager shall be conclusive evidence of any approval required by this Section.

Section 9. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacities of Prepayment Agent and Paying Agent.

Section 10. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, for the purpose of serving in the capacity of Registrar for the Bonds, and First Century Bank, National Association, Bluefield, West Virginia, for the purpose of serving as Depository Bank.

Section 11. The appointment of the law firm of Steptoe & Johnson PLLC, Charleston, West Virginia, as bond counsel to the City in connection with the issuance of the Series 2004 Bonds is hereby ratified and confirmed.

Section 12. The notice addresses for the Registrar, Paying Agent, Depository Bank, Prepayment Agent and Original Purchaser shall be as follows:

REGISTRAR

United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust Department

DEPOSITORY BANK

First Century Bank, National Association
525 Federal Street
Bluefield, West Virginia
Attention: Garnett Little

PREPAYMENT AGENT AND PAYING AGENT

West Virginia Municipal Bond Commission
8 Capitol Street
Suite 500, Terminal Building
Charleston, West Virginia 25301
Attention: Executive Director

Section 13. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2004 Bonds (including, but not limited to a tax certificate and other agreements) to the end that the Series 2004 Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

Section 14. Under the provisions of the Act, and as provided in the Ordinance and the Series 2004 Bonds, the Series 2004 Bonds and the interest thereon do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the Net Revenues derived from the operation of the System of the Issuer and the Series 2004 Bonds Reserve Account established by the Ordinance, and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 2004 Bonds and the interest thereon.

Section 15. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2004 Bonds, as set forth in EXHIBIT A - SERIES 2004 BOND TERMS, attached hereto, it is hereby determined that the Series 2004 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 2004 Bonds, the Issuer shall have obtained from Sullivan, Ware & Hall, PLLC, or such another independent certified public accountant acceptable to the Mayor, a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2004 Bonds and the net interest cost in dollars of the Refunded Series 1992 Bonds. The Mayor is hereby authorized and directed to employ Sullivan, Ware & Hall, PLLC, or such other independent certified public accountant satisfactory to Bond Counsel, to supply the certification required herein and to take other actions required in connection with the refunding.

Section 16. The Mayor, City Manager, City Clerk and other appropriate officers and employees of the Issuer are hereby authorized and directed to take all further actions necessary to issue the Series 2004 Bonds at the earliest practicable date.

Section 17. The prepayment and refunding of the Refunded Series 1992 Bonds and the financing thereof in part with proceeds of the Series 2004 Bonds will result in present value debt service savings for the Issuer, are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 18. This Resolution shall be effective immediately.

Adopted this 17th day of November, 2004.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Board of Directors of THE CITY OF BLUEFIELD at a special meeting of the Board of Directors held at 1:30 p.m., on November 17, 2004, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 1st day of December, 2004.

[SEAL]

Donna C. Shreeman
City Clerk

11/16/04
079810.00001

EXHIBIT A - SERIES 2004 BOND TERMS

Bond No.	Maturity (July 1)	Amount	Interest Rate	Yield or Price	CUSIP
R-1	2008	$300,000	3.250%	3.249%	096224EQ9
R-2	2009	275,000	3.500	3.499	096224EF3
R-3	2010	280,000	3.700	3.700	096224EG1
R-4	2011	295,000	3.800	3.800	096224EH9
R-5	2012	305,000	3.900	3.900	096224EJ5
R-6	2013	320,000	4.000	4.000	096224EK2
R-7	2014	330,000	4.050	4.050	096224EL0
R-8	2015	340,000	4.100	4.100	096224EM8
R-9	2016	360,000	4.150	4.150	096224EN6
R-10	2017	370,000	4.200	4.200	096224EP1
Total		$3,175,000			

OPTIONAL REDEMPTION

The Bonds maturing on and after July 1, 2010, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part at any time, in inverse order of maturity, and by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon to the date fixed for redemption.

MANDATORY SINKING FUND REDEMPTION

The Series 2004 Bonds maturing on July 1, 2008 (the "Term Bonds") are subject to mandatory sinking fund redemption by random selection as may be determined by the Paying Agent, at the redemption prices equal to the principal amount thereof (without premium) plus interest accrued to the date fixed for redemption, on the dates and in the amounts set forth below:

$300,000 Series 2004 Bonds Maturing July 1, 2008

Date (July 1)	Principal Amount
2006	$ 25,000
2007	25,000
2008*	250,000

* Final Maturity

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Gregory B. Isaacs, Vice President of Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, and the Mayor of The City of Bluefield (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 1st day of December, 2004, in New York, New York, the Underwriter received the entire original issue of $3,175,000 in aggregate principal amount of The City of Bluefield, West Virginia, Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). The Bonds, as so received on original issuance, are in various denominations, are dated December 1, 2004, and are numbered from R-1 upward in order of maturity, and are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds, they had been executed by Robert Perkinson, Jr., as Mayor of the Issuer by his manual signature and by Mark Henne, as City Manager of the Issuer, and the official seal of the Issuer had been impressed upon each Bond and attested by Drema Shireman, City Clerk of the Issuer by her manual signature, and had been authenticated by United Bank, Inc., Charleston, West Virginia, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Underwriter, as the original purchaser of the Bonds, of the proceeds of the Bonds, as follows:

Par Amount	$3,175,000
Less: Underwriter's Discount	(95,250)
Total	$3,079,750

Payment for the Bonds was made in immediately available funds (federal funds wire) in the amount of $3,079,750.

WITNESS our respective signatures this 1st day of December, 2004.

CREWS & ASSOCIATES, INC.

By: _____
Its: Vice President

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

11/16/04
079810.00001

$3,175,000
THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank, Inc.,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. R-1 through R-10, inclusive, constituting the entire original issue of The City of Bluefield (West Virginia) Sewer Refunding Revenue Bonds, Series 2004, dated December 1, 2004, in the aggregate principal amount of $3,175,000 (the "Bonds"), executed by the Mayor and City Manager of The City of Bluefield (the "Issuer") and bearing the official seal of the Issuer, attested by the City Clerk of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance enacted by the Issuer on November 17, 2004, as supplemented by a Supplemental Resolution adopted by the Issuer on November 17, 2004 (collectively, the "Ordinance").

2. A copy of the Ordinance, certified by the City Clerk of the Issuer.

3. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

4. A signed, unqualified approving opinion of Steptoe & Johnson PLLC, as bond counsel.

You are hereby requested and authorized, pursuant to Section 3.12 of the Ordinance, to authenticate, register and deliver the Bonds to the Depository Trust Company, New York, New York, for the account of Crews & Associates, Inc., as the original purchaser thereof.

Dated this 1st day of December, 2004.

THE CITY OF BLUEFIELD

By _____
Mayor

11/16/04
079810.00001

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1 $300,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.250%	July 1, 2008	December 1, 2004	096224EQ9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2 $275,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.500%	July 1, 2009	December 1, 2004	096224EF3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3 $280,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.700%	July 1, 2010	December 1, 2004	096224EG1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4 $295,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.800%	July 1, 2011	December 1, 2004	096224EH9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above,

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5 $305,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.900%	July 1, 2012	December 1, 2004	096224EJ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6 $320,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.000%	July 1, 2013	December 1, 2004	096224EK2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-7 $330,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.050%	July 1, 2014	December 1, 2004	096224EL0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-8 $340,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.100%	July 1, 2015	December 1, 2004	096224EM8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-9 $360,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.150%	July 1, 2016	December 1, 2004	096224EN6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

SPECIMEN

Except as otherwise provided in the Ordinance, this global bond may be transferred, in whole but not in part, only to another nominee of DTC (as defined in the Ordinance) or to a successor of DTC or to a nominee of a successor of DTC. Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-10 $370,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD, WEST VIRGINIA
SEWER REFUNDING REVENUE BOND, SERIES 2004

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.200%	July 1, 2017	December 1, 2004	096224EP1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the City shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2005 (each an

"Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the City maintained by United Bank, Inc., Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $3,175,000 designated "The City of Bluefield Sewer Refunding Revenue Bonds, Series 2004" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated December 1, 2004, the proceeds of which are to be used, together with other funds of the Issuer (i) to refund a portion of The City of Bluefield Sewer Refunding Revenue Bonds, Series 1992, consisting of the term bond with a maturity date of July 1, 2017, currently outstanding in the aggregate principal amount of $2,800,000 (the "2017 Term Bond"), which 2017 Term Bond was issued as part of the Series 1992 Bonds to refinance the cost of construction of certain additions, betterments and improvements to the public municipal sewerage system of the Issuer; (ii) to fund a reserve account for the Series 2004 Bonds and (iii) to pay certain costs of issuance of the Series 2004 Bonds and related costs. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the Board of Directors of the Issuer on November 17, 2004, and supplemented by a supplemental resolution adopted by said Board of Directors on November 17, 2004 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the

Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Bluefield, West Virginia.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after July 1, 2010, at the option of the City, are subject to redemption prior to maturity, in whole or in part at any time, in such order of maturity as shall be designated to the Registrar by the City and by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon to the date fixed for redemption.

(B) Mandatory Sinking Fund Redemption. The Bonds maturing July 1, 2008, are subject to mandatory redemption prior to maturity by random selection on July 1 of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing July 1, 2008

Year (July 1)	Principal Amount
2006	$ 25,000
2007	25,000
2008*	250,000

* Final Maturity

If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Repair and Replacement Date,

become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 1992, DATED JUNE 1, 1992, CONSISTING OF A TERM BOND MATURING JULY 1, 2008 IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,185,000 (THE "2008 TERM BOND"), SEWER REFUNDING REVENUE BONDS, SERIES 1995 (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,945,000 (THE "SERIES 1995 BONDS"), SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 (THE "SERIES 1998 A BONDS"), AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), DATED JULY 13, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $307,000 (THE "SERIES 2000 A BONDS" AND TOGETHER WITH THE 2008 TERM BOND, THE SERIES 1995 BONDS, THE SERIES 1998 A BONDS, HEREIN COLLECTIVELY CALLED THE "PRIOR BONDS").

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Series 2004 Bonds Sinking Fund and the Series 2004 Bonds Reserve Account established under the Ordinance, and the unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2004 Bonds Sinking Fund and the Series 2004 Bonds Reserve Account and unexpended proceeds of the Bonds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, in any Fiscal

Year for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, in any Fiscal Year. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to pay costs to refund the 2017 Term Bond, fund a reserve account for the Bonds and pay all costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the Registered Owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the statutes under which this Bond is issued, shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

City Manager

SPECIMEN

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 1, 2004.

UNITED BANK, INC.,
as Registrar

By _____
Its Authorized Officer

SPECIMEN

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Page 326 Book 25 Adopted 3-28-95

**AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER 16, PERSONNEL, ARTICLE I.
IN GENERAL BY THE ADOPTION OF NEW SECTION 16-1
RESIDENCY REQUIREMENT FOR KEY PUBLIC SAFETY EMPLOYEES.**

WHEREAS, the Board of Directors of the City of Bluefield finds that the services of department heads of the City, and the services of police and fire public safety employees are key to the health, welfare, and general well-being of the citizens of this city and the protection of the property of those citizens within the City; and,

WHEREAS, the Board of Directors of the City of Bluefield finds that requiring such employees of the City to be residents of the City will result in quicker response by City departments and public safety employees to emergency situations, or other situations involving the public safety, welfare, and property protection; and,

WHEREAS, in order to avoid hardship on present department heads and public safety employees, the Board of Directors finds that an ordinance embodying this policy should be prospective only, from January 1, 1995.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD THE FOLLOWING ORDINANCE:

ARTICLE I. IN GENERAL.

Sec. 16-1. Residency requirement.

(a) Effective January 1, 1995, newly hired department heads of the City of Bluefield, defined as the assistant City Manager, the Chief of Police, the Fire Chief, the Chief Building Inspector, the City Engineer/Zoning Engineer, and the Manager of the Bluefield Transit System. Such employees, if not residents of the City upon the effective date of their hire, shall, as a condition of such hire, become a bona fide resident of the City within six months following their date of employment.

(b) Police officers and fire fighters newly hired pursuant to the provisions of this Code and the civil service statutes of the state of West Virginia shall, within six months following the period of probation provided in such Code and statutes become bona fide residents of the City.

(c) For the purposes of this ordinance, "newly hired" shall mean, as to police officers and fire fighters (not including the Police Chief and Fire Chief) individuals who enter the employ of the City for the first time.

Dated this 14th day of March, 1995

David H. Shields
Mayor, City of Bluefield

ATTEST:

Beverly H. Leach
Clerk, City of Bluefield

Page 352 Book 25 Adopted June 25, 1995

**AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY AMENDMENT OF CHAPTER 8, GARBAGE, TRASH, AND
OTHER WASTE. SECTION 8-4. REMOVAL SERVICE CHARGES, AS SET OUT
HEREINAFTER BY THE AMENDMENT OF SUBSECTION (a), (d), (e) and (f)**

WHEREAS, the City of Bluefield, pursuant to the provisions of Section 8-13-13 of the West Virginia Code, charges a special service fee garbage removal in amounts sufficient to replace in the General Fund, amounts to provide this service; and,

WHEREAS, the Mercer County Solid Waste Authority has increased its fees to the City of Bluefield, and the Board of Directors finds it necessary to increase charges in order to continue to provide such services to its citizens;

NOW, THEREFORE, WITNESSETH the following Ordinance, effective July 1, 1995:

SEC. 8-4. Removal service fees.

(a) (1) Every property owner or occupant of a residential unit shall be responsible for the payment of a monthly fee of $10.25 ($30.75 per quarter) for minimum regular service per residential unit.

(a) (2) (This sub-section shall remain unchanged.)

(d) (1) [The present section (d) shall remain unchanged, but redesignated as sub-section (d) (1)]

(d) (2) The treasurer may establish school rates for public schools, subject to availability of the service after public residential needs are met, per school within the City limits as follows:

(i) Monthly $130.50

(ii) Quarterly $391.50 (subject to pro-rating for schools not in session).

(e) Each user of the driveway removal service shall be subject to a charge of $17.75 dollars per month ($53.25 per quarter) billed and payable according to the provisions set out in Sec.

8-5 below. Extreme conditions such as extremely steep or narrow driveways, or driveways in poor condition may require the Treasurer to deny driveway service, or to assess an additional surcharge to cover the costs of this service.

(f) (1) Each user of the special pickup services shall be subject to a charge of twelve dollars ($12.00) for each pickup or for loads of one-half (1/2) dump truck or less; eighteen dollars ($18.00) for loads up to an entire dump truck load; and thirty-five ($35.00) for Swacar or similar vehicle-size loads. In addition to charges provided in this sub-section, users of special service fee shall pay the actual cost of landfill charges for such pickup; users of partial loads shall pay the pro-rated charges attributable to their portion of total loads delivered to the landfill.

(f) (2) The following special fees are also established in addition to pickup fees:

(i)	Tires (up to 15")	$1.00
(ii)	Tires (up to 19")	1.50
(iii)	Tires (over 20")	3.00

Dated this 27th day of June, 1995.

David H. Shields
Mayor

ATTEST:
Beverly G. Tresch
Clerk

Ordinance read by title June 13, 1995
Public Hearing established June 27, 1995

Page 359 Book 25 Adopted 7-11-95

AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 18, STREETS AND SIDEWALKS,
DIVISION III, SPECIAL SERVICE CHARGES FOR STREET
MAINTENANCE AND IMPROVEMENT, SECTION 18-65.
ASSESSMENT OF SPECIAL SERVICE CHARGES FOR STREET
REPAIR AND IMPROVEMENT UPON RESIDENTIAL HOUSEHOLDS
AND COMMERCIAL ESTABLISHMENTS

WHEREAS, the Board of Directors of the City of Bluefield finds that in order to alleviate adjoining owners from the burden of paying for the resurfacing of streets within the City, that the City adopted on July 3, 1990, an Ordinance to charge all residential and busfness users of those streets a fee to fund resurfacing all the streets of the City by a certain schedule; and,

WHEREAS, the Board of Directors of the City of Bluefield finds that the last fee revision of the street fee was done Oc tober 1, 1991, and that costs to the City of resurfacing and repairing of streets throughout the City have greatly increased since then.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Bluefield the following Ordinance:

Sec. 18-65. (The heading and the body of the Ordinance shall remained unchanged, except for the fees contained within Subsection (a) (1) which will be changed as follows:

(a) There is hereby imposed, a special service fee for the fiscal year 1995-1996, and each succeeding fiscal year of the City a special service fee of thirty-six dollars ($36.00) per residential household, payable quarterly in installments of nine dollars ($9.00), in advance, upon the residential users and beneficiaries of such service, according to the following schedule:

(Schedule, and remainder of subsection (a), remain unchanged.)

(b) There is hereby imposed, a special service fee for the fiscal year 1995-1996, and each succeeding fiscal year of the City, a special service fee of sixty dollars ($60.00) per all businesses licensed to do business within the City, payable in quarterly installments of fifteen ($15.00) in advance according to the following schedule:

(Schedule remains unchanged.)

Dated this 11th day of July, 1995.

ATTEST: Beverly G. Tresch
Beverly G. Tresch, Clerk

David H. Shields, Mayor

First reading 6-27-95
Public Hearing 7-11-95 motion and second

Page 359 Book 25 Adopted 7-11-95

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 14, OFFICERS,
MISCELLANEOUS PROVISIONS, SEC. 14-6. ASSAULTS, BY ITS
REPEAL AND RE-ENACTMENT AS SEC. 14.6.
ASSAULT, BATTERY AND FAMILY VIOLENCE

Sec. 14-6. Assault, battery, and Family Violence

(a) If any person unlawfully attempts to commit a violent injury to the person of another or unlawfully commits an act which places another in reasonable apprehension of immefiately receiving a violent injury, he shall be guilty of a misdemeanor and confined in jail for not more than six months, or fined not more than one hundred dollars, or both such fine and imprisonment.

(b) If any person unlawfully and intentionally makes physical contact of an insulting and provoking nature with the person of another or unlawfully and intentionally causes physical harm to another person, he shall be guilty of a misdemeanor and upon conviction, shall be confined in jail for not more than 12 months, or fined not more than five hundred dollars, or both such fine and imprisonment.

(c) If any person: (i) attempts to cause, intentionally causes, or recklessly causes any physical harm to another family or household member; (ii) places another family or household member in reasonable apprehension of serious bodily harm; (iii) holds, confines or abducts another family or household member; (iv) violates any protective order issued pursuant to W.Va. Code 48-2A-1 et seq., he shall be guilty of an assault, or battery as the case may be and punished as set out in (a) or (b) above. A violator of (c) (iv) shall also be so punished, except that the jail term shall include actual cofinement of not less than twenty-four hours, and fined not less then $250.00 nor more than $2,000.00.

This the 11th day of July, 1995.

ATTEST:
Beverly G. Tresch
Clerk, City of Bluefield

David H. Shields
Mayor

State law reference: W.Va. Code 61-2-9; 48-2A-2, 48-2A-10d.

Page Book 25 Adopted 6-27-95

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, BY AMENDMENT OF CHAPTER 6, FINANCE AND TAXATION, SECTION 6-27. ASSESSMENT OF FIRE PROTECTION FEES FOR STRUCTURES AND VEHICLES, PARTICULARLY SUBSECTIONS (a) and (b) AS SET OUT HEREINAFTER

WHEREAS, the City of Bluefield, pursuant to the provisions of Section 8-13-13 of the West Virginia Code, charges a special fee for fire protection services in amounts sufficient to replace in the General Fund all such amounts utilized in providing said service; and,

WHEREAS, because of increasing costs of living, the City of Bluefield, by its Board of Directors, finds it necessary to increase charges in order to continue to provide such services to its citizens;

NOW THEREFORE, WITNESSETH the following ordinance effective July 1, 1995:

Sec: 6-27. Assessment of fire protection fees for structures and vehicles.

(a) [Remains the same]

(1) Residential structures:

Total Square Footage	Yearly Protection Fee
0-1,000	$ 45.60
1,001-2,000	91.20
2,001-3,000	136.80
3,001-over	182.40

(2) Multiunit apartment structures:

Number of Units	Yearly Protection Fee
1-4	Base residential rate
5 and up	Number of units times base residential rate

(3) Commercial/governmental/nonprofit church structures:

Total Square Footage	Yearly Protection Fee
0-5,000	136.80
5,001-10,000	267.90
10,001-20,000	524.40
20,001-40,000	1,083.00
40,001-80,000	2,131.80
80,001-160,000	4,183.80
160,001-over	8,504.40

(b) There is hereby imposed upon the respective owners of all vehicles in this city an additional fire protection fee of fourteen dollars and twenty-five cents ($14.25) for each vehicle owned and principally kept within the city. This fee will be billed annually during the second quarterly billing period of the fiscal year.

(c) [remains the same]

Dated this 27th day of June, 1995.

ATTEST:
Beverly Tresch
Clerk

David H. Shields
Mayor

PAGE 387 BOOK 25 ADPOTED 11-14-95

AN ORDINANCE TO AMEND PART II CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, CHAPTER 6, FINANCE AND TAXATION, BY THE ADDITION TO SECTION 6-27, ASSESSMENT OF FIRE PROTECTION FEES FOR STRUCTURES AND VEHICLES, BY THE ADDITION OF NEW SUBSECTION (c) THERETO.

WHEREAS, the Board of Directors has by Ordinances first Adopted August 30, 1983, imposed fire protection fees upon the owners of real property and certain personal property within the City and

WHEREAS, the Board of Directors is advised that certain real property within the City is exempt from the assessment of such fees, and that there exist no ordinances to impose the actual costs of fire suppression for such real property and

WHEREAS, the Board of Directors is further advised that there exist no ordinances to impose the costs of first responder services, fire suppression services, and hazardous materials amelioration services, and hazardous materials amelioration services on entities exempt from the assessment of annual fees for such services, or upon persons or entities who are non-residents and/or have not subscribed to the City's Fire Protection Service, etc. and

WHEREAS, the Board of Directors finds it appropriate that such persons or entities should pay the actual costs of such services used by them.

NOW, THEREFORE WITNESSETH THE FOLLOWING ORDINANCE:

Sec. 6-27. Assessment of fire protection fees for structures and vehicles.

[Subsection (a) and (b) of this section remain the same.]

(c) (i) There is hereby imposed upon the owners of real property exempt from the provisions of subsection (a) hereof, whether by superiority of sovereignty or by location outside city limits, a charge equal to the actual costs of fire suppression, first responder service, and hazardous material amelioration equal to the actual costs for manhours, equipment, and supplies used for such services. Minimum fee for such service is $250.00. Provided that, however, such charge shall not be imposed upon "mutual aid alarms" where such services are in support of fire departments of other jurisdictions.

(ii) There is hereby imposed upon the owners of all vehicles which may come under the jurisdiction of the City's fire suppression, first responder, or hazardous material amelioration services, charges for such service at the following minimum rates:

Motor Vehicle accidents:	$125.00
Motor Vehicle fires:	$125.00
Per each additional pumper or tanker in above situations:	75.00

Such owners shall also be required to pay actual costs of manhours, equipment, and supplies used in excess of the captioned minimums.

This the day of November, 1995.

Mayor, City of Bluefield
Webster Gilbreath

ATTEST:
Beverly B. Leach
Clerk, City of Bluefield

First reading by title: October 10, 1995
Publication:
Second reading and hearing: November 14, 1995

PAGE 395 Book 25 12-26-95 ADOPTED

AN ORDINANCE TO AMEND PART II CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, BY THE AMENDMENT OF CHAPTER 15, PARKS, RECREATIONAL AND CULTURAL FACILITIES, NEW ARTICLE III, CEMETERY BOARD, BY THE AMENDMENT OF SUBSECTION 15-50 (b) AND THE ADDITION OF NEW SUBSECTION 15-51 (e)

WHEREAS, the City of Bluefield is empowered pursuant to W.Va. Code 8-12-5, and pursuant to the special Legislative Chater of the City of Bluefield of 1921, Section 30, to establish and maintain land within or near the corporate limits of the municipality for providing and maintaining places for the burial of the dead, as well as to acquire any cemetery or cemeteries already established; and

WHEREAS, the Board of Directors of the City of Bluefield finds that there are within the corporate limits cemeteries which are without governing bodies, and without funds sufficient for the perpetual care and maintenance of those semeteries; and

WHEREAS, the Board of Directors finds it a proper civic prupose to establish a board to solicit and accept contributions to establish a fund for the maintenance of such cemeteries.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

Article III. Cemetery Board.

Sec. 15-50. Cemetery Board -- Created, Members.

(a) Pursuant to the authority of Sec. 30, of the Charter, and subject further to the authority contained within W.VA. Code 8-12-5, there is hereby designated and established a Cemetery Board.

(b) The Board of Directors of the City shall appoint a board of seven members for the Cemetery Board, chosen from the citizens at large of the City with reference to their fitness for such office. Cemetery Board members shall hold office for five years from the 1st day of July following their appointment, provided, upon the first appointment a proportionate number shall be appointed for one, two, three, four, and five-year terms, and thereafter all appointments shall be for terms of five years.

(c) Vacancies in the Board shall be reported by the Cemetery Board to the Board of Directors, and filled by appointment in a like manner, and if for an unexpired term, for the remainder of the term only.

Sec. 15-51. Same -- Powers, etc.

(a) This Cemetery Board, upon its creation and appointment of its members, shall conduct a survey of the cemeteries located within the corporate limits of the City. The purpose of that survey shall be to determine the nature, extent, and existence of all burial grounds for the dead within the City, and further determine whether such cemeteries are under the supervision of a governing board, board of trustees, religious congregation, or other responsible entity, and whether funds are provided for their perpetual care and maintenance.

(b) The Cemetery Board shall annually report to the Board of Directors of the City of Bluefield concerning such survey, and the existence, location, and condition of cemeteries within the municipal boundaries.

(c) The Cemetery Board shall furthur accept contributions, whether by budget from the General Fund of the City, by charitable contributions from others, or by acceptance and management of remaining funds for the care of cemeteries whose governing bodies so choose, or whose governing bodies have become inactive. The City Treasurer will serve as the treasurer of the Cemetery Board, and shall invest and conserve such funds, and expend such funds at the direction of the Cemetery Board only for the preservation and maintenance of cemeteries within the City limits without sufficient funds for such purposes.

(d) The Cemetery Board shall further develop and recommend to the City Board a budget for the care and maintenance of cemeteries without governing bodies, or without sufficient funds for their preservation and maintenance.

(e) With the advance permission of the Board of Directors of the City, designated members of the Cemetery Board may, pursuant to the provisions of WVA. Code 35-5-1, apply to the Circuit Court of Mercer County for appointment as trustees of cemeteries whose governing bodies have dissolved or become extinct. Provided that, in no case shall the general credit or funds of the City be obligated by any such trustees.

Dated this 26th day of December, 1995.

Webster Gilbreath
Mayor

ATTEST:

Beverly S. Tresch
Clerk, City of Bluefield

THIS REORDER BLANK IS SUPPLIED FOR YOUR CONVENIENCE. A REORDER SHOULD BE PLACED NOW, SO THE BOOK WILL HAVE TIME TO SE... ORE YOU WILL WANT TO USE IT. NO POS... IS REQUIRED.

BOOK 26 ADOPTED 4-9-96

AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 20, TRAFFIC AND VEHICLES,
DIVISION 2. METERS AND OFF-STREET FACILITIES
BY THE AMENDMENT OF SEC. 20-190, SEC. 20-195,
SEC. 20-198, SCE. 20-202, AND SEC. 20-206 AS FOLLOWS:

WHEREAS, the Board of Directors finds that a promot and expeditious system of enforcement of downtown parking ordinances is necessary to preserve downtown parking places for the use of customers of business in the downtown.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

DIVISION 2. METERS, UNMETERED SPACES, AND OFF-STREET FACILITIES

Sec. 20-190. Definitions.

(This Ordinance shall be the amended by the insertion of a new definition entitled "Unmetered parking space," inserted between the paragraphs for "Off-street parking facilities" and "Parking or park").

Unmetered parking space: Any space duly designated for the parking of a single vehicle by lines painted or otherwise durably marked on the curb or on the surface of the street, or otherwise designated for parking adjacent to curbs, where signs limiting the duration of such parking are posted.

Sec. 20-195. Meter spaces; erecting meters; non-metered on-street spaces.

(a) Shall remain in effect unchanged.

(b) The Board of Directors may also from time to time designate certain spaces to be used for parking on a limited time basis, without payment by customers. It is the Board's policy that such spaces be used by individual and business vehicles patronizing downtown businesses or services, and not for routine parking by downtown employees. In order to protect these spaces for such usage, the Board of Directors hereby ordains a fine of $10.00 for overtime parking in such spaces, defined as parking beyond posted time limits for such spaces.

Sec. 20-197. Vehicle parked overtime.

If any vehicle shall remained in any parking meter space, or in any marked unmetered parking space for such length of time the meter shall indicate by a proper signal the legal parking period has expired,

or beyond the time limits on posted signs, such vehicle shall be considered as parking overtime and the parking of a vehicle overtime shall be considered a violation of this Article.

Sec. 20-198. Parking excessive time in central business district.

(a) Shall remain unchanged, with the exception that the fine shall be $3.00 for such violation.

(b) If any vehicle shall remained parked in any on-street unmetered parking space within such central business district, for a period of time that exceeds the posted time limits, the owner of such vehicle shall be guilty of a misdemeanor and fined $10.00 for such violation.

(Old subsection (b) remains unchanged, and will be redesignated as (c)).

Sec. 20-202. Parking rates.

The Parking Facilities Commission, from time to time, shall establish rates or charges for the use of and the services rendered by the municipal public automobile parking buildings, whether for hourly rates, for weekly rates, monthly rates, dated storage rates, or impoundment rates. Such schedules of rates or charges shall be proposed by the Parking Facilities Commission in an amount consistent with the guidelines established by Sec. 20-203 hereof, shall be presented to the Board of Directors, and ordained by the Board of Directors prior to taking effect.

Sec. 20-204. Other off-street facilities--rate schedules.

(Old paragraphs (a) and (b) are repealed, and a new paragraph (a) established as follows. Subsection (c) remains unchanged, and shall be redesignation of subsection (b).

(a) The Parking Facilities Commission shall, from time to time, establish and recommend to the Board of Directors schedules of rates or charges for municipal off-street parking facilities.

Sec. 20-206. Violations--penalty; overtime payment within twenty-four (24) hours; impoundment.

(a) In a case where the owner or operator of a vehcile has paid a parking fee and allowed such vehicle to remain parked overtime, or parked overtime in a metered or non-metered space, such person may within twenty-four hours of the time of the citation for such overtime parking pay for the City Treasurer in full satisfaction of the violation the amount of the fine as indicated in boxes provided for that purpose, or at the office of the Parking Facilities Commission. The failure of such owner/operator to make such payment within the period of twenty-four hours shall render himself subject to a further penalty of doubling of the initial fine. Nothing in this Ordinance shall excuse multiple hours of overtime parking, each additional hour of which shall constitute a separate offense.

(b) Within fifteen days of the issuance of any citations, the staff of the Parking Facilities Commission shall review unpaid citations, and shall send, by first-class mail to the last known address of the licensed owner of the offending vehicle, a notice informing such owner of the violation, of the amount due and owing on the violation, and of the fact that a warrant will issue upon that citation for the offense of overtime parking. If, within the fifteen days following the date of such notice, no fine payment is made, a further notice shall be sent to such owners by first-class mail stating that (1) such vehicle is subject to immediate impoundment and (2) a warrant has issued for such offense.

(c) In addition to penalties prescribed for overtime parking, any vehicle which has been the subject of more than two violations which have remained unpaid for more than thirty days from the last two violations may be impounded and held against satisfaction of citations issued upon such violations, until payment of (1) such citations, (2) any other fees or charges owed for violation of this division, (3) any fine or court costs for a warrant which may have issued upon such citation, and (4) the costs of towing and storage of such vehicle.

Dated this 9th day of April, 1996

Webster Gilbreath
Mayor, City of Bluefield
Webster Gilbreath

ATTEST: Beverly A. Tuck
Clerk, City of Bluefield

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER 13, OCCUPATIONAL LICENSES, ETC.
ARTICLE II, BUSINESS, PRIVILEGE OR FRANCHISE TAX,
SECTION 13-234 EXEMPTIONS AND RATE RELIEF
IN ENTERPRISE ZONES, BY THE AMENDMENT OF
SUBSECTIONS (b) (2) HEREOF, AND SUBSECTIONS (4) (a) and (b)
HEREOF, AS FOLLOWS;

WHEREAS, the Board of Directors find that the enterprise zones previously established for the North Side business and industrial districts, and for the Downtown Bluefield Historic District, and for territories annexed after March 1, 1991, to the City of Bluefield provide impetus to economic development in those areas, and that impetus should continue; and,

WHEREAS, the enterprise zone established in the Downtown Bluefield Historic District expires June 30, 1996, pursuant to the terms of the original Ordinance; and,

WHEREAS, the Board finds that the time limit for all enterprise zones should be consolidated and expanded for another five years.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

(The Ordinance in force as Section 13-234 shall remain in effect, except for amendments as set out herein:)

ENTERPRISE Zones (Exemptions and Rate Relief Continued)

(b) Rate relief in enterprise zones.

(2) Enterprise zones are defined as the Downtown Bluefield Historic District, the City's North Side business and industrially zoned areas, and territories annexed to the City after March 1, 1991.

(4) Restrictions.

a. These tax incentives will only be available to new businesses that obtain a City business license after March 26, 1991, and located within the prescribed enterprise zones established by the Board of Directors of the City, and for the period of the original grant of incentive to the original business.

b. Unless renewed by the Board of Directors, this subsection (b) and the provisions contained herein will expire on the 1st day of July, 2001. Any business qualified to receive any discount under this subsection (b) on July 1, 2001, shall be entitled to receive such discounts according to the scheduled in subsection (b) (3) regardless of expiration.

Dated this 11th day of June, 1996.

Webster Gilbreath
Mayor, City of Bluefield
Webster Gilbreath

ATTEST:
Beverly B. Leach
Clerk, City of Bluefield

PAGE 43-44 BOOK 26 ADOPTED 7-9-96

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
CHAPTER 8, GARBAGE, TRASH AND OTHER WASTE,
BY THE AMENDMENT OF SECTION 8-4, REMOVAL SERVICE FEES,
SUBSECTION (f) (2), BY THE ADOPTION OF A
NEW RATE SCHEDULE AS FOLLOWS:

WHEREAS, the City of Bluefield disposes of non-recyclable garbage, trash, and other waste as mandated by law to the Mercer County Landfill; and,

WHEREAS, the Board of Directors of the City of Bluefield finds that the Mercer County Landfill has increased its rates for disposal of discarded tires; and,

WHEREAS, the City Board finds that the rate the City charges for disposal must also be so increased to replace in the general fund the actual expenses of disposal of such tires, but without generation of any revenue in addition to such expense replacement.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

Section 8-4. Removal service fees.

(f) (2) The following special fees are also established in addition to pickup fees for tire disposal:

13", 14" and 15" tires	2.00
16" - 19" tires	2.50
12-24 tires	4.00
Tires with rims (in addition to regular fee)	1.00

Dated this 9th day of July, 1996.

Webster Gilbreath
Mayor, City of Bluefield
Webster Gilbreath

ATTEST:

Clerk, City of Bluefield

Page 48-49 Book 26 Adopted 7-23-96

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER
4, BUILDINGS AND STRUCTURES,
ARTICLE II, CODES, BY THE REDESIGNATION OF PRESENT ARTICLE II,
MANUFACTURED HOUSING, SECTION 4-37 thru 4-39

WHEREAS, the Board of Directors of the City of Bluefield finds that modular or manufactured housing is a popular and recognized method of home construction that allows home owners to purchase affordable housing and erect the same within the City of Bluefield; and,

WHEREAS, the Board of Directors of the City of Bluefield finds that, if such housing is constructed in conformance with State law, and the building codes enforced within this City and this State, and properly installed as hereinafter described by this Ordinance, that such manufactured housing can enhance and preserve values of neighborhoods in residential districts throughout the City.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

Sec. 4-37: Manufactured Housing

(a) Intent and Definitions

It is the intent of the Manufactured Housing regulations to provide for an alternative form of housing by permitting the use of Type II Manufactured Housing, as defined herein, on single lots of record in specified residence districts where similar site-built units are permitted.

Type II Manufactured Housing shall be subject to the requirements and procedures contained within this article to insure acceptable similarity in the exterior appearance between Type II Manufactured Housing and site built dwellings that have been or might be constructed in these specified districts subject to the limitations contained herein.

(b) Definitions.

(i) Manufactured Housing: A manufactured building designed for long-term residential use that has the following characteristics:

1. Is mass-produced in a favory;
2. Is designed and constructed for transportation to a site for installation and use when connected to the required utilities; and
3. Is either an individual, independent building or is a module for combination with other units to form a building on the site.

(ii) Type I Manufactured Housing: type I Manufactured Housing includes all housing that is built to the specifications of the BOCA Code Association of Home Manufactuers. The National Association of Home Manufactuers defines the nine product classifications:

1. Precut and/or shell homes;
2. Components;
3. Panelized homes;
4. Mechanical or utility cores;
5. Modular or sectional nomes;
6. Log homes;
7. Geodesic dome homes;
8. Multi-family homes; and
9. Commercial structures.

Type I Manufactured Housing meeting BOCA Codes is legal in any City residence district zoned for the occupancy for which such housing is intended.

Section 4-38: Type II Manufactured Housing Classification System, Permitted Placement, Applications

(a) For purposes of regulating the placement of Type II Manufactured Housing within the City, the following classification system shall be used:

(i) Class A: New manufactured housing certified as meeting the Manufactured Housing Safety Standards of the Department of Housing and Urban Development and approved as meeting the acceptable similarity appearance standards contained within Section 4-39.

(ii) Class B: New manufactured housing certified as meeting the Manufactured Housing and Safety Standards of the Department of Housing and Urban Development but not approved as meeting the acceptable similarity appearance standards contained within Section 4-39.

(iii) Class C: used manufactured housing certified as meeting the Manufactured Housing and Safety Standards of the Department of Housing and Urban Development or acceptable prior code found on inspection by the Building Official to be in excellent condition and safe and fit for residential occupancy.

(iv) Class D: Used manufactured housing, whether or not certified as meeting the Manufactured Housing and Safety Standards of the Department of Housing and Urban Development or acceptable prior code, found on inspection by the Building official to be in fair or poor condition and not safe and/or not fit for residential occupancy.

(b) Class A Manufactured Housing shall be considered as a permitted use of single lots on record in R-2 and R-3 Residential Districts subject to the requirements and limitations that apply to such residential use in the respective district; including minimum lot area, yard, setback, off-street parking and maximum height restrictions. Class A Manufactured Housing shall be subject to Section 4-39. Class B, may not be placedwithin the City except as may be provided in Chapter 23, Article III, or Section 4-39 (j); Class D is prohibited either for placement, replacement, or maintenance as a continuing legal use after the adoption of this ordinance.

(c) Application For Class A Manufactured Housing Determinations

Applications for approval of Class A Manufactured Housing shall be submitted to the building official in such a form as may reasonably be required to make a determination of compliance with Section 4-39. In addition to such information that is required for obtaining a zoning permit and is necessary for administering the provisions of the City Zoning Law, such application shall include elevations or photographs of all sides of the manufactured house, exterior dimensions, roof slope, exterior finish, type of foundation and any other information as required by the building official to make a class A determination

(d) Action By Building Official Upon Application.

Within thirty days of receipt of the application and submission of all required supporting materials, the building official shall make the Class A determination as to conformity with Section 4-39 and shall notify the applicant of approval or denial of the application. In case of disapproval, the reasons for disapproval shall be stated in writing.

Section 4-39: Standards For Determination of Acceptable Similarity In Exterior Appearance

(a) Intent. It is the intent of these regulations to encourage the placement of moderate-income housing in a general residential environment by permitting the use of Class A Manufactured Housing, as defined herein in specified districts, subject to the requirements and procedures set forth herein to insure acceptable similarity in exterior appearance between Class A Manufactured Housing and site-built housing that has been built or might be constructed on adjacent lots in the same district.

(b) Minimum Dimensions Parallel to Principal Street Frontage. Class A Manufactured Homes shall be so located on at least fifteen feet in total dimensions perallel to the street. Such dimensions shall be measured from outer extremities, including eaves.

(c) Minimum Width of Main Body. Minimum width of the main body of the Class A Manufactured Home as assembled on the site shall not be less than twenty-four feet, as measured acorss the narrowest portion.

(d) Minimum Distance, Eeves to Ridge; Roofing Materials. Minimum distance from eaves to ridge shall be twelve feet. In general, any roofing material may be used that is acceptable for site-built housing, if applied in such a manner as to be similar in appearance.

(e) Exterior Finish; Light Reflection. The exterior wall covering is required to be either:

(1) .Wood or masonry finish, or its appearance, and/or

(2) Vertically or horizontally grooved siding or lap siding, or its appearance.

Use of flat or corrugated sheet metal for the exterior walls or roof covering is prohibited.

(f) Gutters and Downspouts Required. Manufactured homes shall be installed with gutters and downspouts in accordance with Secion P.M. 506.1 of the BOCA Maintenance Code andwith the applicable requirements of the Building Code.

(g) Permanent Perimeter Enclosure Required. Manufactured homes approved for placement within the City shall be set onto an excavated area with foundation, footings and crawl space or basement walls constructed in accordance with Section C-502 of the CABO One and Two Family Dwelling Code, manufactured home and the excavated underfloor grade shall be enclosed with a permanent blocked foundation. The crawl space shall be constructed with provisions made for cross ventilation as required by Section C-502.6 of CABO One and Two Family Dwelling Code, Appendix C.

Manufactured Home Ordinance (continued)

(h) Permanent Utility Connections Required. Manufactured homes approved for Placement within the City shall have utilities permanently installed in accordance with Section G-307 of the CABO One and Two Family Dwelling Code, Appendix C. and the NFPA 70, National Electrical Code for One and Two-family dwellings.

(i) Installation Requirements. Manufactured homes approved for placement within the City shall be anchored to the ground in accordance with the manufacturer's specifications and shall meet the requirements of the CABO One and Two-family Dwelling Code, Appendix C.

(j) Replace of Non-Conforming Manufactured Housing.

(i) A manufactured or mobile home considered as a legal nonconforming use within any district may be replaced by a Class A Manufactured Home upon application to the building official. The placement of such replacement manufactured home on the lot shall conform to all setback and yard requirements of the district in which it is located.

(ii) In situations due to topography or to a minimum lot area, a legal nonconforming manufactured or mobile home may be replaced by a Class B or Class C Manufactured Home upon application for a variance and approval by the Board of Zoning Appeals.

Dated this 23rd day of July, 1996.

Craig Hammond
Craig Hammond
Acting Mayor City of Bluefield

ATTEST:

Beverly G. Tresch
Beverly G. Tresch
Clerk, City of Bluefield

Page 69 Book 26 Adopted 10-11-96

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
CHAPTER 1, GENERAL PROVISIONS,
BY THE ADOPTION OF NEW SECTION 1-9 (LEGAL HOLIDAYS)

The following are legal holidays to be observed by The City of Bluefield pursuant to the provisions of West Virginia Code 2-2-1:

A.

1. The first day of January is "New Year's Day"
2. The third Monday of January is "Martin Luther King's Birthday"
3. The twelfth day of February is "Lincoln's Birthday"
4. The third Monday of February is "Washington's Birthday"
5. The last Monday in May is "Memorial Day"
6. The twentieth day of June is "West Virginia Day"
7. The fourth day of July is "Independence Day"
8. The first Monday of September is "Labor Day"
9. The second Monday of October is "Columbus Day"
10. The eleventh day of November is "Veterans' Day"
11. The fourth Thursday of November is "Thanksgiving Day"
12. The twenty-fifth day of December is "Christmas Day"

B. Any day on which a general or primary special election, a City election, or a district election within Mercer County including the City is also a legal holiday.

C. Any day proclaimed or ordered by the Governor or the President of the United States as a day of special observance or thanksgiving, or a day for the general cessation of business.

D. If a holiday otherwise described in subsection A of this section falls on a Sunday, then the following Monday is the legal holiday. If a holiday otherwise described in subsection A of this section falls on a Saturday, then the preceding Friday is the legal holiday; provided, that this subsection D shall not apply to subsection B of this section.

Dated this 11th day of October, 1996.

Craig Hammond
Craig Hammond
Mayor

ATTEST:

Beverly G. Tresch
Beverly G. Tresch
Clerk

Page 69-70 Book 26 Adopted 10-11-96

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 4, BUILDINGS AND STRUCTURES,
ARTICLE IV, UNSAFE BUILDINGS, BY THE REPEAL OF
PRESENT SECTION 4-65 AND ITS REENACTMENT
UNDER THE SAME TITLE

WHEREAS, pursuant to the amendment of Section 8-2-16 of the Code of West Virginia in 1996, municipalities were granted the authority to collect, by civil action, all costs incurred by the municipality with respect to a property which had to be demolished, including reasonable attorney's fees and Court costs: and,

WHEREAS, the Board of Directors of the City of Bluefield finds that owners should have responsibility for their property, including paying the costs of demolition if necessary.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 4-85. Same -- Assessing and collecting costs.

A. Following completion of the work ordered by the Building Commission, the building official shall certify to the Commission the costs of such repairs, alterations, improvements, closing or removal of demolition of such building. The City Clerk shall record such certificate as a lien in the Office of the Clerk of the County Commission of Mercer County, which lien shall not exceed the assessed value of the property as recorded in the Office of the County Assessor.

B. As alternative to A, the Commission may instruct the City Solicitor to institute a civil action in a Court of competent jurisdiction against the land owner or other responsible party for all costs incurred by the municipality with respect to the property and for reasonable attorney's fees and Court costs incurred in the prosecution of the action. In such case, not less than ten days prior to instituting a civil action as provided for in this section, the Board of Directors of the municipality shall send notice to the land owner by certified mail, return receipt requested, advising the land owner of the governing body's intention to institute such action. Such notice shall be sent to the most recent address to the land owner of record in the Office of the Assessor of the County where the subject property is located. If for any reason such certified mail is returned without evidence of proper receipt thereof, then in such event the governing body shall cause a Class 3-0 legal advertisement to be published in a newspaper of general circulation in the county wherein the subject property is located and post notice on the front door or other conspicuous location on the subject property.

Dated this 11th day of October, 1996.

Craig Hammond
Mayor

ATTEST:

Beverly G. Tresch
City Clerk

Page 90 Book 26 Adopted 1-14-97

AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER 11, JUDICIAL,
SECTION 11-18, COSTS

WHEREAS, the Board of Directors of the City of Bluefield finds that the West Virginia Legislature has directed that court costs be imposed upon municipal court cases, which costs are to be deposited into the State treasury; and,

WHEREAS, the Board of Directors finds that of the $50.00 in costs presently collected for deposit into the State treasury, the City retains $2.00 for administrative costs, which does not approach defraying the expenses of municipal court;

WHEREAS, the City of Bluefield finds it appropriate, and consistent with the practice of other municipalities, to impose and amount of costs for the costs of court in addition to those State costs required by general law to be imposed upon defendants pleading or adjudicated guilty.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE;

Sec. 11-18. Costs.

a. Every judgment of court shall include costs assessed against the defendant as prescribed by West Virginia Code 8-11-1, any successor to that statute, or any other other State statute requiring the collection of State costs from defendants adjudicated guilty of offenses charged. State costs shall be disposed of as required by West Virginia Code 8-11-1a, or any similar successor statute.

b. In addition to the State costs imposed by subparagraph (a) of this section, the judgment of court shall also include costs assessed against the defendant for all services performed by the court and its officials for any single criminal case in the amount of $20.00.

Dated this 14th day of January, 1997.

Mayor of Bluefield
Craig Hammond

ATTEST:

Beverly G. Tresch
City of Bluefield

Page 94 Book 26 Adopted 1-28-97

AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER 20,
TRAFFIC AND VEHICLES, ARTICLE VII, PARKING
DIVISION 2, METERS AND OFF-STREET FACILITIES
BY THE AMENDMENT OF SECTION 20-198
PARKING EXCESSIVE TIME IN CENTRAL BUSINESS DISTRICT

WHEREAS, the Board of Directors of the City of Bluefield finds that recent measures taken by the Board to enhance downtown Bluefield business by providing meterless parking to tourists and business patrons is a proper objective of the City; and,

WHEREAS, the Board of Directors finds, that in spite of publicity releases and the attempts of downtown business leaders to discourage employee parking, that employee parking continues to be a problem; and,

WHEREAS, the Board finds that in spite of publicity releases and the attempts of downtown business leaders to discourage employee parking, that employee parking continues to be a problem; and,

WHEREAS, the Board finds that unrestricted employee parking in downtown Bluefield lessens the benefits of unmetered spaces by denying their usage to the tourists and customers of downtown business for whom they were made available; and,

WHEREAS, the Board finds that overtime parking for such persons must be curtailed in order to continue to receive the benefits envisioned by this program.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

Sec. 20-198. Parking excessive time in central business district.

(Subsection (a) will remain the same.)

b. If any vehicle shall remain parked in any on-street non-metered parking space within the central business district as described above for a period of time that exceeds two hours, the owner of such vehicle shall be guilty for a misdemeanor and fined $10.00 for such violation. For the purpose of this subsection, the period of 'two hours' shall mean that no person shall park, during any single twenty-four hour day, more than two hours in any such non-metered on-street parking space, whether in the same space, or whether such person moves to another such space.

(Old subsection (b) shall be redesignated subsection (c) and rewritten as follows):

c. This section shall be enforced between the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday of each week.

Dated this 28th day of January, 1997.

Craig Hammond
Craig Hammond
Mayor, City of Bluefield

ATTEST:
Beverly G. Tresch
Clerk, City of Bluefield

Page 108 Book 26 Adopted 3-15-97

AN ORDINANCE TO AMEND PART II
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 20, TRAFFIC
AND VEHICLES, ARTICLE VII, PARKING DIVISION 1
GENERALLY BY THE AMENDMENT OF SEC. 20-171,
GENERAL PROHIBITION IN SPECIFIED PLACES BY AMENDMENT
OF SUBSECTION (a) 2

WHEREAS, the Board of Directors of the City of Bluefield finds that parking at private driveway intersection, and parking in front of private street access sidewalks is a serious problem in residential neighborhoods by impeding or making impossible use of private driveways and private sidewalks, and whereas the Board finds it proper to establish a no parking buffer to either side of private driveways, and directly in front of private sidewalks to the street.

NOW, THEREFORE WITNESSETH, the following Ordinance:

Sec. 20-171. General Prohibition at Specified Places.

(a) The introductory paragraph to this Ordinance, as well as subsection (a) (1) remain unchanged.

(a) (2) In front of a public or private driveway; and in residential areas where the street is not wide enough to permit two lanes of traffic to pass unimpeded in opposite directions, within three feet of the intersection of a public or private driveway and the street.

(a) (3) through (19) remain unchanged.

(a) (20) In front of a residential walkway leading directly to a street, except where the residence in question is served by a public sideway walk giving access to the street.

Dated this the 25th day of March, 1997.

Craig Hammond
Craig Hammond
Mayor, City of Bluefield

ATTEST:
Beverly G. Tresch
Beverly G. Tresch
Clerk, City of Bluefield

AN ORDINANCE TO AMEND PART II,
CODE OF ORDINANCES OF THE CITY OF BLUEFIELD,
BY THE AMENDMENT OF CHAPTER 20, TRAFFIC AND VEHICLES,
ARTICLE II, OPERATION OF VEHICLES, BY THE REPEAL
AND REENACTMENT OF SECTION 20-83, SAME -PRIMA FACIA
EVIDENCE BY MICROWAVE DEVICES

WHEREAS, the Board of Directors of the City of Bluefield finds that the West Virginia Legislature, in Chapter 17C, Article 8, Section 7, of the West Virginia Code has designated evidence produced by the use of microwave devices (radar) as prima facia evidence of speed; and,

WHEREAS, the Board of Directors finds that other devices measuring speed can be valuable additions to evidentiary tools of police officers working for the City, in addition to such microwave devices; and,

WHEREAS, the Board of Directors finds that the present Ordinance ought to be repealed, rewritten in the form of the quoted State statute, and, in addition provide for the use of other devices for speed measurement in order to aid in law enforcement within the City.

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCE:

Sec. 20-83. Speed Measuring Devices

(a) The speed of a motor vehicle may be proved by evidence obtained by use of any device designed to measure and indicate or record the speed of a moving object by means of microwaves, when such evidence is obtained by members of the Department of Public Safety, by police officers of this City, or by the Sheriff and his deputies. The evidence obtained shall be accepted as prima facia evidence of the speed of such vehicle.

(b) City police officers are hereby also empowered and further authorized to use other speed measurement devices, such as laser speed detection systems, which are capable of measuring the speed of vehicles by use of laser targeting. Such evidence may be admitted into Court as evidence of speed determination, but shall not be entitled to the status of prima facia evidence.

Dated this 8th day of April, 1997.

Craig Hammond
Craig Hammond
Mayor, City of Bluefield

ATTEST:
Beverly G. Tresch
Beverly G. Tresch
Clerk, City of Bluefield

ORDINANCE TO AMEND PART 2 CODE OF ORDINANCES
BY THE AMENDMENT OF CHAPTER 23 ZONING, ARTICLE V
BUSINESS DISTRICT REGULATIONS, SEC. 23-48.
PERMITTED USES AND SEC. 23-49, SPECIAL EXCEPTIONS, BY THE
ADDITION THERETO OF FUNERAL HOME,
INCLUDING CREMATORIUM AND NURSING HOME;
PERSONAL CARE HOME FOR ADULTS AS SPECIAL EXCEPTION
USES WITHIN THE HISTORIC DISTRICT AND
PERMITTED USES WITHIN THE REMAINDER

Whereas, the Board of Directors of the City of Bluefield finds that the City's Central Business District is the historic location of funeral homes, and nursing homes within the City, and

Whereas, the Board of Directors further finds that a usual and normal facility in present funeral homes is a crematorium, as permitted by the State Air Pollution Control Commission, and

Whereas, the Planning Commission has recommended these matters and the Board of Directors, after public hearing, has received no opposition to these changes; and,

Whereas, the Board further finds that the need to preserve the Downtown Historic District contained within this zoning District should be balanced with the District's and the City's businesses with the Downtown Historic District should be reviewed on a case by case basis.

NOW THEREFORE, WITNESSETH THE FOLLOWING ORDINANCES

Sec. 23-48 Permitted Uses.

Permitted uses	Business Districts BC	BN	BH
(Present body of Ordinance remains unchanged with these additions)			
Funeral Home, including crematorium	X		
Nursing home; personal care home for adults (Excluding Downtown Historic District)	X		

Sec. 23-49 Special exceptions.

	Business Districts		
Special exception uses	BC	BN	BH

(Present body of ordinance remains unchanged, with these amendments)

Nursing home, personal care home for adults (Downtown Historic District only)		X	X
Funeral Home, including crematorium (Downtown Historic District only)	X	X	

dated this the 26th day of August, 1997.

Nelson Walker, Mayor
City of Bluefield

ATTEST:

Beverly G. Tresch
Clerk, City of Bluefield

Page 153-154 Book 26 Adopted 09-30-97

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, BY THE ADOPTION IN CHAPTER 2, ADMINISTRATION, ARTICLE II, BOARDS AND COMMISSIONS, OF NEW DIVISION 4, ECONOMIC DEVELOPMENT COMMISSION

WHEREAS, the Board of Directors finds that the creation of an Economic Development Commission is a necessity and a priority for the City, because the acquisition and maintaining of a stable and expanding business population within the City is essential to the progressive growth of the community, both by the acquisition of new businesses and by the retention and expansion of existing businesses, and

WHEREAS, the Board finds that the creation of an Economic Development Commission can best accomplish these goals in a planned and organized manner, by creating an expert team tasked, in conjunction with the Board, other City boards and commissions, and with state and private groups, to explore, take action, and advise the Board as to the proper action to accomplish these actions to the present and future will being of the citizens and the municipality as a whole.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Chapter 2. **Administration.**

Article II. **Boards and Commissions.**

Division 3. Municipal Building Commission.

Sec. 2-50 - 260. Reserved

Division 4. Economic Development Commission.

Sec. 2-61 Created; Authority of Commission.

There is created a municipal economic development commission which shall be known as the Bluefield Economic Development Commission, Bluefield, West Virginia, in which is hereby vested the authority, with the advice and consent of the Board of Directors, to create, operate, maintain, hold, improve, extend, enlarge, lease and control any and all facilities now existing or which may come into existence as a result of this commission in carrying out the declaration of necessity herein.

Sec. 2-62 Membership.

(a) The Commission shall consist of fifteen (15) appointed members, who shall be appointed by the Board of Directors, and five (5) ex-officio members, who shall hold Commission membership so long as they hold the respective offices as listed. Ex-officio members, with the exception of the Mayor and City Manager, shall not be voting members of the Commission.

(b) The fifteen appointed members shall be appointed to the following initial terms. Subsequent appointed members shall be appointed members shall be appointed for 5-year terms.

Members	Initial Terms
4	1 year
4	2 years
3	3 years
2	4 years
2	5 years

Economic Development Commission (continued)

(c) Ex-officio members shall consist of the Mayor of the City or his delegate Board of Director's member, the City Manager, a representative from the City's Chamber of Commerce, and a representative from Region I Planning and Development Council.

2-63 Powers

The Commission shall have the power to serve as the City's liaison with the West Virginia Economic Development Authority, area development corporations, both private, non-profit, and governmental, Bluefield and area chambers of commerce, The Bluestone Visitors and Convention Bureau, the Historic Landmarks Commission, and Main Street Bluefield. In conjunction with the Bluefield Municipal Buildings Commission, it may in that Commission's name acquire, and by written agreement with that Comission manage, control, lease and dispose of facilities to advance the purpose of the Commission. It shall, in the name of the Board of Directors, have the authority to publicize City facilities, private structures and employment potentialities, to accept proposals from existing or new prospective employers, and to enter into (in conjunction with the Board of Directors or with the appropriate commissions) agreements to enhance and advance the economic expansion of the City. It shall advise the Board as to matters of finance, taxation and zoning as they impact the City's existing or potential businesses, and shall further advise the Board as to such other matters and the Commission may feel appropriate in carrying out its mission.

2-64 Officers, meetings.

(a) The Commission shall elect a chair and a vice chair, who shall preside at meetings. The Treasurer of the City shall also serve as the Treasurer of the Commission, but shall not ordinarily attend meetings of the Commission unless requested to do so.

(b) The Commission shall meet upon the call of its chair, vice chair, or the Mayor. The Commission shall meet no less frequently than quarterly.

2-65. Employees, salaries.

The Commission shall have no employees, nor shall any member receive any salary. The City Manager may, with the advice and consent of the Board of Directors, detail any City employers to the Commission for tasks to be accomplished by the Commission, but the City shall remain the employer of such employees.

Dated this the 30th day of September, 1997.

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

Page 159 Book 26 Adopted 10-28-97

ORDINANCE TO AMEND PART 2 CODE OF ORDINANCES
CITY OF BLUEFIELD BY THE AMENDMENT OF
CHAPTER 7, FIRE PROTECTION AND PREVENTION
ARTICLE II, FIRE PREVENTION CODE
BY THE REPEAL OF SUBSECTION (B) AND ITS
READOPTION AS FOLLOWS

WHEREAS, Board of Directors of the City of Bluefield finds that the City has, and should continue to, adopt from time to time standard national and state codes effective fire prevention, fire safety, and life safety, and

WHEREAS, certain codes presently enforced by the City of Bluefield need to be adoptive to record,

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

ARTICLE II. Fire Prevention Codes.

Sec. 7-20. Technical Codes - Purpose

(a) (This Subsection is unchanged and shall remain the same)

(b) The following standard codes in force throughout the City are hereby adopted, together with subsequent additions and revisions occurring after the date of adoption of this ordinance. (Deletions, modifications or amendments from these codes will be set out hereinfafter as needed).

(1) 1997 Life Safety Code (NFPA Volume 101),
(2) 1991 National Fire Code, as set forth by the NFPA,
(3) 1995 West Virginia State Fire Code (as authorized by the West Virginia Legislature March 10, 1995).

Dated this the 28th day of October, 1997.

Nelson Walker, Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
City Clerk

ORDINANCE TO AMEND PART II CODE OF ORDINANCES
CITY OF BLUEFIELD BY THE AMENDMENT OF
CHAPTER 23, ZONING ARTICLE V,
BUSINESS DISTRICT REGULATIONS BY THE
AMENDMENT OF SECTION 23-48, PERMITTED
USES, BY THE CORRECTION OF A TYPOGRAPHICAL ERROR
OMITTING "RETAIL SALES STORE" AS A
PERMITTED USE IN A BH (HIGHWAY RELATED
COMMERCIAL DISTRICT)

WHEREAS, the Board of Directors of the City of Bluefield and the Planning Commission of the City of Bluefield are charged with the administration of the zoning ordinances of the City of Bluefield, and

WHEREAS, the Planning Commission, at its regular meeting of February 4, 1998, was informed, and upon examination of the Ordinance, agreed that there exist a typographical error in the aforesaid Section 23-48, which would appear to ban "retain sales store" as a permitted use within the BH (highway related commercial district), and

WHEREAS, the Planning Commission found, and recommended to this Board, that that typographical error be corrected by showing of retail sales store as a permitted use.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 23-48. Permitted Uses (ordinance remains
The same, except that, under the first permitted
Use, an "X" should be inserted under BH, showing
That retail sales store is a permitted use in a BH district)

	Business District		
Permitted Uses	BC	BN	BH
Retail sales store, other than A motor vehicle sales agency; Farm implement sales agency; Heavy construction equipment Sales agency	X	X	X

Dated this the 24th day of February, 1998.

Mayor, City of Bluefield

ATTEST:
Clerk, City of Bluefield

ORDINANCE TO AMEND PART II CODE OF ORDINANCES
OF THE CITY OF BLUEFIELD, BY THE AMENDMENT OF
CHAPTER 4, BUILDING AND STRUCTURES, BY THE
ADOPTION OF NEW ARTICLE VI, LANDLORD
RESPONSIBILITIES TO SAID CODE

WHEREAS, the Board of Directors of the City of Bluefield finds that the provision of rental housing, whether the renting of rooms and apartments in residential owned real estate, the renting of single family homes, or the renting of units in multi-unit structures is a widely practiced occupation for the City of Bluefield, and

WHEREAS, the Board of Directors finds that it is in the interests of the public health and safety that landlords maintain structures rented to tenants to standards at least as high as those prescribed by the Secretary of Housing and Urban Development in Section 8 Regulations, as enforced by the Bluefield Housing Authority and

WHEREAS, the Board finds that the establishment and enforcement of those regulations upon all landlords within the City of Bluefield advances this public purpose.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Chapter 4 BUILDINGS AND STRUCTURES

Article V. Landlords' Responsibilities.

Sec. 4-90. Definitions. For the purpose of the following sections, the term "landlord" shall mean every person, whether an individual, partnership, corporation or other entity engaged and continuing in the City in the business of collecting income from the use of real or personal property by the rental of that property to individuals for residential tenancy. It does not

apply to persons renting rooms within their own residence, but in no case shall a structure divided into multi-family units be considered such a residence.

Sec. 4-91. Landlords' Responsibilities.

A. Every landlord within the City of Bluefield shall have and maintain a business license as required by Sec. 13-2 of this Code and shall make such returns and such payments as required by Article II, Business Franchise or Privilege Tax, of Chapter 13, Occupational Licenses of this Code.

B. Every landlord within the City shall, as a minimum, maintain structures occupied by tenants renting from them to the minimum standards as set out in Article II Codes, of Chapter 4 Buildings and Structures, of this Code. In addition, all landlords shall maintain such structures as required by standards, promulgated by the United States Department of Housing and Urban Development pursuant to Section 8 of that Department's Existing Housing Program, as well as such successor regulations as may be promulgated in the future. Applicable portions of such regulations will be the same regulations are as enforced by the City of Bluefield Housing Authority for its Section 8 existing Housing Program.

Sec. 4-92 Enforcement

A. The Office of Building Official as created in Sec. 4-1 of Chapter 4, Buildings and Structures Codes, shall have responsibility, either during routine inspection or upon complaint, to determine whether a unit rented by a landlord within the City complies with the requirements established by this Article. Results of any such inspection shall be in writing, and will be furnished to the landlord or his representative. Except in the case of life threatening defects, a landlord will have thirty days to make such repairs or corrections as are disclosed by the inspection prepared by the Building Official. In the case of life threatening defects, defined as those defects, which risk fire, asphyxiation, collapse, or other clear and present danger to tenants, the landlord will immediately make such corrections or repairs as are necessary.

B. In the event of an unexcused failure to correct any deficiencies as disclosed by the inspection of the official set out in subparagraph A hereof, a landlord will be notified, in writing, at the close of the period for corrections, that his Certificate of Occupancy for the unit or structure involved is withdrawn. Following the withdrawal of the Certificate of Occupancy, no landlord shall receive or collect any rental from any such structure, nor hold it out for rental, nor allow occupancy thereof.

Sec. 4-93 Criminal Penalties. Any landlord who, having received a withdrawal of his Certificate of Occupancy, who continues to allow rental occupancy, receive rents, or hold out for rental any such unit or structure shall be guilty of a misdemeanor, and punished as provided in Sec. 1-8 of this Code. For the purpose of this section, each day of continued occupancy shall constitute a separate violation.

Dated this 10th day of March, 1998

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

AN ORDINANCE TO AMEND PART 2 CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 23, ZONING, ARTICLE V BUSINESS DISTRICT REGULATIONS, BY THE ADOPTION OF DIVISION 2, ADULT NIGHTCLUB BUSINESSES

DIVISION 2
Adult Nightclub Businesses

Sec. 23-57. PURPOSE AND INTENT

It is the purpose and intent of this article to regulate adult nightclubs to promote the health, safety and general welfare of the citizens of the City and to establish uniform regulations to prevent any deleterious location or concentration of adult nightclubs within the City, thereby reducing or eliminating the adverse secondary effects from such businesses as found by the Board of Directors of the City pursuant to public hearing and report of the Planning Commission. The provisions of this Division have neither the purpose nor the effect of imposing a limitation or restriction on the content of any communicative materials, including sexually oriented materials. Similarly, it is not the intent nor the effect of this article to restrict or deny access by adults to sexually oriented materials protected by the First Amendment, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market. Neither is the intent nor effect of this article to condone or legitimize the distribution of obscene material. Rather, the intent of this article is an exercise of traditional zoning authority for the purposes set forth in W.Va. Code Secs. 8-24-1 and 8-24-39.

Sec. 23-58. Definitions.

(a) " Adult nightclub" means a nightclub, bar, restaurant, supper club, lounge or other establishment in which a person or persons appear in a state of nudity in the performance of their duties.

(b) "Nudity" means the showing of the human genitals less than completely and opaquely covered, the public region, the buttocks, the female breast below a point immediately above the top of the areola, or the human male genitals in a discernibly turgid state, even if completely and opaquely covered.

(c) "Public park" means public land that has been designated for park or recreational activities, including, but not limited to, a park, playground, nature trail, swimming pool, athletic field, basketball or tennis court, pedestrian or bicycle trail, or similar public land within the City that is under the control, operation or management of the City, County, or Board of Directors.

Sec. 23-59 Location.

No person, partnership, corporation or other business organization shall operate an adult nightclub, and no person shall appear in a state of nudity in an adult nightclub, in other than a BC or BH zone, or within 300 feet of a religious use, a public or private school or college, a government building open to the public, or a public park. For the purpose of this section, distances shall be measured in a straight line, without regard to intervening structures or objects, from the nearest portion of the parcel of real estate upon which an adult nightclub is located to the nearest property line of the premises of a religious use, a public or private school or college, a government building open to the public, or a public park, or to the nearest boundary line of a residential zone.

Dated this 24th day of March, 1998

George McGonagle
Vice-Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
Clerk, City of Bluefield

PAGE 187 BOOK 26 ADOPTED 4-28-98

ORDINANCE TO AMEND PAT II CODE OF ORDINANCES CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 14, OFFENSES AND MISCELLANEOUS PROVISIONS, ARTICLE 1, BY THE AMENDMENT OF SECTION 14-29, TO INCLUDE AN OFFENSE OF INTERFERENCE WITH AND FALSE INFORMATION TO OFFICERS AND MEMBERS OF THE POLICE DEPARTMENT

WHEREAS Board of Directors of the City of Bluefield recognizes that the current ordinance 14-29, entitled "Officers-Obstructing or opposing," does not prohibit giving false or misleading information, which is a frequent occurrence that inhibits apprehending criminal suspects and at times implicates innocent persons, and

WHEREAS the Board of Directors finds that it is in the best interests of the public health and safety to amend 14-29, by adding a provision making it a misdemeanor to intercept, molest or interfere with or to knowingly give false or misleading information to police, and

WHEREAS the Board of Directors finds the ordinance requires rewriting, to include neutrality of gender and clarification of law in the ordinance.

NOW, THEREFORE WITNESSETH, THE FOLLOWING AMENDMENT TO CHAPTER 14, OFFENSES AND MISCELLANEOUS PROVISIONS, ARTICLE 1, BY THE AMENDMENT OF SECTION 14-29:

Sec. 14-29. Officers-obstructing, opposing, interfering, giving false information.

It shall be unlawful for a person, by threat, menace, act or otherwise, to forcibly or illegally resist, hinder, obstruct or oppose or attempt to obstruct or oppose or to intercept, molest or interfere with or to knowingly give false or misleading information, or to counsel or advise others to resist, hinder, obstruct or oppose or to intercept, molest or interfere with or to knowingly give false or misleading information to any police officer, firefighter, or other office of the city who is acting in the lawful exercise or discharge of their official duty.

Dated this the 28th day of April 1998.

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

PAGE 204 BOOK 26 ADOPTED 7-14-98

ORDINANCE TO AMEND PART 11 CODE OF ORDINANCRS CITY OF BLUEFIELD CHAPTER 13, OCCUPATIONAL LICENSE, TAXES AND REGULATIONS, ARTICLE 11, BUSINESS FRANCHISE OR PRIVILEGE TAX, BY THE AMENDMENT OF SECTION 13-234(B), TO EXPAND BUSINESS AND OCCUPATIONAL TAX RATE RELIEF CITY WIDE

WHEREAS, Board of Directors of the City of Bluefield recognizes that the current ordinance 13-234, entitled "Exemptions and rate relief in enterprise zones," provides business and occupational tax relief only to new business in limited geographic areas within the City, and

WHEREAS, the Board of Directors fins that it is in the best financial interests of the City to amend 13-234, in order to promote economic growth of the City by expending the business and occupational tax relief to all new businesses within the City.

NOW, THEREFORE WITNESSETH, THE FOLLOWING AMENDMENT TO CHAPTER 13, ARTICLE 11, SECTION 13-234:

SECTION 13-234. Exemptions and rate relief.

SECTION 13-234(b): Rate relief.

(1) Definitions. The following shall apply to this article and subsection only:

(i) "New business:" New business shall be deemed as nay new or existing commercial, whole-sale, retail, manufacturing, or service entity which shall physically locate its principal place of business within the corporate limits of the City of Bluefield, either by purchase of real property or by virtue of a lease of five (5) years or more duration, and which is subject to the City's business and occupation tax.

New business shall also include existing commercial entities, which are brought within the corporate limits of the City by way of annexation or minor boundary adjustment.

No commercial, whole-sale, retail, manufacturing, or service entity which has conducted business within the corporate limits of the City currently or in the past, and which changes its name or changes its business structure shall be considered as a new business under this subsection, unless prior written approval has been given by the City treasurer.

(ii) "Business and occupation tax:" Business and occupation tax shall mean that Annual privilege tax, on account of the business and other activities, computed by the application of the rates contained in Article 11, chapter 13, code of Ordinances, City of Bluefield.

(iii) "Downtown historic district: "Downtown historic district shall mean the area within the City bounded on the north with Princeton Avenue, on the east by Scott Street and Edward Terrace, on the south by Clifford and Jones Streets and on the west by Russell Street, which runs into Princeton Avenue.

(2) Business and occupation tax rates otherwise due and payable pursuant to the Provisions of this chapter are hereby declared by the board of directors to be altered for new businesses that locate within the City limits.

(3) Rates: Regardless of the tax rates otherwise established by this chapter, new business will be taxed according to the following rates:

First year of new business	No tax
Second year of new business	25%
Third year of new business	50%
Fourth year of new business	75%
Fifth year of new business	100%

New businesses within the downtown historic district will be taxed according to the following rates:

First year of new business	No tax
Second year of new business	20%
Third year of new business	30%
Fourth year of new business	40%
Fifth year of new business	50%
Sixth year of new business	100%

(4) Restrictions:
These tax incentives will only be available to new businesses that obtain a city business license after January 1, 1998, and locate within the City limits.

Dated this the 14th day of July, 1998

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

PAGE 205 **BOOK 26** **ADOPTED 7-14-98**

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES
CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 11
JUDICAL SECTION 11-18, COSTS

WHEREAS the Board of Directors of the City of Bluefield recognizes that substantial administrative costs are incurred when persons fail to appear in court after being issued a summons or citation; and

WHEREAS the Board of Directors finds it appropriate to impose additional costs to defray such administrative costs.

NOW, THEREFORE WITNESSETH, THE FOLLOWING AMENDMENT TO CHAPTER 11, SECTION 11-18

Sec. 11-18. Costs.

a. Every judgment of court shall include costs against the defendant as prescribed by West Virginia Code 8-11-1, any successor to that statute, or any other State statute requiring the collection of State costs from defendants adjudicated guilty of offenses charged. State costs shall be disposed of as required by West Virginia Code 8-11-1a, or any similar statute.

b. In addition to the State costs imposed by subparagraph (a) of this section, the judgment of court shall also include costs assessed against the defendant for all services performed by the court and its officials for any single criminal case in the amount of $20.00.

c. Notwithstanding any additional penalties for offenses that may otherwise arise, in the event that a person to whom a citation or summons has been issued fails to appear in court, then the City may impose such additional costs, not to exceed double the fines and costs that can be imposed for the underlying charges (s), to defray the additional costs of administration.

Dated this the 14th day of July, 1998.

Nelson Walker
Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

ORDINANCE TO AMEND PART II CODE OF ORDINANCES CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 20, TRAFFIC AND VEHICLES. ARTICLE VII, PARKING DIVISION 1 GENERALLY SECTION 10-171 GENERAL PROHIBITION IN SPECIFIED PLACES,

SUBPARAGRAPH (18)

WHEREAS, the Board of Directors of the City had previously enacted an ordinance prohibiting the parking in an area designated for handicapped individuals by those who are not so handicapped; and,

WHEREAS, the penalty called for in that ordinance for violation is a fine of $25.00 for each such violation; and,

WHEREAS, the Board of Directors has determined that it would be more of a deterrent to violators of such ordinance for the fine to be increased to $50.00;

NOW, THEREFORE, WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 20-171. General prohibition in specified places.

(18) In an area designated, zoned or marked for the handicapped or physically disabled, when such person is not physically disabled or handicapped and does not have displayed upon his vehicle a distinguishing insignia for the handicapped, issued by the commissioner of motor vehicles; provided, that any person in the act of transporting a handicapped or physically disabled person, may stop, stand or park a motor vehicle not displaying a distinguishing insignia for the handicapped in an area designated, zoned or marked for the handicapped or physically disabled for the limited purposes of loading or unloading his handicapped or physically disabled passenger; provided, however, that such vehicle shall be promptly moved after the completion of such limited purposes. Any violation of the provisions of this subsection shall be punished by a fine of fifty dollars ($50.00) for each such violation.

Dated this the 9th day of March, 1999.

ATTEST: Mayor, City of Bluefield

Clerk, City of Bluefield

First Reading: 2/23/99

Second Reading: 3/9/99

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, BY THE AMENDMENT OF CHAPTER 4. BUILDINGS & STRUCTURES, ARTICLE III. PERMITS. BY THE REPEAL AND RE-ENACTMENT OF SECTION 4-48. STOP WORK ORDERS; EMERGENCY SECURITY ORDERS; CIVIL PENALTIES. SUBSECTION (c) CIVIL PENALTY THEREOF, AS FOLLOWS:

© Civil Penalty.

(1) It shall be unlawful for any person or firm who:
Owns property upon which an improvement is to be made or is a contractor for such improvement to commit any of the following acts:

(i) Begin work on such improvement without a permit, where this Article requires such a permit.
(ii) Substantially misstate on such permit, or its application, either the contract price, the nature of the work, or the identity of the person or firm to perform the work. A copy of the actual contract shall accompany every application for a permit, where the owner does not perform the work.

(2) Violations of this subsection will be subject to the following civil penalties, without regard to and in addition to penalties, civil or criminal, elsewhere provided for in this Code.

(i) An offense under subparagraph (1) (I) which is a first offense shall result in the requirement to purchase the permit and, in addition, to pay a civil penalty of $25.00
(ii) An offense under subparagraph (1) (ii) which is a first offense will result in the loss of the permit and the requirement to purchase a corrected permit and, in addition, to pay a civil penalty of $25.00.
(iii) An offense under either subparagraph (1) (I) or (ii), which is a second offense, will require a permit, or corrected permit as set out above and in addition a civil penalty of $50.00.
(iv) An offense which is a third offense under subparagraphs (1) (I) or (ii) will result in an order to stop the work as to the owner, a requirement for security to be posted for future work, and a $100.00 civil penalty. A contractor guilty of such a third offense will be subject to contractor's license revocation, a $100.00 civil penalty, and no reissuance of such license without reasonable future assurances to secure compliance with this Article.

First Reading: May 11, 1999
Second Reading: May 25, 1999

ATTEST:

Beverly G. Tresch, City Clerk Mayor, Nelson R. Walker

PAGE: 15 BOOK 26 ADOPTED 03-28-2000

AMENDMENT TO PART II CODE OF ORDINANCES CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 23, ZONING ARTICLE IX, SIGNS, CANOPIES, AWNINGS, MARQUEES, SECTION 23-78, REMOVAL OF NONCONFORMING SIGNS. BY THE RETITLING OF THAT SECTION AS CAMPAIGN SIGNS, REMOVAL OF NONCONFORMING SIGNS, THE ADDITION OF NEW PARAGRAPH (a) CAMPAIGN SIGNS, AND THE REDESIGNATION OF PRESENT SUBPARAGRAPHS (a) and (b) as (b) and (c) RESPECTIVELY

WHEREAS, the Board of Directors of the City of Bluefield finds that vigorous political campaigns concerning the election of candidates, public initiatives, legislation, etc., are essential to the health of a free democracy, and

WHEREAS, the Board finds that the erection of temporary, nondurable signs expressing citizen opinion, even in residential districts, should be permitted, and

WHEREAS, the Board further finds that a restriction on the size of signs will both preserve the safety and attractiveness of residential neighborhoods, without infringing upon the free speech rights of candidates to have supporters to display their signs.

NOW, THEREFORE WITNESSETH, THE FOLOWING ORDINANCE:

Sec. 23-78. Campaign Signs; Removal of Nonconforming Signs.

(a) *Campaign signs.* Signs promoting candidacy, or announcing support for political candidates, political measures, citizens initiatives, excess levys, and like temporary displays on business or residential private property within the City shall be permitted, so long as the surface area of each such sign does not exceed twenty-four by twenty-four inches on any one side. Such signs must be removed within 10 days after the final election to which they refer.

(b) (Former paragraphs (a) and (b) shall remain, redesignated as paragraphs (b) and (c) respectively).

Dated this the 28th day of March, 2000

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

PAGE 23 BOOK 26 ADOPTED 4-25-2000

**ORDINANCE TO AMEND PART II CODE OF ORDINANCES
CITY OF BLUEFIELD
CHAPTER 11, JUDICIAL BY THE AMENDMENT
OF
SECTION 11-7 ASSISTANT POLICE JUDGES, ETC.**

WHEREAS, by its previous ordinance No. 84-1, January 3, 1984, the Board of Directors of the City of Bluefield provided for Assistant Police Judges to serve as neutral and detached judicial officers to view persons arrested, and to either permit their incarceration or admit them to bail, and

WHEREAS, that Ordinance provided that such Assistant Police Judges were to be citizens and residents of the City of Bluefield, and

WHEREAS, the Board of Directors finds that sufficient qualified persons able to serve as such judges on a 24-basis is limited, and that the City residency requirement should be lifted, so long as such Assistant City Judges are employed within the City of Bluefield, and are residents of the State of West Virginia.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 11-7. Assistant Police Judges; Commitment; bonds or recognizances.

(a) [The ordinance as written will remain, with the insertion of "West Virginia" in front of "citizens" in line 2, the deletion of "and residents of" in line 3, and its replacement with "who reside or work within"]

Dated this the 25th day of April, 2000.

Mayor, City of Bluefield

ATTEST:

Clerk, City of Bluefield

PAGE 23 BOOK 26 ADOPTED 4-25-2000

ORDINANCE TO AMEND PART II CODE OF ORDINANCES
CITY OF BLUEFIELD
BY THE AMENDMENT OF CHAPTER 23,
ZONING, ARTICLE II, ADMINISTRATION ENFORCEMENT,
BY THE AMENDMENT OF SECTION 23-25
SAME – POWERS AND DUTIES GENERALLY, BY ITS
AMENDMENT TO ALLOW USE OF LEGAL AD NOTICES

WHEREAS, the Board of Directors of the City of Bluefield finds that the present requirement of the commercial-sized ad to be published at the cost of applicants for action by the Board of Adjustment it unnecessarily high, in view of the limited number of persons affected, and

WHEREAS, in that the Ordinance presently requires actual notice to adjoining owners, the Board finds that a classified legal ad will give sufficient notice to the general public of the limited applications entertained by the Board of Adjustment.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 23-25. Same-Powers and duties generally.

(a) (b) will remain the same, unchanged as will (c)

with the exception of the following amendment to the second to the last sentence in Subsection c of the present Ordinance which will be changed as set out below.

...The Board shall further give reasonable notice to area residents by causing to be published in a newspaper or local circulation a notice containing the same information as required to be given to adjoining owners, as a Class I classified ad, which publication shall be complete upon its last appearance.

Dated this the 10 day of May, 2000.

Nelson R. Walker
Mayor, City of Bluefield

ATTEST:
Beverly G. Tresch, City Clerk
Beverly G. Tresch

CITY OF BLUEFIELD

BOND ORDINANCE

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM FACILITIES OF THE CITY OF BLUEFIELD, WEST VIRGINIA, AND THE FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $307,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO THE SERIES 2000 A BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS ORDINANCE.

This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

SECTION 1.02. FINDINGS.

It is hereby found, determined and declared that:

A. The City of Bluefield (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public sanitary sewerage collection and treatment system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain betterments and improvements to the existing sewerage facilities of the Issuer, consisting of replacement of a main interceptor line, including rehabilitation of approximately 8,000 feet of 10-inch interceptors and approximately 3,500 feet of 4-inch collector lines in the Brushfork service area connected with the system (the "Project"), which constitute properties for the collection and treatment of wastewater (the existing sewerage system facilities of the Issuer, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $307,000.00, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have been approved by the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewerage System Revenue Bonds, Series 2000 A, in the total aggregate principal amount of not more than $307,000.00 (the "Series 2000 A Bonds"). The proceeds of the Series 2000 A Bonds will used to finance certain costs for the construction of the Project and to pay costs of issuance of the Series 2000 A Bonds . Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2000 A Bonds prior to and during construction or for a period not exceeding six months after completion of construction of the Project; amounts which may be deposited in the Series 2000 A Bonds Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

E. The Issuer intends to permanently finance such costs of construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority

(the "Authority") in connection with West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

F. The period of usefulness of the System after completion of the Project is not less than 25 years.

G. It is in the best interests of the Issuer that its Series 2000 A Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement to be entered into by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of the Environment ("DEP"), in form satisfactory to the Issuer, the Authority and the DEP, as shall be approved herein (the "Loan Agreement").

H. The Series 2000 A Bonds shall be issued on a parity with the Prior Bonds (hereinafter defined) with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2000 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds , there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the construction and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2000 A Bonds for the purposes set forth herein.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

SECTION 1.03. BOND LEGISLATION CONSTITUTES CONTRACT.

In consideration of the acceptance of the Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

SECTION 1.04. DEFINITIONS.

The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Series 2000 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 4.01 hereof.

"Bondholder," "Holder of the Bonds," "Holder" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Ordinance," "Bond Ordinance" or "Local Act" means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2000 A Bonds, the Prior Bonds and any bonds on a parity therewith authorized to be issued hereunder.

"City Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2000 A Bonds for all or a portion of the proceeds of the Series 2000 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Appalachian Engineering & Surveying, Inc., Bluefield, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of construction of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of the Environment.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Board of Directors, the duly elected governing body of the Issuer, as it may now or hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Proceeds" means any proceeds and replacement proceeds of the Series 2000 A Bonds.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 7.01 hereof) or any tap fees.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment" means any investment property as defined in Sections 148 (b) (2) and 148 (b) (3) of the Code and any other tax exempt bond.

"Issuer" means The City of Bluefield, a municipal corporation and political subdivision of the State of West Virginia, in Mercer County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement to be entered into among the DEP, the Authority and the Issuer providing for the purchase of the Series 2000 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) and as part of a minor portion under Section 148(e) of the Code.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any investment property as defined in Section 148(b).

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 6.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, as paying agent for the Series 2000 A Bonds.

"Prior Bonds" means, collectively, the Series 1992 Bonds, the Series 1995 Bonds, and the Series 1998 A Bonds.

"Prior Ordinances" means, collectively, the ordinance enacted by the Governing Body of the Issuer on June 2, 1992, as amended and supplemented by a Supplemental Resolution adopted June 2, 1992, pursuant to which the Series 1992 Bonds were issued; the ordinance enacted by the Governing Body of the Issuer on June 27, 1995, as amended and supplemented by a Supplemental Resolution adopted August 22, 1995, pursuant to which the Series 1995 Bonds were issued; and the ordinance enacted by the Governing Body of the Issuer on July 14, 1998, as amended and supplemented by a Supplemental Resolution adopted May 11, 1999, pursuant to which the Series 1998 A Bonds were issued.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Project" means the construction of certain improvements and betterments to the Issuer's wastewater collection and treatment facilities of the Issuer, as described in paragraph 1.02B hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is

guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registered Owner," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an outstanding Bond or Bonds, the person in whose name such Bond or Bonds is registered.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established and continued by the Prior Ordinances.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2000 A Bonds and the Prior Bonds.

"Reserve Requirements" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund established and continued by the Prior Ordinances.

"Sale Proceeds" means any amounts actually or constructively received from the sale of the Series 2000 A Bonds, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1992 Bonds" means the Sewerage System Refunding Revenue Bonds, Series 1992, dated June 1, 1992, of the Issuer, issued in the original principal amount of $4,985,000.

"Series 1995 Bonds" means the Sewerage System Refunding Revenue Bonds, Series 1995, dated August 29, 1995, of the Issuer, issued in the original principal amount of $7,945,000.

"Series 1998 A Bonds" means the Sewerage System Revenue Bonds, Series 1998 A, dated May 20, 1999, of the Issuer, issued in the original principal amount of $1,116,645.

"Series 2000 A Bonds" means the not more than $307,000.00 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2000 A, of the Issuer issued pursuant to this Ordinance.

"Series 1992 Bonds Reserve Account" means the Series 1992 Bonds Reserve Account established in the Series 1992 Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 1995 Bonds Reserve Account" means the Series 1995 Bonds Reserve Account established in the Series 1995 Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 1998 A Bonds Reserve Account" means the Series 1998 A Bonds Reserve Account established in the Series 1998 A Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established in the Series 2000 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2000 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 A Bonds in the then current or any succeeding year.

"Series 1992 Bonds Sinking Fund" means the Series 1992 Bonds Sinking Fund established by the Prior Ordinance.

"Series 1995 Bonds Sinking Fund" means the Series 1995 Bonds Sinking Fund established by the Prior Ordinance.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund established by the Prior Ordinance.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2000 A Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds from the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Series 2000 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts.

"System" means the existing sewerage system facilities as expanded by the Project, and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with said sewerage system; and shall include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

"Yield" means that yield computed under Section 1.148-4 of the Regulations for the Series 2000 A Bonds and yield computed under Section 1.148-5 of the Regulations for an investment.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION OF THE PROJECT

SECTION 2.01. AUTHORIZATION OF CONSTRUCTION OF THE PROJECT. There is hereby authorized the construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers. The Project consists of the replacement of a main interceptor line, including rehabilitation of approximately 8,000 feet of 10-inch interceptors and approximately 3,500 feet of 4-inch collector lines in the Brushfork service area connected with the system. The proceeds of the Bonds hereby authorized shall be applied as provided in Article V hereof.

It is estimated that the Project will cost approximately $307,000.00, which will be obtained from proceeds of the Series 2000 A Bonds. The Issuer hereby approves the costs of

the Project as set forth in the Schedule A attached to the certificate of the Consulting Engineer.

The Issuer has received bids and will enter into contracts for the construction of the Project, compatible with the financing plan submitted to the SRF Program.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

SECTION 3.01. AUTHORIZATION OF BONDS.

For the purposes of paying certain Costs of the Project not otherwise provided for, paying certain costs of issuance of the Series 2000 A Bonds and related costs, there shall be issued negotiable Series 2000 A Bonds of the Issuer, in an aggregate principal amount of not more than $307,000.00. Said Series 2000 A Bonds shall be issued as a single bond and designated as "Sewerage System Revenue Bonds, Series 2000 A." The Series 2000 A Bonds shall bear interest at the rate of two percent (2%) per annum. There shall also be payable on the Series 2000 A Bonds a one percent (1%) administrative fee. The Series 2000 A Bonds shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 A Bonds shall be deposited in the Bond Construction Trust Fund.

SECTION 3.02. TERMS OF THE BONDS.

The Series 2000 A Bonds shall bear interest as set forth above; shall be payable and mature on such dates and in such amounts as set forth in the Schedule Y attached to the Loan Agreement ; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution, or as specifically provided in the Loan Agreement. The Series 2000 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 A Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2000 A Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a supplemental resolution and shall bear interest from the date so specified therein.

SECTION 3.03. EXECUTION OF BONDS.

The Bonds shall be executed, either manually or by facsimile, in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk . In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

SECTION 3.04. AUTHENTICATION AND REGISTRATION.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

SECTION 3.05. NEGOTIABILITY, TRANSFER AND REGISTRATION.

Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

SECTION 3.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

SECTION 3.07. BONDS NOT TO BE INDEBTEDNESS OF THE ISSUER.

The Series 2000 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided . No holder or holders of any of the Series 2000 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 A Bonds or the interest thereon.

SECTION 3.08. BONDS SECURED BY PLEDGE OF NET REVENUES; SERIES 2000 A BONDS TO BE ON PARITY WITH THE PRIOR BONDS.

The payment of the debt service of all the Prior Bonds and Series 2000 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System, which first lien shall be shared prorata among all the Bonds . Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter and in the Prior Ordinance established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

SECTION 3.09. DELIVERY OF BONDS.

The Issuer shall execute and deliver the Series 2000 A Bonds to the Bond Registrar, and the Registrar shall authenticate, register and deliver the Bonds to the original purchasers thereof upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar, on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Bonds to the original purchasers;

C. The unqualified approving opinion of bond counsel on the Bonds;

D. An executed and certified copy of the Bond Legislation; and

E. An executed copy of the Loan Agreement.

SECTION 3.10. FORM OF BONDS.

The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 2000 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BOND
SERIES 2000 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, beginning _____, as set forth on the "Debt Service Schedule " attached as Exhibit B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit B.

The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, as shown on Exhibit B attached hereto . Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of _____ _____, West Virginia, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer,

the Authority and the West Virginia Division of Environmental Protection, dated _____, 2000.

This Bond is issued (i) to pay a portion of the costs of construction of certain improvements and betterments to the existing public sewerage system facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds") and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 2000, and _____, 2000, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH THE ISSUER'S (1) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1992 DATED JUNE 1, 1992, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,985,000 (THE "SERIES 1992 BONDS"), (2) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995 , DATED AUGUST 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,945,000, AND (3) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a first lien pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the Prior Bonds, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount required in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1992 Bonds are outstanding, and thereafter, 115% of such amount; provided however , that when the Series 1992 Bonds are no longer outstanding and so long as there exists in the Series 2000 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds , an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of

~~West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged~~ to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk , and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Mayor

ATTEST:

_____
City Manager

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A, described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

_____
_____, as Registrar

By _____
Its Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	Amount	Date
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		

(8)
(9)
(10)
(11)
(12)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

(8)
(9)
(10)
(11)
(12)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

AMENDMENT TO PART II CODE OF ORDINANCES CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 23, ZONING ARTICLE IX, SIGNS, CANOPIES, AWNINGS, MARQUEES, SECTION 23-78, REMOVAL OF NONCONFORMING SIGNS BY THE RETITLING OF THAT SECTION AS CAMPAIGN SIGNS, REMOVAL OF NONCONFORMING SIGNS, THE ADDITION OF NEW PARAGRAPH (A) CAMPAIGN SIGNS, AND THE REDESIGNATION OF PRESENT SUBPARAGRAPHS (a) and (b) and (c) RESPECTIVELY

WHEREAS, the Board of Directors of the City of Bluefield finds that vigorous political campaigns concerning the election of candidates, public initiatives, legislation, etc., are essential to the health of a free democracy, and

WHEREAS, the Board finds that the erection of temporary, nondurable signs expressing citizen opinion, even in residential districts, should be permitted, and

WHEREAS, the Board further finds that a restriction on the size of signs will both preserve the safety and attractiveness of residential neighborhoods, without infringing upon the free speech rights of candidates to have supporters to display their signs.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 23-78. Campaign Signs; Removal of Nonconforming Signs.

(a) ***Campaign signs.*** Signs promoting candidacy, or
Announcing support for political candidates,
Political measures, citizens initiatives, excess levys,
And like temporary displays on business or residential private property within the City shall be permitted, so long as the surface area of each such sign does not exceed
Twenty-four by twenty-four inches on any one side. Such signs must be removed within 10 days after the final election to which they refer.

(b) (Former paragraphs (a) and (b) shall remain, redesignated as paragraphs (b) and (c) respectively)

Dated this the 28th day of March, 2000.
Adopted: March 28, 2000
First Reading - March 14, 2000
Second Reading – March 28, 2000

_____
Mayor City of Bluefield

ATTEST:

Beverly H. Finch
Clerk, City of Bluefield

Book 27 **Page 23-24** **Adopted: April 25, 2000**

ORDINANCE TO AMEND PART II CODE OF ORDINANCES
CITY OF BLUEFIELD
CHAPTER 11, JUDICIAL BY THE AMENDMENT
OF SECTION 11-7 ASSISTANT POLICE JUDGES, ETC.

Whereas, by its previous ordinance No. 84-1, January 3, 1984, the Board of Directors of the City of Bluefield provided for Assistant Police Judges to serve as neutral and detached judicial officers to view persons arrested, and to either permit their incarceration or admit them to bail, and

Whereas, that Ordinance provided that such Assistant Police Judges were to be citizens and residents of the City of Bluefield, and

Whereas, the Board of Directors finds that sufficient qualified persons able to serve as such judges on a 24-basis is limited, so long as such Assistant City Judges are employed within the City of Bluefield, and are residents of the State of West Virginia.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:
Sec. 11-7. Assistant Police Judges; Commitment; bonds or recognizance's.

(a) [The ordinance as written will remain, with the insertion of "West Virginia" in front of "citizens" in line 2, the deletion of "and residents of" in line 3, and its replacement with "who reside or work within"]

Dated this the 25th day of April, 2000

Adopted: April 25, 2000
First Reading – April 11, 2000
Second Reading – April 25, 2000

Nelson R. Walker
Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
Clerk, City of Bluefield

Book 27 **Page 28-29** **Adopted: May 10, 2000**

ORDINANCE TO AMEND PART II CODE OF ORDINANCES CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 23, ZONING, ARTICLE II, ADMINISTRATION ENFORCEMENT, BY THE AMENDMENT OF SECTION 23-25 SAME – POWERS AND DUTIES GENERALLY, BY ITS AMENDMENT TO ALLOW USE OF LEGAL AD NOTICES

WHEREAS, the Board of Directors of the City of Bluefield finds that the present requirement of the commercial-sized ad to be published at the cost of applicants for action by the Board of Adjustment it unnecessarily high, in view of the limited number of persons affected, and

WHEREAS, in that the Ordinance presently requires actual notice to adjoining owners, the Board finds that a classified legal ad will give sufficient notice to the general public of the limited applications entertained by the Board of Adjustment.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 23-25. Same-Powers and duties generally.

(a) (b) will remain the same, unchanged as will (c)
with the exception of the following amendment to the second to the last sentence in Subsection c of the present Ordinance which will be changed as set out below.

...The Board shall further give reasonable notice to area residents by causing to be published in a newspaper or local circulation a notice containing the same information as required to be given to adjoining owners, as a Class I classified ad, which publication shall be complete upon its last appearance.

Dated this the 10 day of May, 2000.

Adopted: May 10, 2000
First Reading: April 25, 2000
Second Reading: May 10, 2000

Nelson R. Walker
Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
City Clerk

ORDINANCE TO AMEND PART II, CODE OF ORDINANCE OF THE CITY OF BLUEFIELD, CHAPTER 8, GARBAGE, TRASH AND OTHER WASTE. ARTICLE II, GARBAGE COLLECTION, FEES, PROHIBITED ACTS BY THE AMENDMENT OF SECTION 8-4. REMOVAL SERVICES FEES AND SECTION 8-5. BILLING DATES AS FOLLOWS

WHEREAS, the Board of Directors of the City of Bluefield finds that the costs of garbage collection for the citizens of Bluefield continues to increase and that the present removal service fee schedules do not bring in sufficient revenue to adequately defray the actual costs of providing these services to the residents:

WHEREAS, THE Board of Directors also finds that interest amounts should be added to delinquent accounts to encourage prompt payment to the City for such service;

NOW, THEREFORE, WITNESSETH THE FOLLOWING ORDINANCES:

Sec. 8-4. Removal service fees.

(a) (1) Every property owner or occupant of a residential unit shall be responsible for the payment of a monthly fee of eleven dollars ($11.00) {thirty-three dollars ($33.00) per quarter} for minimum regular service per residential unit.

(2) (remains unchanged)

(b) (remains unchanged)

(c) (remains unchanged)

(d) (1) (remains unchanged)

(2) The treasurer or chief financial officer may establish school rates For public schools, subject to avail- Ability of the service after public Residential needs are met, per school Within the city limits. No such school may Without prior written permission, use a private Collector.

(e) Each user of the driveway removal service shall be subject To a charge of nineteen dollars ($19.00) per month {fifty-seven Dollars ($57.00) per quarter], billed and payable According to the provisions set out In section 8-5 below. Extreme conditions, Such as extremely steep or narrow driveways or driveways in poor condition, may require the the treasurer to deny driveway service or to access an additional surcharge to cover the costs of this service.

(f) (1) Each user of the special pickup services shall be subject to a charge of thirteen ($13.00) for each pickup or for loads of one-half (1/2) dump truck or less; nineteen dollars and fifty cents ($19.50) for loads up to an entire dump truck load; and thirty-seven dollars and 50 cents ($37.50) for Swacar or similar vehicle-size loads. In addition to charges provided in this subsection, users of special service fee shall pay the actual cost of landfill charges for such pickup; users of partial loads

shall pay the prorated charges attributable to their portion of total loads delivered to the landfill.

(2) The following special fees are also established in addition to pickup fees for tire disposal: Landfill charges plus fifty cent ($0.50) handling charge.

Sec. 8-5. Billing dates.

(a) (remains unchanged)

(b) The city treasurer shall render quarterly statements in advance of furnishing the service to all property owners or occupants of residential units for solid waste removal service as specified under section 8-4 (a) – (e) and shall render statements promptly after provision of the service described in section 8-4 (f). Such charges shall be due and payable on rendition and may be made in conjunction with charges for fire protection service as set out in section 6-30 et seq. Of this code; rendition dates shall be July 1st, October 1st, January 1st, and April 1st.

(c) Any quarterly or other statement to a residential customer which remains unpaid sixty (60) days after the date of rendition will bear interest on the past due balance at the rate of ten percent (10%) per annum, compound. Any such statement to a commercial customer which remains unpaid thirty (30) days after the date of rendition will bear interest on the past due balance at the rate of ten percent (10%) per annum, compound.

(d) (remains unchanged)

Adopted this 27th day of June 2000.

First Reading: June 13, 2000

Second Reading: June 27, 2000

Paul Cole, Jr.
Mayor, City of Bluefield

ATTEST:

Beverly G. Fresch

Beverly G. Fresch
Acting Clerk, City of Bluefield

ORDINANCESOF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASING OF CONSTRUCTION OR ALTERATION PERMIT FEES BY AN AVERAGE OF 25%

WHEREAS, the Board of Directors of the City of Bluefield finds that fees from permits do not approach the costs of providing qualified inspectors to perform construction and alteration inspections as required by BOCA Codes; and,

WHEREAS, the Board of Directors finds that an increase of those fees by an average of 25% will keep fees at a minimal level, imposing no burden upon owners or contractors for repairs, remodeling or constructions of structures;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 4-42. Permits for Construction or Alterations of Buildings or Structures; **Electrical, Plumbing, Mechanical and Sign Installation Work; Demolition.**

(a) For a permit for the construction of new buildings or structures or alterations of existing structures, fees shall be payable as follows, calculated on estimated cost or value of work:

Cost	*Permit Fee*
Less than $200.00 . .	$0.00
$201 to $1,000 . . :	$12.50
$1,001 to $10,000 . .	$12.50 plus $10.00 for each whole or partial $1,000 of cost exceeding $1,000
$10,000 to $50,000 .	$102.50 plus $7.50 for each whole or partial $1,000 of cost exceeding $10,000
$50,001 to $100,000 . .	$402.50 plus $5.00 for each whole or partial $1,000 of cost exceeding $50,000$100,001 to $500,000.$652.50 plus $3.75 for each whole or partial $1,000 of cost exceeding $100,000
$500,001 to $1,000,000	$2,152.50 plus $2.50 for each whole or partial $1,000 of cost exceeding $500,000
$1,000,001 and above. .	$3,402.50 plus $1.25 for each whole or partial $1,000 of cost exceeding $1,000,000

(b) [remains unchanged]

ORDINANCESOF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASING OF CONSTRUCTION OR ALTERATION PERMIT FEES BY AN AVERAGE OF 25%

WHEREAS, the Board of Directors of the City of Bluefield finds that fees from permits do not approach the costs of providing qualified inspectors to perform construction and alteration inspections as required by BOCA Codes; and,

WHEREAS, the Board of Directors finds that an increase of those fees by an average of 25% will keep fees at a minimal level, imposing no burden upon owners or contractors for repairs, remodeling or constructions of structures;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 4-42. Permits for Construction or Alterations of Buildings or Structures; **Electrical, Plumbing, Mechanical and Sign Installation Work; Demolition.**

(a) For a permit for the construction of new buildings or structures or alterations of existing structures, fees shall be payable as follows, calculated on estimated cost or value of work:

Cost	*Permit Fee*
Less than $200.00 . .	$0.00
$201 to $1,000 . . :	$12.50
$1,001 to $10,000 . .	$12.50 plus $10.00 for each whole or partial $1,000 of cost exceeding $1,000
$10,000 to $50,000 .	$102.50 plus $7.50 for each whole or partial $1,000 of cost exceeding $10,000
$50,001 to $100,000 . .	$402.50 plus $5.00 for each whole or partial $1,000 of cost exceeding $50,000$100,001 to $500,000.$652.50 plus $3.75 for each whole or partial $1,000 of cost exceeding $100,000
$500,001 to $1,000,000	$2,152.50 plus $2.50 for each whole or partial $1,000 of cost exceeding $500,000
$1,000,001 and above. .	$3,402.50 plus $1.25 for each whole or partial $1,000 of cost exceeding $1,000,000

(b) [remains unchanged]

(c) [remains unchanged]

Adopted this 27th day of June 2000.

FIRST READING:
June 13, 2000

SECOND READING:
June 27, 2000

Paul Cole, Jr.
Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
Clerk, City of Bluefield

ORDINANCE TO AMEND CHAPTER 18, STREETS AND SIDEWALKS, DIVISION III, SPECIAL CHARGES FOR STREET MAINTENANCE AND IMPROVEMENT BY THE AMENDMENT OF SEC. (A) (1), AND THE ADDITION OF NEW SECTION (C), Sec. 18-65:

WHEREAS, the Economic Development Commission has recommended to the Board of Directors that the City's Special Service Fee for street maintenance and improvement is insufficient for the purposes of regular repair and repavement, and has recommended to the Board of Directors the following fee schedule, and

WHEREAS, the Board of Directors is in agreement that the present fee schedule does not raise sufficient funds to allow the City to maintain a proper program of street repair and improvement.

WHEREAS, the Board of Directors further finds that there should be set out the proportion of funds received from such fees to be used for street resurfacing, and that to be used for street maintenance and repair.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 18-65. Assessment of special service charges for street repair and improvement upon residential households and commercial establishments.

(a) (1) There is hereby imposed a special service fee for the calendar year beginning January 1, 2001, and each succeeding calendar and fiscal year of the city, a special service fee of sixty dollars ($60.00) per residential household, payable quarterly in installments of fifteen dollars ($15.00) in advance, upon the residential users and beneficiaries of street maintenance and improvement, according to the following schedule:

Bill Date	Service Quarter
January 1	January 1- March 31
April 1	April 1 – June 30
July 1	July 1 – September 30
October 1	October 1 – December 31

The City Treasurer and Chief Financial Officer shall calculate and send quarterly bills in advance to each such household in conjunction with bills for fire protection and service and for garbage removal service as provided in sections 6-30 and 8-5 of this Code.

(b) (1). There is hereby imposed, a special service fee beginning with calendar year January 1, 2001, and each succeeding year of the City, a special service fee of one hundred dollars ($100.00) per all businesses licensed to do business within the city, payable quarterly in installments of twenty-five ($25.00) in advance, according to the following schedule:

Bill Date	Service Quarter
January 1	January 1- March 31
April 1	April 1 – June 30
July 1	July 1 – September 30
October 1	October 1 – December 31

The City Treasurer and Chief Financial Officer shall calculate and send quarterly bills in advance to each such business in conjunction with bills for fire protection and for garbage removal service as provided in Section 6-30 and 8-5 of this Code.

(c) The City Treasurer and Chief Financial Officer shall maintain a separate account for collections from the fees imposed by this Division. From that Account, the City shall pay solely the expenses of paving and repaving City streets, and the repair and maintenance of City streets and bridges. At least 80% of the revenues from such fee shall be solely dedicated to resurfacing

streets and bridges (where appropriate); 20% of such fund may be used for the maintenance and repair of such streets or bridges.

Adopted this the 26th. day of December, 2000.

FIRST READING: December 12, 2000
SECOND READING: December 26, 2000
PUBLIC HEARING: December 26, 2000

ATTEST:

Mayor, City of Bluefield

Clerk, City of Bluefield

SECOND READING AND PUBLIC HEARING – ORDINANCE TO AMEND CHAPTER 13, OCCUPATIONAL LICENSES, ETC., ARTICLE II, BUSINESS FRANCHISE OR PRIVILEGE TAX, BY AMENDMENT OF SECTIONS 13-260, 13-262, AND 13-264.

WHEREAS, the Board of Directors of the City of Bluefield upon a review of the business and occupational tax classifications and rates allowed by the West Virginia State Legislature, have come to the conclusions that all businesses operated within the City of Bluefield should pay the rates as authorized, and

WHEREAS, the Board of Directors finds that the B & O tax rates charged to small loan businesses, contracting businesses, and natural resource businesses are not consistent with the state rates allowed.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 13-260. Same – Small loan business.

Upon every person engaging, conducting or continuing
Upon every person engaging, conducting or continuing within the city in the business of operating a small loan company or business as defined by the statutes of the state, tax shall be one percent of the gross income of such business, effective January 1, 2001.
percent of the gross income of such business, effective January 1, 2001.

Sec. 13 –262. Contractors.

Upon every person engaging or continuing within the city in the business of contracting, the tax shall be equal to 2% of the gross income of the business, effective January 1, 2001.

Sec. 13-264. Same—Tax Rates

(a) This paragraph will remain unchanged except for the rates to change as follows:

(1) Limestone or sandstone quarried or mined 1 ½ %.

(2) Sand, gravel or other mineral product not quarried or mined, 3%.

(3) Timber, 1 ½ %.

(4) Other natural resource products, 2 %, effective January 1, 2001.

(b) This paragraph will remain unchanged.

Adopted this 26th. day of December, 2000.

FIRST READING: December 12, 2000.
SECOND READING: December 26, 2000.
PUBLIC HEARING: December 26, 2000

ATTEST:

Mayor, City of Bluefield

Clerk, City of Bluefield

Book 27 **Page 77-78** **Adopted: January 23, 2001**

ORDINANCE TO AMEND CHAPTER 14, OFFENSES AND MISCELLANEOUS PROVISIONS TO INCLUDE PROHIBITION OF POSSESSION OF TOBACCO BY PERSONS UNDER THE AGE OF EIGHTEEN

WHEREAS the Board of Directors of the City of Bluefield has determined that the City's Code of Ordinances do not address possession of tobacco or tobacco products by persons under the age of eighteen, and

WHEREAS the Board of Directors finds that it is in the best interests of the City to amend Chapter 14 by adopting and including provisions prohibiting the possession of tobacco or tobacco products by persons under the age of eighteen.

NOW, THEREFORE WITNESSETH, THE FOLLOWING AMENDMENT TO CHAPTER 14 OF THE CITY'S CODE OF ORDINANCES:

14-62. Use or possession of tobacco by persons under the age of eighteen prohibited.

No person under the age of eighteen years shall have on or about his or her person or premises of use any cigarette paper or any other tobacco products, in any form; or, any pipe snuff, chewing tobacco or tobacco product: Provided, that minors participating in the inspection of locations where these products are sold or distributed shall not be deemed to violate the provisions of this section.

Any person violating the provisions of this section shall for the first violation be fined twenty-five dollars and be required to serve eight hours of community service; for a second violation, the person shall be fined fifty dollars and be required to serve sixteen hours of community service; and for a third and each subsequent violation, the person shall be fined one hundred dollars and be required to serve twenty-four hours of community service.

Nothwithstanding the provisions of Chapter 14-1, the Municipal Court shall have concurrent jurisdiction.

BE IT ORDAINED BY THE BOARD OF DIRECTORS that the Bluefield City Code be amended as follows:

14-62. Use or possession of tobacco by persons under the age of eighteen prohibited.

No person under the age of eighteen years shall have on or about his or her person or premises or use any cigarette, or cigarette paper or any other tobacco products, in any form; or, any pipe, snuff, chewing, or cigarette paper or any other tobacco products: Provided, That minors participating the inspection of locations where these products are sold or distributed shall not be deemed to violate the provisions of this section.

Any person violating the provisions of this section shall for the first violation be fined twenty-five dollars and be required to serve eight hours of community service; for a second violation, the person shall be fined fifty dollars and be required to serve sixteen hours of community service; and for a third and each subsequent violation, the person shall be fined one hundred dollars and be required to serve twenty-four hours of community service. Notwithstanding the provisions of Chapter 14-1, the Municipal Court shall have concurrent jurisdiction.

West Virginia Code sections 16-9A-3, as amended along with any amendments and modifications to the same which may be made by the Legislature of the State of West Virginia, which said statutes are hereby adopted, incorporated and made Ordinances of the City of Bluefield as if fully set out hereinafter.

Notwithstanding any provisions of said sections to the contrary, in no event shall any of said newly adopted Ordinances be in conflict with the West Virginia Code Chapter 8, Article 11, Section 1, et seq.

Dated this the 23rd day of January, 2001

Adopted: January 23, 2001

First Reading: December 12, 2000

Second Reading: January 23, 2001

Paul Cole, Jr.
Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
Beverly G. Tresch

Acting Clerk, City of Bluefield

Book 27 **Page78-80** **Adopted: January 23, 2001**

ORDINANCE TO AMEND CHAPTER 14, OFFENSES AND MISCELLANEOUS PROVISIONS, TO INCLUDE PROHIBITION OF POSSESSION OF MARIHUANA

WHEREAS Board of Directors of the City of Bluefield has determined that the City's Code of Ordinances do not address possession of marihuana.

WHEREAS the Board of Directors finds that it is in the best interests of the City to amend Chapter 14 by adopting and including provisions prohibiting the possession of marihuana.

NOW, THEREFORE WITNESSETH, THE FOLLOWING AMENDMENT TO CHAPTER 14 OF THE CITY'S CODE OF ORDINANCES:

14-63. Possession of marihuana.

It is unlawful for any person knowingly or intentionally to possess marihuana unless the marihuana was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of his professional practice, or except as otherwise authorized by this code. Any person who violates this subsection is guilty of a misdemeanor, and disposition may be made under section 14-64, subject to the limitations specified in said section 14-64, or upon conviction, such person may be confined in jail not more than thirty days, or fined not more than one thousand dollars, or both; Provided, that notwithstanding any other provision of this code to the contrary, any first offense for possession of less than 15 grams of marihuana shall be disposed of under said sectin-64.

"Marihuana" means all parts of the plant "Cannabis sativa L.," whether growing or not; the seeds thereof; mixture or preparation of the plant, its seeds, or resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

"Practitioner" means either: (1) A physician, dentist, veterinarian, scientific investigator, or other person licensed, registered or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this State; or (2) A pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this State.

14-64. Conditional discharge for first offense of possession of marihuana.

Whenever any person who has not previously been convicted of any offense under this code or under any statute of the United States or of any state relating to narcotic drugs, marihuana, or stimulant, depressant, or hallucinogenic drugs, pleads guilty to or is found guilty of possession of a controlled substance under section, the court, without entering a judgment of guilt and with the consent of the accused, may defer further proceedings and place him on probation upon terms and conditions. Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, the court shall discharge the person and dismiss the proceedings against him. Discharge and dismissal under this section shall be without adjudication of guilt and is not a conviction for purposes of this section or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime, including the additional penalties imposed for second or subsequent convictions. The effect of such dismissal and discharge shall be to restore such person in contemplation of law to the status he occupied prior to such arrest and trial. No person as to whom such dismissal and discharge have been effected shall be thereafter held to be guilty of perjury, false swearing, or otherwise giving a false statement by reason of his failure to disclose or acknowledge such arrest or trial in response to any inquiry made of him for any purpose. There may be only one discharge and dismissal under this section with respect to any person.

After a period of not less than six months which shall begin to run immediately upon the expiration of a term of probation imposed upon any person under this code, such

person may apply to the court for an order to expunge from all official records all recordations of his arrest, trial, and conviction, pursuant to this section. If the court determines after a hearing that such person during the period of such probation

and during the period of time prior to his application to the court under this section has not been guilty of any serious or repeated violation of the conditions of such probation, it shall enter such order.

BE IT ORDAINED BY THE BOARD OF DIRECTORS that the Bluefield City Code be amended as follows:

14-63. Possession of marihuana.

It is unlawful for any person knowingly or intentionally to possess marihuana unless the marihuana was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of his professional practice, or except as otherwise authorized by this code. Any person who violates this subsection is guilty of a misdemeanor, and disposition may be made under section 14-64, subject to the limitations specified in said section 14-64, or upon conviction, such person may be confined in jail not more than thirty days, or fined not more than one thousand dollars, or both; Provided, that notwithstanding any other provision of this code to the contrary, any first offense for possession of less than 15 grams of marihuana shall be disposed of under said section-64.

"Marihuana" means all parts of the plant "Cannabis sativa L.," whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

"Practitioner" means either: (1) A physician, dentist, veterinarian, scientific investigator, or other person licensed, registered or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this State; or (2) A pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a controlled substance in the course of professional practice or research in this state.

14-64. Conditional discharge for first offense of possession of marihuana.

Whenever any person who has not previously been convicted of any offense under this code or under any statute of the United States or of any state relating to narcotic drugs, marihuana, or stimulant, depressant, or hallucinogenic drugs, pleads guilty to or is found guilty of possession of a controlled substance under section, the court, without entering a judgment of guilt and with the consent of the accused, may defer further proceedings and place him on probation upon terms and conditions. Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, the court shall discharge the person and dismiss the proceedings against him. Discharge and dismissal under this section shall be without adjudication of guilt and is not a conviction for purposes of this section or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime, including the additional penalties imposed for second or subsequent convictions. The effect of such dismissal and discharge shall be to restore such person in contemplation of law to the status he occupied prior to such arrest and trial. No person as to whom such dismissal and discharge have been effected shall be thereafter held to be guilty of perjury, false swearing, or otherwise giving a false statement by reason of his failure to disclose or acknowledge such arrest or trial in response to any inquiry made of him for any purpose. There may be only one discharge and dismissal under this section with respect to any person.

After a period of not less than six months which shall begin to run immediately upon the expiration of a term of probation imposed upon any person under this code, such person may apply to the court for an order to expunge from all official records all recordations of his arrest, trial, and conviction, pursuant to this section has not been guilty of any serious or repeated violation of the conditions of such probation and during the period of time prior to his application to the court under this section has not been guilty of any serious or repeated violation of the conditions of such probations, it shall enter such order.

Notwithstanding any provisions of said sections to the contrary, in no event shall any of said newly adopted Ordinances be in conflict with the West Virginia code Chapter 8, Article 11, Section 1, et seq.

Dated this the 23rd day of January 2001.

Adopted: January 23, 2001

First Reading: December 12, 2000

Second Reading: January 23, 2001

Paul Cole, Jr
Mayor, City of Bluefield

ATTEST:

Beverly G. Tresch
Acting City Clerk

Book 27 **Page: 89** **Adopted: March 13, 2001**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 13, OCCUPATIONAL LICENSE, BY THE AMENDMENT OF SECTION 13-2. LICENSE REQUIRED; FEES LEVIED.

WHEREAS, the Board of Directors of the City of Bluefield finds it to be in the best interests of the City to adopt the same fee schedule for business licenses as charged by the State of West Virginia;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 13-2. License required; fees levied.

(the two paragraphs of the present ordinance will be, respectively, numbered as subparagraph (a) and (b)

(a) No person, defined as any individual, sole partnership, partnership, domestic or foreign corporation, or any other business entity shall conduct, operate, engage in or carry on any business occupation or activity within the city, whether listed in this article or not, without a city license therefor. Every such person doing business within the city shall make application to the city clerk as hereafter set out in this article and shall pay a general license fee equal in amount to the fee paid to the State of West Virginia for a business license. This license fee shall be in addition to every fee otherwise imposed upon such entity as a result of any other ordinance. The license fees specified in this section and in this article are levied on every person engaging in or prosecuting within the city any business activity, trade or employment.

(b) Upon every person engaging or continuing within the city in any business for which a professional license is required by the State of West Virginia, an additional annual license fee of five dollars ($5.00) shall be charged, except that in the case of an incorporated entity such fee shall be charged to the individual persons holding such licenses, and not additionally to the professional corporation.

Adopted this 13th day of March, 2001.

FIRST READING: February 13, 2001.

SECOND READING: March 13, 2001.

Paul Cole, Jr., Mayor
City of Bluefield

ATTEST:

Drema A. Shireman,
City Clerk

Book 27 **Page: 88** **Adopted: March 13, 2001**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE ADDITION OF NEW DIVISION 3 "VOLUNTARY SUPPORT FOR PARKS AND RECREATION" TO CHAPTER 6, FINANCE AND TAXATION AS FOLLOWS:

WHEREAS, the Board of Directors of the City of Bluefield finds it to be in the best interests of the City to adopt an ordinance regarding voluntary support for parks and recreation;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

DIVISION 3. VOLUNTARY SUPPORT FOR PARKS AND RECREATION

Sec. 6-32-40. Reserved.

Sec. 6-41. Voluntary contributions to parks and recreation.

City business or individual entities or residents may voluntarily contribute to the capital improvement of the City Department of Parks and Recreation facilities by increasing the amount of payment made to the City Treasurer for garbage, fire protection or street fees either to the next highest rounded dollar of any such special services fee bill, or by adding any appropriate additional amount to the payment for such bills, clearly designating the same as "Round-up amount."

Sec. 6-42. Use of voluntarily contributed funds.

The City Treasurer shall maintain a separate fund for the deposit and retention of such monies, and for their administration and use for capital improvements to facilities of the Parks and Recreation Department, upon request by the Director and City Manager, and approval by the Board of Directors.

Adopted this 13th day of March, 2001.

FIRST READING: February 13, 2001.

SECOND READING: March 13, 2001

Paul Cole, Jr., Mayor
City of Bluefield

ATTEST:
Drema A. Shireman,
City Clerk

Book 27 **Page: 92-93** **Adopted: March 27, 2001**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASE OF FEES AS SCHEDULED IN SECTIONS 4-42 THROUGH 4-48 AND 4-52 SET OUT BELOW, THE OTHER PARTS OF SAID SECTIONS REMAINING IN FULL FORCE AND EFFECT

WHEREAS, the Board of Directors of the City of Bluefield finds that fees from permits do not approach the costs of providing qualified inspectors to perform construction and alteration inspections as required by BOCA Codes; and,

WHEREAS, the Board of Directors finds that a slight increase of those fees will keep fees at a minimal level, imposing no burden upon owners or contractors for repairs, remodeling or construction of structures;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 4-42 Permits for Construction or Alterations of Buildings or Structures; Electrical, Plumbing, Mechanical and Sign Installation Work; Demolition.

(a) (remains unchanged)

(b) Electrical, plumbing, mechanical and sign permit fees. For a permit for electrical, plumbing, mechanical and sign installation work, fees calculated on the estimated cost or value of such work shall be as follows:

Cost *Permit Fee*

Less than $100	$12.50
$200	$15.00
$300	$20.00
$500	$27.50
$1,000	$37.50
$2,000	$50.00
$3,000	$62.50
$4,000	$75.00
$5,000	$93.75
$10,000	$118.75
$11,000	$122.50
$25,000	$175.00
$50,000	$237.50

Temporary Electrical

Service Connection $12.50

(c) Fees for permits for demolition of buildings and structures shall be as follows:

(1) Residential (one- and two-family dwellings only): $43.75

(2) Accessory residential structure: $12.50

(3) Commercial:

Less than 10,000 square feet	$62.50
10,001-50,000 square feet	$93.75
50,001 – 100,000 square feet	$125.00
100,001 and up	$187.50

Sec. 4-43. Moving buildings.

The fee for moving a building to another location shall be one hundred twenty-five dollars ($125.00), plus a building permit fee calculated on the cost of the move and the new foundation and other structures constructed, calculated according to section 4-42(a).

Sec. 4-44. Electrical, plumbing, mechanical, structural or sign inspections.

(a) Fees for inspection of electrical, plumbing, mechanical, structural or sign installation shall be twelve and 50/100 dollars ($12.50) for each inspection required, to be paid at the time of application for a building or moving permit.

(b) Reinspection fees caused by the failure of the work to pass inspection, or by the failure of the permute to make the work available for inspection, shall be without charge for the first ($12.50) per reinspection and twelve and 50/100 dollar ($12.50) per reinspection required by such failure or by the requirement of succeeding inspections after the first reinspection.

Sec. 4-45. Specialized inspections.

From time to time, city code enforcement personnel may perform or arrange for specialized inspections, principally environmental hazard assessments. Fees for such inspections as required will be forty-three and 75/100 dollars ($43.75) plus the actual costs of any specialized testing involved.

Sec. 4-46. Plan review, manufactured homes inspection; zoning application services.

(a) .....

(1) One or two family residential structures $31.25

(2) Commercial plan review:

0 – 10, 000 sq. ft.	$62.50
10,001 – 25,000 sq. ft.	95.75
25,001 – 50,000 sq. ft.	125.00
51,001 – 100,000 sq. ft.	250.00
100,001 – 150,000 sq. ft.	312.50
150,001 – 200,000 sq. ft.	375.00
Per thousand sq. ft. for each additional	.90

1,000 over 200,001

(3) Planned unit developments

0 - 5,000 sq. ft. building or
20,000 sq. ft. property $125.00

5,001 – 10,000 sq. ft. building or
100,000 sq. ft. property 187.50

over 10,000 sq. ft. building or 100,000
sq. ft. property .90

(b) change fee to $43.75

(c) (1) change fee to $62.50

(2) change both fees to $31.25

Sec. 4-47. Excavation permits.

(a) change to $12.50

(b) change to $12.50

(c) change to $12.50

Sec. 4-48. Stop work orders; emergency security orders; civil penalties.

(a) change fee to $12.50

(b) change fee for emergency security to $125.00

change fee for repeat maintenance to $12.50

(c) civil penalty – no change

Sec. 4-40, 4-50 and 4-51. (unchanged)

Sec. 4-52. Same—Replacement, fee.

Change charge to $1.00.

Adopted this 27th day of March, 2001.

FIRST READING: February 13, 2001.

SECOND READING: March 27, 2001

Paul Cole, Jr., Mayor
City of Bluefield

ATTEST:
Drena A. Shireman
City Clerk

Book 27 **Page: 97** **Adopted: April 24, 2001**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASE OF FEES AS SCHEDULED IN SECTIONS 4-42 THROUGH 4-48 AND 4-52 SET OUT BELOW, THE OTHER PARTS OF SAID SECTIONS REMAINING IN FULL FORCE AND EFFECT

WHEREAS, the Board of Directors of the City of Bluefield finds that fees from permits do not approach the costs of providing qualified inspectors to perform construction and alteration inspections as required by BOCA Codes; and,

WHEREAS, the Board of Directors finds that a slight increase of those fees will keep fees at a minimal level, imposing no burden upon owners or contractors for repairs, remodeling or construction of structures;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 4-42 Permits for Construction or Alterations of Buildings or Structures; Electrical, Plumbing, Mechanical and Sign Installation Work; Demolition.

(d) (remains unchanged)

(e) Electrical, plumbing, mechanical and sign permit fees. For a permit for electrical, plumbing, mechanical and sign installation work, fees calculated on the estimated cost or value of such work shall be as follows:

Cost	*Permit Fee*
Less than $100	$12.50
$200	$15.00
$300	$20.00
$500	$27.50
$1,000	$37.50
$2,000	$50.00
$3,000	$62.50
$4,000	$75.00
$5,000	$93.75
$10,000	$118.75
$11,000	$122.50
$25,000	$175.00
$50,000	$237.50
Temporary Electrical	
Service Connection	$12.50

(f) Fees for permits for demolition of buildings and structures shall be as follows:

(1) Residential (one- and two-family dwellings only): $43.75

(2) Accessory residential structure: $12.50

(3) Commercial:

Less than 10,000 square feet	$62.50
10,001-50,000 square feet	$93.75
50,001 – 100,000 square feet	$125.00
100,001 and up	$187.50

Sec. 4-43. Moving buildings.

The fee for moving a building to another location shall be one hundred twenty-five dollars ($125.00), plus a building permit fee calculated on the cost of the move and the new foundation and other structures constructed, calculated according to section 4-42(a).

Sec. 4-44. Electrical, plumbing, mechanical, structural or sign inspections.

(c) Fees for inspection of electrical, plumbing, mechanical, structural or sign installation shall be twelve and 50/100 dollars ($12.50) for each inspection required, to be paid at the time of application for a building or moving permit.

(d) Reinspection fees caused by the failure of the work to pass inspection, or by the failure of the permute to make the work available for inspection, shall be without charge for the first ($12.50) per reinspection and twelve and 50/100 dollar ($12.50) per reinspection required by such failure or by the requirement of succeeding inspections after the first reinspection.

Sec. 4-45. Specialized inspections.

From time to time, city code enforcement personnel may perform or arrange for specialized inspections, principally environmental hazard assessments. Fees for such inspections as required will be forty-three and 75/100 dollars ($43.75) plus the actual costs of any specialized testing involved.

Sec. 4-46. Plan review, manufactured homes inspection; zoning application services.

(d) .....

(1) One or two family residential structures $31.25

(4) Commercial plan review:

0 – 10, 000 sq. ft.	$62.50
10,001 – 25,000 sq. ft.	95.75
25,001 – 50,000 sq. ft.	125.00
51,001 – 100,000 sq. ft.	250.00

100,001 – 150,000 sq. ft.	312.50
150,001 – 200,000 sq. ft.	375.00
Per thousand sq. ft. for each additional 1,000 over 200,001	.90

(5) Planned unit developments

0 - 5,000 sq. ft. building or 20,000 sq. ft. property	$125.00
5,001 – 10,000 sq. ft. building or 100,000 sq. ft. property	187.50
over 10,000 sq. ft. building or 100,000 sq. ft. property	.90

(e) change fee to $43.75

(f) (1) change fee to $62.50

(2) change both fees to $31.25

Sec. 4-47. Excavation permits.

(d) change to $12.50

(e) change to $12.50

(f) change to $12.50

Sec. 4-48. Stop work orders; emergency security orders; civil penalties.

(d) change fee to $12.50

(e) change fee for emergency security to $125.00

change fee for repeat maintenance to $12.50

(f) civil penalty – no change

Sec. 4-40, 4-50 and 4-51. (unchanged)

Sec. 4-52. Same—Replacement, fee.

Change charge to $1.00.

Adopted this 27th day of March, 2001.

FIRST READING: February 13, 2001.

SECOND READING: March 27, 2001

Paul Cole, Jr., Mayor

City of Bluefield

ATTEST:

Drema A. Shireman

City Clerk

Book 27 **Page: 101-103** **Adopted: June 22, 2001**

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES, AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD

WHEREAS, The City of Bluefield owns and operates a municipal sewerage system; and

WHEREAS, said system is operated in the State of West Virginia by The Sanitary Board of the City of Bluefield, and in the Commonwealth of Virginia by The Sanitary Board of Bluefield, Inc., a Virginia corporation; and

WHEREAS, the Net Revenues of the Sanitary Board which are generated pursuant to the tariff adopted in April 1992 are projected by the Board's auditors to be insufficient to meet the rate covenants of the bonded indebtedness of the Sanitary Board, to wit: Sewer Refunding Revenue Bonds Series 1992, 1995, 1998, and 2000; and

WHEREAS, the Sanitary Board's auditors, Sullivan, Ware, and Hall, have prepared financial projections recommending the below described tariff as being sufficient to meet the rate covenants of the Sanitary Board's bonded indebtedness; and

WHEREAS, for the reasons set forth above, the sewer rates, fees and charges of the City of Bluefield must be increased.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following schedule of rates, fees, charges, and delayed payment penalty to be charges are hereby fixed and determined as the rates, fees, charges, and delayed payment penalties to be charged to customers of the sewerage system of the City of Bluefield throughout the entire territory served.

SECTION 1, SCHEDULE OF RATES

A. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER JUNE 22, 2001.

First	2,000 or less gallons used per month	$6.21 per 1,000 gallons
Next	3,000 gallons used per month	$5.90 per 1,000 gallons
Next	5,000 gallons used per month	$5.79 per 1,000 gallons
Next	10,000 gallons used per month	$5.67 per 1,000 gallons
Next	15,000 gallons used per month	$5.55 per 1,000 gallons
Next	20,000 gallons used per month	$5.32 per 1,000 gallons
Next	25,000 gallons used per month	$5.24 per 1,000 gallons
Next	45,000 gallons used per month	$5.10 per 1,000 gallons
Next	125,000 gallons used per month	$4.89 per 1,000 gallons
All over	250,000 gallons used per month	$4.79 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $12.42.

B. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER JUNE 1, 2002.

First	2,000 or less gallons used per month	$6.33 per 1,000 gallons
Next	3,000 gallons used per month	$6.02 per 1,000 gallons
Next	5,000 gallons used per month	$5.91 per 1,000 gallons
Next	10,000 gallons used per month	$5.78 per 1,000 gallons
Next	15,000 gallons used per month	$5.66 per 1,000 gallons
Next	20,000 gallons used per month	$5.43 per 1,000 gallons
Next	25,000 gallons used per month	$5.34 per 1,000 gallons
Next	45,000 gallons used per month	$5.20 per 1,000 gallons
Next	125,000 gallons used per month	$4.99 per 1,000 gallons
All over	250,000 gallons used per month	$4.89 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $12.66.

C. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER JUNE 1, 2003.

First	2,000 or less gallons used per month	$6.46 per 1,000 gallons
Next	3,000 gallons used per month	$6.14 per 1,000 gallons
Next	5,000 gallons used per month	$6.03 per 1,000 gallons
Next	10,000 gallons used per month	$5.90 per 1,000 gallons
Next	15,000 gallons used per month	$5.77 per 1,000 gallons
Next	20,000 gallons used per month	$5.54 per 1,000 gallons
Next	25,000 gallons used per month	$5.45 per 1,000 gallons
Next	45,000 gallons used per month	$5.30 per 1,000 gallons
Next	125,000 gallons used per month	$5.09 per 1,000 gallons
All over	250,000 gallons used per month	$4.99 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $12.92.

D. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER JUNE 1, 2004.

First	2,000 or less gallons used per month	$6.59 per 1,000 gallons
Next	3,000 gallons used per month	$6.26 per 1,000 gallons
Next	5,000 gallons used per month	$6.15 per 1,000 gallons

Next 10,000 gallons used per month	$6.02 per 1,000 gallons
Next 15,000 gallons used per month	$5.89 per 1,000 gallons
Next 20,000 gallons used per month	$5.65 per 1,000 gallons
Next 25,000 gallons used per month	$5.56 per 1,000 gallons
Next 45,000 gallons used per month	$5.41 per 1,000 gallons
Next 125,000 gallons used per month	$5.19 per 1,000 gallons
All over 250,000 gallons used per month	$5.09 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $13.18.

E. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER JUNE 1, 2005.

First 2,000 or less gallons used per month	$6.72 per 1,000 gallons
Next 3,000 gallons used per month	$6.39 per 1,000 gallons
Next 5,000 gallons used per month	$6.27 per 1,000 gallons
Next 10,000 gallons used per month	$6.14 per 1,000 gallons
Next 15,000 gallons used per month	$6.01 per 1,000 gallons
Next 20,000 gallons used per month	$5.76 per 1,000 gallons
Next 25,000 gallons used per month	$5.67 per 1,000 gallons
Next 45,000 gallons used per month	$5.52 per 1,000 gallons
Next 125,000 gallons used per month	$5.29 per 1,000 gallons
All over 250,000 gallons used per month	$5.19 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $13.44

DELAYED PAYMENT PENALTY

Ten percent (10%) penalty shall be added to all charges not paid within twenty (20) days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

UNMETERED USERS

In locations where the customer has no water meter, charges for sewer service shall be assessed based upon a reasonable rate or formula to be applied equally to all unmetered users or in the alternative the minimum monthly rate provided for herein shall be charged.

Customers having water uses which result in a substantial portion of the water purchased not being discharged to the sanitary sewer system shall be entitled to an adjusted sewer service charge. Such adjusted charges shall be based as nearly as possible upon the actual volume of waste water discharged to the Bluefield Sanitary Sewer System. This volume of waste water shall be measured by special meters or calculated by reasonable formula.

TAP OR CONNECTION FEE

A tap or connection fee may be charged for all new or additional connections. Each tap or connection fee shall be based upon a single-family equivalent dwelling equal to an average usage of 300 gallons per day. The tap or connection fee for a single family equivalent dwelling shall be in an amount not less than $350.00, plus any additional costs incurred by the system for installation of any new lines or extension of the lines necessary to make such connection.

WATER DISCONNECT-RECONNECT FEES

Whenever water service has been disconnected for nonpayment of sewer bills, a sewer bills, a sewer bills, a sewer service disconnection fee of $20.00 shall be charged.

Whenever water service which has been previously disconnected, or otherwise withheld for nonpayment of sewer bill, is reconnected, a reconnection fee of $20.00 shall be charged.

UTILITY SERVICE TAX AND ADMINISTRATION FEE

2½ % of the charge imposed.

SECTION 2, EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective June 22, 2001, which is more than forty-five (45) days after the enactment hereof.

SECTION 3, SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or

parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

SECTION 4, STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Bluefield Daily Telegraph, being the only newspaper published and of general circulation in the City, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council on the 8th day of May at 7:30 p.m., which date is not less than ten (10) days subsequent to the date of the first publication Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading	April 24, 2001
Passes on Second Reading	May 8, 2001
Following Public Hearing	May 8, 2001
Effective as of	June 22, 2001

_____
Mayor, City of Bluefield

Attest: _____
Clerk, City of Bluefield

Book 27 **Page: 116** **Adopted: July 10, 2001**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 13, OCCUPATIONAL LICENSE, BY THE AMENDMENT OF SECTION 13-2. LICENSE REQUIRED; FEES LEVIED.

WHEREAS, the Board of Directors of the City of Bluefield finds it to be in the bests interests of the City to adopt the same fee schedule for business license as charged by the State of West Virginia;

NOW, THEREFORE, BE IT ORDAINED BY THE City of Bluefield the following Ordinance:

Sec. 13-2. License required; fees levied.

(the two paragraphs of the present Ordinance will be, respectively, numbered as subparagraph (a) and (b)

(a) No person, defined as any individual, sole partnership, partnership, domestic or foreign corporation, or any other business entity shall conduct, operate, engage in or carry on any business occupation or activity or not, without a city license therefor. Every such person doing business within the city shall make an application to the city clerk as hereafter set out in this article and shall pay $15.00. This license fee shall not be charged to individuals or entities whose specific business or calling is hereinafter the subject of a specific license fee, but shall only be charged to those individuals or entities not so classified.

(b) Both this general business license fee and fees charged to individuals and entities in the specialized businesses or professions herein after treated in this Code of Ordinances shall be prorated for the initial license year, depending upon the remaining length of the City's fiscal year, by quarters. As an example, an individual applying for a business license in January of any year shall pay a prorated fee based upon two quarters of the fiscal year remaining.

Adopted this 10th day of July 2001.

First Reading: June 12, 2001

Second Reading: July 10, 2001

Paul A. Cole, Jr., Mayor

ATTEST: Drema A. Shireman
Drema Shireman, City Clerk

Book 27	Page 159	Adopted: February 26, 2002

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, BY THE AMENDMENT OF CHAPTER 20, TRAFFIC & VEHICLES, DIVISION 3.

LOADING & UNLOADING. SECTION 20-218.

SAME – TIME LIMITS; PURPOSES., AS FOLLOWS:

Sec. 20-218. SAME – TIME LIMITS; PURPOSES.

(a) (shall remain unchanged)

(b) In no case shall a lawful stop within a loading zone exceed one-half 1/2) hour, except where special permission from the Chief of Police or the City Manager has been obtained for such extension. Such special permission shall be posted in the windshield of such a vehicle and, where specifically designated, give that vehicle permission to exceed both the one-half (1/2) hour zone loading limitation and the two-hour limitation set out in Section 20-198.

First Reading: February 13, 2002

Second Reading: February 26, 2002

R. E. Perkinson, Jr.
Mayor, City of Bluefield

ATTEST:

Drema A. Shireman
Drèma A. Shireman
Clerk, City of Bluefield

Book 27	Page 174	Adopted June 11, 2002

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES, AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD

WHEREAS, The City of Bluefield owns and operates a municipal sewerage system; and

WHEREAS, said system is operated in the State of West Virginia by The Sanitary board of the City of Bluefield, and in the Commonwealth of Virginia by The Sanitary Board of Bluefield, Inc., a Virginia corporation; and

WHEREAS, the Net Revenues of the Sanitary Board which are generated pursuant to the tariff adopted in May 8, 2001 are projected by the Board's auditors to be insufficient to meet the rate covenants of the bonded indebtedness of the Sanitary Board, to wit: Sewer Refunding Revenue Bonds Series 1992, 1995, 1998, and 2000; and

WHEREAS, the Sanitary Board's auditors, Sullivan, Ware, and Hall, have prepared financial projections recommending the below described tariff as being sufficient to meet the rate covenants of the Sanitary Board's bonded indebtedness; and

WHEREAS, for the reasons set forth above, the sewer rates, fees and charges of the City of Bluefield must be increased.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following schedule of rates, fees, charges, and delayed payment penalty to be charges are hereby fixed and determined as the rates, fees, charges, and delayed payment penalties to be charged to customers of the sewerage system of the City of Bluefield throughout the entire territory served.

SECTION 1, SCHEDULE OF RATES

A. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER AUGUST 1, 2002.

First 2,000 or less gallons used per month$6.46 per 1,000 gallons
Next 3,000 gallons used per month $6.14 per 1,000 gallons
Next 5,000 gallons used per month $6.03 per 1,000 gallons
Next 10,000 gallons used per month $5.90 per 1,000 gallons
Next 15,000 gallons used per month $5.77 per 1,000 gallons
Next 20,000 gallons used per month $5.54 per 1,000 gallons

Next 25,000 gallons used per month $5.45 per 1,000 gallons
Next 45,000 gallons used per month $5.30 per 1,000 gallons
Next 125,000 gallons used per month $5.09 per 1,000 gallons
All over 250,000 gallons used per month $4.99 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $12.92.

DELAYED PAYMENT PENALTY

Ten percent (10%) penalty shall be added to all charges not paid within twenty (20) days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

UNMETERED USERS

In locations where the customer has no water meter, charges for sewer service shall be assessed based upon a reasonable rate or
formula to be applied equally to all unmetered users or in the alternative the minimum monthly rate provided for herein shall be charged.

Customers having water uses which result in a substantial portion of the water purchased not being discharged to the sanitary sewer system shall be entitled to an adjusted sewer service charge. Such adjusted charges shall be based as nearly as possible upon the actual volume of waste water discharged to the Bluefield Sanitary Sewer System. This volume of waste water shall be measured by special meters or calculated by reasonable formula.

TAP OR CONNECTION FEE

A tap or connection fee may be charged for all new or additional connections. Each tap or connection fee shall be based upon a single family equivalent dwelling equal to an average usage of 300 gallons per day. The tap or connection fee for a single family equivalent dwelling shall be in an amount not less than $350.00, plus any additional costs incurred by the system for installation of any new lines or extension of the lines necessary to make such connection.

WATER DISCONNECT-RECONNECT FEES

Whenever water service has been disconnected for nonpayment of sewer bills, a sewer service disconnection fee of $20.00 shall be charged.

Whenever water service which has been previously disconnected, or otherwise withheld for nonpayment of sewer bill, is reconnected, a reconnection fee of $20.00 shall be charged.

UTILITY SERVICE TAX AND ADMINISTRATION FEE

2 1/2% of the charge imposed.

SECTION 2, EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective August 1, 2002, which is more than forty-five (45) days after the enactment hereof.

SECTION 3, SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

SECTION 4, STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Bluefield Daily Telegraph, being the only newspaper published and of general circulation in the City, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council on the 11th day of June at 7:30 p.m., which date is not less than ten (10) days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

First Reading By Title - May 28, 2002
Second Reading By Title - June 11, 2020

Book 27 Pages 175-177 Adopted June 11, 2002

ORDINANCE TO AMEND PART II, CODE OF THE CITY OF BLUEFIELD, BY THE REVISION OF CHAPTER 23. ZONING. ARTICLE V. BUSINESS DISTRICT REGULATIONS. BY THE AMENDMENT OF SECTIONS 23-48 AND 23-49.

Sec. 23-48. Permitted uses.

In business districts land and structures may be used, and structures may be erected, altered, or enlarged only for the uses listed in the following table, except as provided in section 23-49 "Special exception," and Article VII, "Planned Unit Development."

	Business Districts		
Permitted Uses	*BC*	*BN*	*BH*
Cemetery; Columbarium	X	X	X
Retail sales store, other than farm implement sales agency; heavy equipment sales agency; heavy construction equipment sales agency	X	X	X
Auto, truck & trailer leasing center	X	X	X
Automotive service station	X	X	X
Mobile home sales agency			X
Financial institution, including bank, savings and loan company, finance company, or mortgage company	X	X	X
Appliance repair store; watch or camera repair store and the like	X	X	X
Confectionary or bake shop	X	X	X
Photographic studio	X	X	X
Public or private academic or vocational school or college	X	X	X
School of dance, drama, or music	X	X	X
Indoor theater or auditorium; bowling alley or other recreational facility enclosed within a building, not including adult movie theaters	X	X	X
Passenger station, railway or bus	X	X	X
Restaurant, stand-alone or in combination with other commercial use permitted	X	X	X
Motel/Hotel	X	(P)	X
Bed & Breakfast Inn	X	X	X
Personal service shop, including tailor, barber, beauty shop, shoe repair, and the like	X	X	X
Laundry and dry cleaning pick-up and delivery establishment, including a dry-cleaning or laundry plant, coin-operated laundry	X	X	X
Real estate office; insurance agency	X	X	X
Food Catering	X	X	X
Bar; tavern	X	X	X
Antique shops	X	X	X
On-site sign	X	X	X
Off-site sign	X	X	X
Parking facility	X	X	X
Plumbing, electrical, heating and cooling, service and contractors	X		X
Truck terminal			X
Outdoor recreational facility		X	X
Commercial greenhouse	X	X	X
Gymnasium, athletic club, health spa	X	X	X
Unified shopping center; incorporating any of the above uses permitted in the district concerned	X	X	X
Automotive washing facility	X	X	X
Tire recapping plant			X
Single-family dwellings in combination with a business use	X	X	X
Automotive and truck sales agency	X	X	X
Drive-in theater, provided that no portion of the premises shall be less than five hundred (500) feet from any residential district			X
Governmental and quasi-government offices and buildings	X	X	X
Professional office of lawyer, architect, engineer and the like	X	X	
Radio or television studio	X	X	
Doctor or dentist's office, medical or dental clinic; medical			

laboratory	X	X	X
Corporate headquarters or branch headquarters office building	X	X	X
Data-processing installation	X	X	X
Telephone exchange, wireless telecommunications facility, power or other switching equipment entirely enclosed within a building	X	X	X
Automotive repair shop	X		X
Service establishments needed to support the above uses, such as messenger service, answering service, blueprinting and reproducing establishments, janitorial services, etc.	X	X	X
Printing press, editorial offices of newspaper or other publisher, not including a printing plant employing a web-fed press	X	X	X
Church and other place of worship; assembly hall; religious or philanthropic use	X	X	X
Artisan or craftsman's shop principally serving retail customers	X		X
Sign fabrication	X		X
Hospital	X	X	X
Storage facility (individual units primarily utilized by residential or light commercial storage	X	X	X
Commercial warehousing	X		X
Wholesale store; auction house	X		X
Club or lodge organized for fraternal or social purposes	X	X	X
Apartment	X*	X*	X*
Funeral home, including crematorium (excluding Downtown Historic District)	X	X	X
Nursing home, personal care home for adults (excluding Downtown Historic District)	X	X	X
Accessory use on the same lot with and customarily identical to any of the above uses permitted in the district concerned	X	X	X
Convenience grocery store	X	X	X
Single-family dwelling in combination with a business use	X	X	X
Research or testing laboratory	X	X	X
Farm implement or heavy equipment sales agency			X

Footnotes: (P) - Permitted in this district only in a planned unit development, except as provided in Section 23-49 following.
*Subject to requirements of Sec. 23-51.

Sec. 23-48.1. Reserved.

Sec. 23-49. Special exceptions.

The board of adjustment may authorize any of the uses listed in the following table as a special exception pursuant to the warrants and criteria set forth in Article VII:

	Business District		
Special Exception Uses	*BC*	*BN*	*BH*
Adult bookstore	X		X
Adult night club (Sec. 23-58, 59)	X		X
Adult movie theater	X	X	X
Other dwelling, not including mobile home			X
Mobile home park (must meet requirements of Article IV)	X	X	X
Day-care center; kindergarten	X	X	
Farm implement or heavy construction equipment sales agency		X	
Automobile repair shop	X		X
Printing plant employing a web-fed press	X	X	X
Electric substation and similar utility equipment		X	X
Veterinary clinic, not including kennels or animal pens outside enclosed building		X	X
Recreation vehicle park; outdoor campground	X	X	X
Commercial communication tower or antenna	X	X	
Truck terminal		X	
Other public or semi-public uses of educational, cultural, institutional, social or recreational character, which serves residents of the neighborhood or community, not including correctional or penal institutions	X	X	X
Sign fabrication, artisan's or craftsman's shop		X	
Heliport or helipad	X	X	X
Wholesale store, auction house		X	
Plumbing, electrical, heating and cooling service and contractors		X	
Bar, tavern		X	

First Reading: May 28, 2002
Second Reading: June 11, 2002

Drema A. Shireman

Attest: Drema A. Shireman, City Clerk

Robert E. Perkinson, Jr. Mayor

Book 27 **Page 206** **Adopted: November 26, 2002**

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES
OF THE CITY OF BLUEFIELD, BY THE REPEAL AND RE-ENACTMENT
OF CHAPTER 23, ZONING, ARTICLE IX. SIGNS, SEC. 23-77,
BUSINESS AND INDUSTRIAL DISTRICTS, SUBSECTION (d)
REGULATIONS, SUBPARAGRAPH (2) LIGHTING

Sec. 23-77. Business & Industrial Districts.

(d) *Regulations Applying to All Signs.*

(1) (unchanged)

(2) Lighting. Signs may be illuminated, subject to the following restrictions:

(i) No outdoor advertising may contain lighting which is not shielded, and any lighting shall be of such low intensity as not to cause glare or impair the vision of any operator of any motor vehicle.

(ii) No sign shall be illuminated by any rapid flashing intermittent light or lights, which change in a time sequence faster than 12 cycles/revolutions per minute. No off-site or on-site signs shall be illuminated contrary to rule or regulation of the West Virginia Department of Highways along controlled-access or federally funded corridors.

First Reading: November 12, 2002
Second Reading: November 26, 2002
Approved: November 26, 2002

R. E. Perkinson, Jr., Mayor

Attested:
Drema A. Shireman

Drema Shireman, City Clerk

BOOK 27 PAGES 238-240 ADOPTED JUNE 10, 2003

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES, CHARGES, AND DELAYED PAYMENT PENALTY CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD.

WHEREAS, The City of Bluefield owns and operates a municipal sewerage system; and

WHEREAS, said system is operated in the State of West Virginia by The Sanitary board of the City of Bluefield, and in the Commonwealth of Virginia by The Sanitary Board of Bluefield, Inc., a Virginia corporation; and

WHEREAS, the Net Revenues of the Sanitary Board which are generated pursuant to the tariff becoming effective October 15, 2002 are projected by the Board's auditors to be insufficient to meet the rate covenants of the bonded indebtedness of the Sanitary Board, to wit: Sewer Refunding Revenue Bonds Series 1992, 1995, 1998, and 2000; and

WHEREAS, the Sanitary Board's auditors, Sullivan, Ware, and Hall, have prepared financial projections recommending the below described tariff as being sufficient to meet the rate covenants of the Sanitary Board's bonded indebtedness; and

WHEREAS, for the reasons set forth above, the sewer rates, fees and charges of the City of Bluefield must be increased.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following schedule of rates, fees, charges, and delayed payment penalty to be charges are hereby fixed and determined as the rates, fees, charges, and delayed payment penalties to be charged to customers of the sewerage system of the City of Bluefield throughout the entire territory served.

SECTION 1, SCHEDULE OF RATES

A. THE RATES AND CHARGES SET OUT IMMEDIATELY BELOW WILL BECOME EFFECTIVE FOR ALL SEWERAGE DELIVERED INTO THE SYSTEM ON AND AFTER AUGUST 1, 2003.

First 10,000 gallons used per month $6.87 per 1,000 gallons
Next 115,000 gallons used per month $6.31 per 1,000 gallons
Next 375,000 gallons used per month $6.13 per 1,000 gallons
All over 500,000 gallons used per month $4.58 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $13.74.

INDUSTRIAL SURCHARGE RATES

Rate applicable to Biological Oxygen Demand (BOD) concentration in excess of 240 mg/1.
Rate applicable to Total Suspended Solids (TSS) concentration in excess of 240 mg/1.

This surcharge will be based on the following formulas applicable to users whose wastewaters are treated at the POTW:

US =(BOD-240)(8.345)(0.21) Vu for 1 million gal. and over
US =(SS-240)(8.345)(0.26) Vu for 1 million gal. and over
US =(BOD-240)(8.345)($1.00/#BOD) for up to 1 million gal. and over
US =(SS-240)(8.345)($1.00/#SS) for up to 1 million gal. and over
where

US = User's surcharge per month in dollars
BOD = Average measured BOD value of user's wastewater in mg/1
SS = Average measured SS value of user's wastewater in mg/1
Vu = Volume of user's monthly wastewater contribution in millions of gallons

*The above formulas reflect the current estimated operation and maintenance costs for treatment per pound of BOD and SS at the POTW. The factors affecting such costs may be reviewed by the Sanitary Board and the above formulas revised to reflect revised operation and maintenance costs as required.

SERVICE TO OTHER SYSTEMS

Available for sanitary sewer service to other systems.
Rate per metered gallon $3.50 per 1,000 gallons

LEAK ADJUSTMENT RATE

$0.20 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

DELAYED PAYMENT PENALTY

Ten percent (10%) penalty shall be added to all charges not paid within twenty (20) days from the date of the billing. This delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

UNMETERED USERS

In locations where the customer has no water meter, charges for sewer service shall be assessed based upon a reasonable rate or
formula to be applied equally to all unmetered users or in the alternative the minimum monthly rate provided for herein shall be charged.

Customers having water uses which result in a substantial portion of the water purchased not being discharged to the sanitary sewer system shall be entitled to an adjusted sewer service charge. Such adjusted charges shall be based as nearly as possible upon the actual volume of waste water discharged to the Bluefield Sanitary Sewer System. This volume of waste water shall be measured by special meters or calculated by reasonable formula.

TAP OR CONNECTION FEE

A tap or connection fee may be charged for all new or additional connections. Each tap or connection fee shall be based upon a single family equivalent dwelling equal to an average usage of 300 gallons per day. The tap or connection fee for a single family equivalent dwelling shall be in an amount not less than $350.00, plus any additional costs incurred by the system for installation of any new lines or extension of the lines necessary to make such connection.

WATER DISCONNECT-RECONNECT FEES

Whenever water service has been disconnected for nonpayment of sewer bills, a sewer service disconnection fee of $20.00 shall be charged.

Whenever water service which has been previously disconnected, or otherwise withheld for nonpayment of sewer bill, is reconnected, a reconnection fee of $20.00 shall be charged.

UTILITY SERVICE TAX AND ADMINISTRATION FEE

2% of the charge imposed.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reasons, the bank's charge to the Sanitary Board of Bluefield shall be the charge to the customer, but such charge to the customer shall not exceed $15.00.

SECTION 2, EFFECTIVE DATE

The rates, fees, charges and delayed payment penalty charges provided herein shall be effective August 1, 2003, which is more than forty-five (45) days after the enactment hereof.

SECTION 3, SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

SECTION 4, STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in the Bluefield Daily Telegraph, being the only newspaper published and of general circulation in the City, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before the Council on the 10th day of June at 7:30 p.m., which date is not less than ten (10) days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

CERTIFICATE

The undersigned Clerk of the City of Bluefield, West Virginia, does hereby certify that the foregoing is a true copy of an Ordinance duly adopted at a regular meeting of the City Board of the City of Bluefield, West Virginia, on the 10th day of June, 2003.

Given under my hand and seal this 12th day of June, 2003.

Drema A. Shireman, City Clerk SEAL

BOOK 27 **PAGE 243** **ADOPTED JUNE 24, 2003**

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY AMENDMENT OF CHAPTER 8, GARBAGE, TRASH AND OTHER WASTE, BY THE AMENDMENT OF SECTION 8-3. COLLECTION BY CITY AND PRIVATE COLLECTORS ONLY, SUBSECTION (d) (1), AND THE ADOPTION OF NEW SUBSECTIONS ((f) (ii) and (g) TO SECTION 8-4. REMOVAL SERVICE FEES TO CHARGE FOR THE REMOVAL OF LEAVES AND GRASS TRIMMINGS.

WHEREAS: The removal of leaves and grass trimmings from the property of individuals entitled to minimum regular service under the City's Ordinance as captioned was formerly provided free of charge by the City's Street Department, and;

WHEREAS: This free service was made possible by the City's possession of a compost landfill which accepted such materials without charge, and such facility is no longer available until regulatory issues regarding its operation are resolved, and;

WHEREAS: the City must dispose of such materials at the Mercer County landfill, and pay for such disposal, and must recover the costs of such disposal from users of this service.

NOW, THEREFORE, Witnesseth the following Ordinance:

Section 8-3. Collection by City or private collectors only.

(Remaining portions of this Section remain in force and unchanged).

Section 8-3 (d) (1) Consistent with available manpower and scheduling, the superintendent may make available, as a special discretionary service, special pickups. This service is intended to allow persons entitled to minimum regular service to dispose of major junk or rubbish items, leaves, grass clippings, or tree or shrubbery trimmings by special called-in street department orders for curbside removal of such items. Construction, renovation, or demolition debris and hazardous substances are not eligible for such removal.

Section 8-4. Removal service fees.

(Remaining portions of the Section remain in force and unchanged).

(f) (1) (Present subsection (f) is re-designated (f) (i).

(ii) As an exception to the above, applicable to bagged leaves and bagged grass clippings alone (15-gallon bags maximum size), such bags will be removed upon call as hereinafter described for $1.50 per bag at curbside.

Leaves neatly and compactly piled curbside, accessibly by leaf machine, will be removed for $15.00 per visit.

(g) Persons wishing to use special pickup services described in Sec. 8-3 (d) must call at City offices to arrange such pickup, and pay an up-front deposit of $15.00, to be applied

to the total bill for the requested service. Users delinquent in any special service fees to the City must pay the entire estimated bill for such service in advance.

First Reading: June 10, 2003

Second Reading and Passage: June 24, 2003

BOOK 27 **PAGES 259-260** **ADOPTED OCTOBER 14, 2003**

An Ordinance to Amend Part II, Code of Ordinances of the City of Bluefield by the Amendment of Chapter 8, Garbage, Trash and Other Waste by the Amendment of Section 8-3. Collection by City and Private Collectors Only, Subsection (d) (1) and the Adoption of New Subsections (f) (ii) and (g) to Section 8-4. Removal Service Fees.

WHEREAS: The removal of leaves and grass trimmings from the property of individuals entitled to minimum regular service under the City's Ordinance as captioned was formerly provided free of charge by the City's Street Department, and;

WHEREAS: This free service was made possible by the City's possession of a compost landfill which accepted such materials without charge, and such facility is no longer available until regulatory issues regarding its operation are resolved, and;

WHEREAS: the City must now dispose of such materials at the Mercer County landfill, and pay for such disposal, and must recover the costs of such disposal from users of this service.

NOW, THEREFORE, Witnesseth the following Ordinance:

Section 8-3. Collection by City or private collectors only.

(Remaining portions of this Section remain in force and unchanged).

Section 8-3 (d) (1) Consistent with available manpower and scheduling, the superintendent may make available, as a special discretionary service, special pickups. This service is intended to allow persons entitled to minimum regular service to dispose of major junk or rubbish items, leaves, grass clippings, or tree or shrubbery trimmings by special called-in street department orders for curbside removal of such items. Construction, renovation, or demolition debris and hazardous substances are not eligible for such removal.

Section 8-4. Removal service fees.

(Remaining portions of this Section remain in force and unchanged).
(f) (I) (Present subsection (f) is re-designated (f) (i).

(ii) As an exception to the above, applicable to bagged leaves and bagged grass clippings alone (33-gallon bags maximum size), such bags will be removed upon call as hereinafter described for $1.50 per bag at curbside. The City Treasurer's Office shall make available 33-gallon bags to the City residents for purchase at $1.50 per bag, or such other size and price as the City Treasurer may from time to time find necessary and expedient, based upon cost to the City of pickup and disposal.

Leaves neatly and compactly piled curbside, accessible by leaf machine, will be removed for $15.00 per visit.

(g) Persons wishing to use special pickup services described in Sec. 8-3(d) or Sec. 8-4 (f) (ii) must call at City offices to arrange such pickup, and pay an up-front deposit of $15.00, to be applied to the total bill for the requested service. Users delinquent in any special service fees to the City must pay the entire estimated bill for such service in advance. This fee may be partly or completely abated if the City Treasurer is able to secure bulk autumn leaf disposal at a lesser cost.

IN WITNESS WHEREOF, the undersigned have affixed their signatures effective the date last written:

First Reading: September 9, 2003
Second Reading and Passage: October 14, 2003

Ordinance to Amend Part II, Code of Ordinances of the City of Bluefield, By the Amendment of Chapter 23, Zoning, Article IX, Signs, Canopies, Awnings, Marquees, By the Amendment of Section 23.77. Business & Industrial Districts By the Addition of New Subparagraph (4) To Subsection (A)—On-Site Signs.

WHEREAS, the Board of Directors of the City of Bluefield finds that temporary signs of building contractors and artisans are allowed in residential districts during the period of construction of improvements, additions or new homes; and

WHEREAS, the City Board of Directors finds that building contractors and artisans should also be allowed to place temporary signs of this nature in business and industrial districts;

NOW, THEREFORE, WITNESSETH the following Ordinance:

Sec. 23.77. Business and industrial districts.

(a) *On-site Signs.* [Original paragraph (a) remains unchanged with the addition to new subparagraph (4) as follows:

(4) *Temporary Signs.* Temporary signs of building contractors and artisans will be allowed in all business districts, provided that such signs shall be removed upon completion of the work.

First Reading: October 14, 2003

Second Reading and Passage: October 28, 2003

Attest: R. E. Perkinson, Jr., Mayor

Drema Shireman, City Clerk

CODE OF ORDINANCES

CITY OF

BLUEFIELD, WEST VIRGINIA

THE CHARTER

AND

GENERAL ORDINANCES OF THE CITY

Adopted, April 30, 1974
Effective, July 1, 1974

Published by Order of the Board of Directors

MUNICIPAL CODE CORPORATION

TALLAHASSEE, FLORIDA 1974

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Municipal Code Corporation

Tallahassee, Florida

OFFICIALS

Of The

CITY OF BLUEFIELD, WEST VIRGINIA
AT THE TIME OF THIS CODIFICATION

C. Edwin Elliott

Mayor

Allan Connolly
Victor DeVault
Angelo Monaco
J. E. Walker

Directors

Blanche R. Stringfellow

City Clerk

William O. Bivens, Jr.

City Solicitor

PREFACE

Part I of this volume contains the Charter and Related Laws of the City of Bluefield, West Virginia, as amended, and a disposition table setting forth in chronological sequence the disposition of each act included herein, amending or relating to the Charter of the City. Part II contains a revision and codification of the ordinances of a general and permanent nature of the City of Bluefield which were deemed appropraite to be included.

Part II is an entire new codification, and, as expressed in the Adopting Ordinance, supersedes all ordinances not included herein or expressly saved from repeal by the Adopting Ordinance. Only those ordinances of a general and permanent nature prescribed for and affecting the public as a whole are included herein. Special ordinances, dealing with only a portion of the inhabitants of the City, rather than all of them, or relating to special purposes, such as those levying special assessments, providing for bond issues, paving, vacating and opening specified streets, rezoning certain designated districts, etc., are not included herein. For a more specific enumeration of the types of ordinances which are not included herein see Section 3 of the Adopting Ordinance.

The material in Part II, Code of Ordinances, has been classified as to subject matter, edited, revised, and in many instances rewritten. As will be noted, the chapters have been arranged conveniently in alphabetical order and the various sections within each chapter have been appropriately catchlined to facilitate usage. Attention is also invited to the footnotes which tie related sections of the Code together and which also refer to relevant provisions of the Charter.

The numbering system used in this Code is the same system used in many state and municipal codes. Each section number consists of two component parts separated by a dash, the figure before the dash referring to the chapter number and the figure after the dash referring to the position of the section within the chapter. Thus, the first section of Chapter 1 is numbered 1-1, and the fourteenth section of Chapter 13 is numbered 13-14. Under this system

each section is identified with its chapter and at the same time new sections can be inserted in their proper places simply by using the decimal system for amendments. By way of illustration: If new material consisting of three Sections that would logically be included between Sections 4-4 and 4-5 is to be added, such new sections would be numbered 4-4.1, 4-4.2 and 4-4.3, respectively. Sections have been reserved at the end of articles and divisions to provide for future expansion.

New chapters may be included by the addition of a fraction after the chapter number, e.g., if the new material is to be included between Chapters 12 and 13, it will be designated as Chapter 12½ Care should be taken that the alphabetical sequence of chapters is maintained when including new chapters. New articles and new divisions may be included by the use of a capital letter after the article or division number, e.g., if the new article is to be included between Articles I and II, it will be designated as Article IA. In the case of articles and divisions, the same may be placed at the end of the article or division embracing the subject, the next successive number being assigned to the article or division.

The source of each section is included in the history note in parentheses at the end thereof. The absence of such a note indicates that the section is new and was adopted for the first time with the adoption of this Code, except as may be otherwise stated in editor's footnotes.

A special feature of this Code to which the attention of the user is particularly invited is the looseleaf system of binding and supplemental servicing for the Code. With this looseleaf system, the Code will be kept up-to-date periodically. Upon final passage of amendatory ordinances, they will be edited and the appropriate pages of the Code affected will be reprinted for insertion in the Code. These new pages will be distributed to the holders of the Codes with instructions for the manner of inserting the new pages and deleting the obsolete pages. Each such subsequent amendment, when incorporated into this Code, may be cited as a part hereof as provided in Section 5 of the Adopting Ordinance.

The successful maintenance of this Code up-to-date at all times will depend largely upon the holder of the volume. As

revised sheets are received it will then become the responsibility of the holder to insert the amendments according to the attached instructions. It is earnestly recommended by the publishers that all such amendments be inserted immediately upon receipt to avoid misplacing them, and in addition, that all deleted pages be saved and filed for historical reference purposes.

The indices have been prepared with great care. Each particular item has been placed under several headings, some of the headings being couched in lay phraseology, others in legal terminology, and still others in language generally used by municipal officers and employees. There are numerous cross references within the indices themselves which stand as guideposts to direct the user to the particular item in which he is interested.

Time and effort have not been spared in the preparation of this Code and the publishers are most grateful to all city officers and employees for their cooperation and interest during the preparation of this Code. Special appreciation is due Mr. William O. Bivens, Jr., City Solicitor.

The publication of this Code was under the direct supervision of George R. Langford, President and B. Meade White, Editor, of Municipal Code Corporation, Tallahassee, Florida.

This Code is presented for the use and benefit of the citizens of the City of Bluefield.

April, 1974

MUNICIPAL CODE CORPORATION
Tallahassee, Florida

ORDINANCE NO. 2-74

AN Ordinance Adopting and Enacting a New Code of Ordinances of the City of Bluefield, West Virginia; Establishing the Same; Providing for the Repeal of Certain Ordinances Not Included Therein, Except as Herein Expressly Provided; Providing for the Manner of Amending Such Code of Ordinances; Providing a Penalty for the Violation Thereof; and Providing When This Ordinance Shall Become Effective.

Be It Ordained and Enacted by the Board of Directors of the City of Bluefield, West Virginia:

Section 1. That the Code of Ordinances, consisting of Chapters 1 to 23 inclusive, is hereby adopted and enacted as the "Code of Ordinances, City of Bluefield, West Virginia," and shall be treated and considered as a new and original comprehensive ordinance which shall supersede all other general and permanent ordinances of the City passed on or before October 17, 1972, to the extent provided in Section 2 hereof.

Section 2. That all provisions of such Code shall be in full force and effect from and after the 1st day of July, 1974 and all ordinances of a general and permanent nature of the City of Bluefield, enacted on final passage on or before October 17, 1972, and not included in such Code or recognized and continued in force by reference therein are hereby repealed from and after the 1st day of July, 1974 except as hereinafter provided. No resolution of the City, not specifically mentioned, is hereby repealed.

Section 3. That the repeal provided for in Section 2 hereof shall not affect the following:

(a) Any offense or act committed or done or any penalty or forfeiture incurred or any contract or right established or accruing before the effective date of this ordinance; such repeal shall not make legal any building or use existing contrary to the zoning ordinances or other such restrictive ordinances;

(b) Any ordinance promising or guaranteeing the payment of money for the City or authorizing the

issuance of any bonds for the City or any evidence of the City's indebtedness, or any contract or obligation assumed by the City;

(c) Any ordinance prescribing traffic regulations for specific areas, such as stop streets, speed limits, etc., not in conflict or inconsistent with the provisions of such Code;

(d) Any ordinance fixing salaries of officers or employees of the City;

(e) Any budget or appropriation ordinance;

(f) Any right or franchise granted by the board of directors to any person, firm or corporation;

(g) Any ordinance dedicating, naming, establishing, locating, relocating, opening, closing, paving, widening, vacating, etc., any street or public way in the City;

(h) Any ordinance establishing and prescribing the street grades of any street in the City;

(i) Any ordinance providing for local improvements or assessing taxes therefor;

(j) Any ordinance dedicating or accepting any plat or subdivision in the City or providing regulations for the same;

(k) Any ordinance explicitly saved from repeal in the body of the Code of Ordinances;

(l) Any ordinance regulating zoning and subdivisions in the City;

(m) Any ordinance making any act or failure to do any act an offense against the City, when such ordinance is authorized under the state law and is not inconsistent with such Code;

(n) Any ordinance fixing ad valorem taxes or other taxes, or providing for the levying or collecting thereof;

(o) Any ordinance levying an occupational or business license fee or tax, or regulating any business, and not included therein;

(p) Any ordinance enacted after October 17, 1972.

Such repeal shall not be construed to revive any ordinance or part of an ordinance which has been repealed by a subsequent ordinance which is repealed by this ordinance.

Section 4. That whenever in such Code an act is prohibited or is made or declared to be unlawful or an offense by the board of directors, or whenever in such Code the doing of any act is required or the failure to do any act is declared to be unlawful by the board of directors, and no specific penalty is provided therefor, the violation of any such provisions of such Code shall be punished by a fine of not more than one hundred dollars ($100.00), or for imprisonment for a term not exceeding thirty (30) days, or both of these punishments, as provided in Section 1-8 of such Code.

Section 5. That any and all additions or amendments to such Code when passed in such form as to indicate the intention of the board of directors to make the same a part thereof shall be deemed to be incorporated in such Code so that reference to the "Code of Ordinances, City of Bluefield," shall be understood and intended to include such additions and amendments.

Section 6. That in case of the amendment by the board of directors of any section of such Code for which a penalty is not provided in another section in the same chapter, the penalty so provided in such other section shall be held to relate to the section so amended, unless such penalty is specifically repealed therein.

Section 7. That a copy of such Code shall be kept on file in the office of the City Clerk, preserved in looseleaf form, or in such other form as the City Clerk may consider most expedient. It shall be the express duty of the City Clerk, or someone authorized by him, to insert in their designated places all ordinances which indicate the intention of the council to make the same a part of such Code when the same have been printed or reprinted in page form, and to extract from such Code all provisions which may be repealed from time to time by the board of directors. This copy of such Code shall be available for all persons desiring to examine the same.

Section 8. That it shall be unlawful for any person to change or alter by additions or deletions, any part or portion of such Code, or to insert or delete pages or portions thereof, or to alter or tamper with such Code in any manner whatsoever which will cause the law of the City of Bluefield to be misrepresented thereby. Any person violating this section shall be punished as provided in Section 1-8 of the Code of Ordinances of the City of Bluefield and in Section 4 of this ordinance.

Section 9. That all ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10. That this ordinance shall become effective on the 1st day of July, 1974.

PASSED, APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS on the 30th day of April, 1974.

/s/C. Edwin Elliott
Mayor

(SEAL)

/s/Blanche R. Stringfellow
City Clerk

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PART I

THE CHARTER*

1921 ACTS OF THE WEST VIRGINIA LEGISLATURE

(Senate Bill No. 169—Mr. Sanders.)

AN ACT to amend and reenact chapter nine of the acts of one thousand nine hundred and fifteen, relating to the charter of the City of Bluefield.

Be It Enacted by the Legislature of West Virginia:

That chapter nine of the acts of the Legislature of West Virginia, session of one thousand nine hundred and fifteen granting a charter to the City of Bluefield and subsequent acts amendatory thereof, be and the same are hereby amended and reenacted to read as follows:

Sec. 1. Corporate powers.

The inhabitants of the portion of the County of Mercer, in the State of West Virginia, within the limits of the City of Bluefield, as hereinafter set forth, shall be and continue a body politic and corporate, by the name and style of "The City of Bluefield," and as such, and by that name, shall have perpetual succession, and may contract and be contracted with, sue and be sued, plead or be impleaded, answer and be answered unto, and may purchase, acquire by condemnation proceedings for public use, take, receive, hold and use goods and chattels, lands and tenements and choses in action, or any interest, right or estate therein, either for the proper use of said city, or in trust for the benefit of any person or association therein; and the same may grant, sell, convey,

*Editor's note—The charter is reprinted herein as it appeared in the Code of the City of Bluefield of 1958, except that amendments thereto have been inserted in their proper places, deleted provisions omitted, amendments cited in parentheses following the amended sections, and section captions have in some instances been altered or expanded to more fully apprise the reader of the contents.

transfer and assign, let, pledge, mortgage, charge and encumber, in any case and in any manner in which it would be lawful for private individuals so to do, except where its powers may be limited by law; and may have and use a common seal, and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to municipal corporations in this state.

All real and personal estates, and all funds, rights, titles, taxes, credits and claims, and rights of action owned by the City of Bluefield immediately before this charter takes effect or which are then held in trust or have been appropriated for the use or benefit of said city or of the inhabitants thereof, shall be and the same are hereby transferred to and vested in the City of Bluefield under this charter.

All lawful contracts with and all lawful rights, claims and demands against the City of Bluefield, at the time this charter takes effect, shall be good in law against the said city under this charter.

Sec. 2. Corporate limits.

The corporate territorial limits of the City of Bluefield shall comprise all that district of country situate in the County of Mercer and State of West Virginia, to wit:

Beginning at the intersection of the state line between Virginia and West Virginia with the center of a street between Bluefield, West Virginia, and Graham, Virginia, known as "Bluefield Avenue," east of the state line and "Graham Avenue" west of the state line; thence with the state line north 49 degrees 34 minutes west 3,058 feet to a stone corner 740 feet north of Stony Ridge; thence north 68 degrees 35 minutes east 21,817 feet to a stone corner on the north side of Stony Ridge; thence south 23 degrees 25 minutes east, crossing Stony Ridge at 454 feet and running along the west side of the county road overhead bridge 3,816 feet to a point on top of Valley Ridge; thence following the dividing line of Valley Ridge in a southwestern direction 5,768.5 feet to a point on top of said

ridge, dividing the property of R. W. Tuggle and Marinda Wilson; thence along the said dividing line in a southeastern direction 6,919.5 feet to a black oak at the Cumberland Gap turnpike; thence in a northwesterly direction with said line dividing Virginia from West Virginia to the beginning.

Sec. 3. Wards.

The said city shall be divided into eight wards, the boundaries of which are shown on a certain map of the City of Bluefield which designates the precincts and ward lines as changed and amended, and which map shall be maintained in the office of the city engineer of the City of Bluefield, West Virginia, for a more complete description of same:

Ward No. 1: Shall contain and encompass the boundaries of precincts 10, 11, 15, 16, 17 and 18.

Ward No. 2: Shall contain and encompass the boundaries of precincts 12, 13, 19, 20, 21 and 22.

Ward No. 3: Shall contain and encompass the boundaries of precincts 14, 23 and 24.

Ward No. 4: Shall contain and encompass the boundaries of precincts 33, 34 and 35.

Ward No. 5: Shall contain and encompass the boundaries of precincts 25 and 26.

Ward No. 6: Shall contain and encompass the boundaries of precincts 31 and 32.

Ward No. 7: Shall contain and encompass the boundaries of precincts 28, 29 and 30.

Ward No. 8: Shall contain and encompass the boundaries of precincts 27 and 36.

The board of directors of said city shall, from time to time, create and establish voting precincts in said several wards so that for every three hundred voters a voting precinct shall be created, and said board of directors shall designate the territorial limits and boundaries of such voting precincts as may

be created, all of which may be done by ordinance or resolution unless additional precincts are created before this act takes effect, but no new precinct shall be established or the boundary line of any precinct changed within thirty days of any election. The voting precincts of said city shall be established within the ward divisions. (Amend. 1960)

Editor's note—In 1977, by virtue of annexation, there was created city precincts 15 and 16, as distinguished from county precincts above indicated, which new precincts are in ward 8; for descriptions of such precincts, see §§ 5-5 and 5-6, respectively, of the Code of Ordinances.

Sec. 4. Districts.

The City of Bluefield shall be divided into five districts as follows: District number one shall include all of that section of the city now known as ward number four as herein set forth; district number two shall include all of that section of the city now known and designated as ward number eight as herein defined; district number three shall include and consist of ward numbers one and two as herein defined; district number four shall include and consist of all that section of the city, bounded on the north by the Norfolk and Western railway, on the east by the corporate limits, on the south by district number two, and on the west by Federal Street; district number five shall include and consist of that section of the city lying north of the Norfolk and Western railway line and extending to the corporate limits on the west, north and east.

Sec. 5. Voting.

Every person qualified by law to vote for members of the legislature of the state, who shall have been a resident of said city for at least sixty days preceding the election, shall be entitled to vote at elections for corporate authorities and on questions authorized by law to be determined by popular vote.

Sec. 6. Election times; regulations; providing for voter registration.

The first election for a board of directors under this charter shall be held on the first Tuesday in July, one thousand

nine hundred and twenty-one, provided this charter is approved by the voters as hereinafter set out, and every regular city election of a board of directors shall be held every four years thereafter, on the first Tuesday in June. Said first election shall be conducted and the result ascertained and declared in the manner specified respecting elections in said city for municipal officers immediately preceding the time this charter takes effect, except that the officers to be elected shall be as prescribed by this chapter. Thereafter, such elections for a board of directors shall be held as provided by chapter three of the Code of West Virginia insofar as the same is applicable and in such manner as may be ordained by the board of directors not inconsistent with the general election laws of this state. All other elections or votes on any question by the qualified voters of said city, shall be held or taken at such places under the superintendency of such person and subject to such regulations as are consistent with the laws of the state and ordained by the board of directors. The board of directors shall by ordinance, provide for such regulations for the registration of voters as may be rendered necessary by state law. (Ord. No. 77-2, § 4-26-77)

State law reference—Registration of voters, W.Va. Code, § 3-5-13.

Sec. 7. Governing body.

Said city shall have a board of directors of five members. All directors shall serve for a term of four years and until their successors are elected and have qualified, unless sooner removed from office. They shall be residents of the city and qualified voters therein. The board of directors shall appoint, within ten days after their election, one of their number as their chairman or presiding officer, who shall be known officially as mayor of the city and recognized as such for ceremonial purposes and for the purpose of being served with civil processes against the city, and for the performance of all duties imposed upon him by this charter. A majority vote of all the members of the board of directors elected shall be necessary for the election of such chairman. The mayor shall hold his office as such at the pleasure of the board of directors.

The board of directors shall promulgate, maintain and enforce for themselves and all of the other officers and employees of the city an ordinance prohibiting conflicts of interest. Any member of the board violating such ordinance shall be automatically removed from office. (Ord. No. 88-10, 11-15-88)

Sec. 8. Meetings of board of directors.

The first meeting of such board of directors shall be held on the first Tuesday of August next succeeding their election, or as soon thereafter as practicable, or as soon as a quorum of members shall be in attendance thereafter, in the room or chamber in the city hall in said city, or at such other public place in said city as the majority of such members shall select, the residue of such members having first received reasonable notice of the time and place of the meeting, and the same publicly announced.

Subsequent meetings shall be held at such place in said city hall or elsewhere in said city, and (commencing at such hour as the board of directors shall from time to time determine), on Tuesday of each week, unless a legal holiday shall occur on that day, in which event the meeting shall be held on the succeeding Wednesday. The board of directors may hold special meetings at the place selected for their regular meetings, commencing at such hour as they shall determine. Special meetings of the board of directors may be called by the mayor, or any three members thereof. All meetings of the board of directors shall be open to the public.

Sec. 9. Vacancies.

A majority of the board of directors elected shall have authority at any meeting of the directors to appoint one of

their number to serve pro tempore as chairman or mayor in the event of the absence from the city, or such meeting, or disability of the regular mayor. Vacancies in the board of directors shall be filled by a majority of the remaining members for the unexpired term but any vacancy arising from a recall election shall be filled in the manner provided in such case. In the event of the death or resignation of the regular mayor the vacancy in the office of mayor for the unexpired term shall be filled by the board of directors.

Sec. 10. Salaries and compensation of directors.

Directors shall be paid fifteen dollars each for every regular meeting they attend, and the mayor shall be paid sixteen dollars for like attendance, but no compensation shall be allowed for special meetings, nor for any committee meeting of the board of directors.

No extra compensation shall be granted or allowed to any member of the board of directors, agent or servant of the city, or contractor therewith after the services shall have been rendered or the contract made; nor shall any payment be made of any claim or part thereof, created against the city, under any agreement or contract made without express authority of law; and all such unauthorized agreements shall be null and void. Nor shall the salary or compensation of any member of the board of directors be increased or diminished during his term of office. No member of the board of directors shall receive any additional emolument, allowance or perquisite on any account, save the compensation hereinbefore in this section provided.

The increase in salary of members of the board of directors, including the mayor of the said city as hereinabove set out shall not become effective until the election and qualifications of the board of directors following the general election for said board to be held in said city on the second day of July, 1957, and to continue in full force and effect thereafter unless and until changed by proper charter amendments as provided by law. (Amend. 1957)

Sec. 11. Restrictions on eligibility of directors.

No person holding a lucrative office under this state, the United States, or any foreign government; no member of congress, no person who is a sheriff, justice of the peace, constable, or clerk of any court of record shall be eligible to a seat on the board of directors. No person who has been, or hereafter shall be convicted of bribery, perjury or other infamous crime shall be eligible to a seat on the board of directors. No person who may have collected or been entrusted with public money, whether of a state, county, township, district or any municipal corporation, shall be eligible to the board of directors, or to any office of honor, trust or profit in the city, until he shall have duly accounted for and paid over such money, according to law.

Sec. 12. Legislative procedure.

The board of directors shall be judge of the election and qualifications of its members, subject to the provisions of section six of this charter. A majority of all members elected shall constitute a quorum to do business, and the affirmative votes of a majority of all members elected shall be required for the adoption of any ordinance or resolution. Every ordinance or resolution passed by the board of directors shall be signed by the mayor or mayor pro tempore and filed with the clerk within two days and by him recorded.

Sec. 13. Employees.

The board of directors shall employ the following named officers of the city, to wit: A city manager, who shall be the administrative head of the municipal government and who shall be responsible for the efficient administration of all departments; a clerk, who shall be known as city clerk, who shall keep all records of the meetings of the city board of directors, and perform such other duties as may be required by this charter or the board of directors; a city solicitor; a city treasurer, who shall perform such duties as are prescribed in this charter or as the city board of directors by ordinance shall prescribe; a judge of police court, and such

commissioners of municipal loans and bond issues as may be required by law of the state or city ordinance. All employees of the board of directors shall hold office at the pleasure of the board of directors and receive such compensation therefor as the board of directors may determine.

Sec. 14. City manager's powers and duties.

The duties and powers of the city manager shall be:

(a) To see that the laws and ordinances are enforced;

(b) To appoint all officers of the city, except members of the city board of directors and the officers such city board of directors is hereby authorized to appoint, and to employ, or cause to be employed, all employees of the city, the officers by him appointed and such employees he shall appoint or cause to be appointed, to continue in their offices or employment during his pleasure or that of his successor as such city manager, but all appointments or employments shall be upon merit and fitness alone;

(c) To exercise supervision and control over all departments and divisions created herein or that hereafter may be created by the board of directors, except the board of directors and other officers by it appointed;

(d) To attend all meetings of the board of directors with the right to take part in discussions, but having no vote;

(e) To recommend to the board of directors for adoption such measures as he may deem necessary or expedient;

(f) To keep the board of directors fully advised as to the financial condition and needs of the city;

(g) To supervise the conduct and performance of their duties by other officers and employees of the city, except the members of the city board of directors, reporting to such board of directors any failure of performance of duty by any of the other appointees of such board

of directors, and enforcing the proper performance of their duties by the officers appointed by him and by the city employees, to the end that the city's business shall be efficiently and economically transacted; and

(h) To perform such other duties as may be prescribed by this charter or be required of him by ordinance or resolution of the board of directors.

(i) The city manager shall faithfully adhere to the requirements of any ordinance prohibiting conflicts of interest and shall be automatically removed from his office for any violation of the same. (Ord. No. 88-10, 11-15-88)

Sec. 15. Appointments and bonds.

The city manager shall have authority to provide for the appointment of such officers, the appointments of whom are not vested in the board of directors, as shall be necessary or proper to carry into full effect any authority, power, capacity or jurisdiction which is or shall be vested in the City of Bluefield, or in the board of directors thereof, or in such city manager; to grant, in writing, to the officers so appointed the powers necessary or proper for the purposes above mentioned; to define their duties in writing; to allow them reasonable compensation (said compensation to be approved by the board of directors); and to require and take of all or any of them such bonds, obligations or other writings as he shall deem necessary or proper to insure the proper performance of their several duties.

All bonds, obligations or other writings taken in pursuance of this section, as well as all other bonds given to the City of Bluefield, shall be made payable to such city, and the respective persons or corporations, their heirs, executors, administrators and successors bound thereby, shall be subject to the same proceedings on the said bonds, obligations or other writings for enforcing the conditions and terms thereof, by motion or otherwise, before any court of record whose sessions are or shall be held in said Mercer County, that collectors of

the county levies and their securities are or shall be subject to on their bonds for the enforcing of the payment of such levies.

Sec. 16. Oath; residence requirement.

Every city officer, before he enters upon the duties of his office, shall make, before someone authorized by law to administer oaths, and file with the city clerk (or in the case of the first one of the board of directors elected under this charter with the city auditor), an oath or affirmation to support the Constitution of the United States and of the State of West Virginia, and to perform faithfully, honestly and impartially the duties of his office, to the best of his skill and judgment. No person, except citizens of said city shall be elected or appointed to any municipal office therein, except the city manager, who may be a nonresident of the city at the time of his appointment.

Sec. 17. Bonds of officers.

Each member of the board of directors shall give a good and sufficient bond, payable to the city, in the sum of one thousand dollars, conditioned for the faithful performance of his duties and with a corporate surety authorized to do business in the State of West Virginia, or with such other surety or sureties as may be approved by a judge of the circuit court of Mercer County, and such bonds shall be filed with the clerk of said court, after being approved as to form and security by such judge. Such officers and employees of the city as the board of directors may determine by ordinance, shall, respectively, furnish and file, after approval thereof by the board of directors, as to form and security, their bonds with the said clerk of the city in such penalties, respectively, and with such conditions as are fixed by such ordinance, with such corporate or other surety or securities hereinbefore mentioned, payable to the city. The furnishing of such bond shall be a necessary part of the qualification of such officers and employees. The bonds of all appointive officers required to give bond shall also be approved, as to form, by the city

solicitor. All premiums payable to surety companies shall be paid by the city. No officer or employee of the city of whom a bond is required, shall enter into the discharge of his official duties or of the duties which he is employed to discharge, until his bond has been approved and duly filed.

Sec. 18. Form of representation.

The membership of the city board of directors shall be apportioned among the districts of the city to the exent of one member from each of the five districts. All members of the board of directors shall be nominated and elected at large, but shall be selected from their districts respectively. The filling of any vacancy shall take into account the district of the member whose place has been vacated, and his successor must reside in such district. Removal from a district shall vacate the seat of a member of the board of directors residing in such district at the time of his election, and in all cases the removal of a member of the board of directors from the city shall cause the seat of the removing member to become vacant at once.

Sec. 19. Municipal primary; election officers; election procedure.

Candidates to be voted for at all general municipal elections at which members of the board of directors are to be elected under the provisions of this charter (but not at special recall elections), shall be nominated by a primary election, and no other names shall be printed upon the ballots used at the general election except those selected in the manner hereafter prescribed. The primary election for such nominations shall be held on the second Tuesday of June preceding the general municipal election. The judges and clerks of any primary or general municipal election shall be selected by the board of directors in the manner provided for the selection of such election officers by chapter three of the Code of West Virginia, except that the duties therein provided to be performed by the county court shall be performed by the board of directors, and the duties therein provided to be performed

by the county executive committee or county chairmen of the dominant political parties shall be performed by the city executive committees or city chairman of such dominant political parties, and except that such election officers shall be appointed by the board of directors at least ten days before any such election, and except further that the duties to be performed by the clerks of the circuit or county court shall be performed by the city clerk. The council of said city, as constituted just before this charter takes effect, shall appoint the judges and clerks for the first primary and general election to be held hereunder, as provided in this section.

Nominating Petitions

The name of any person desiring to become a candidate for board of directors shall be printed upon the primary ballots, if ten days prior to said primary election there be filed with the city clerk a petition requesting such privilege, signed by at least twenty-five and not more than fifty qualified voters of his district. Each petition shall be verified by the affidavit of one or more credible persons as to the qualifications and residence of each of the persons so signing the said petition. Said petition shall be in form or effect as follows:

"The undersigned, duly qualified electors of the City of Bluefield and residing at the places set opposite our respective names hereto, do hereby request that the name of (name of candidate) be placed on the ballots as a candidate for nomination for (name of office) at the primary election to be held in such city on the second Tuesday in June, 19..... We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

Names of qualified electors .....
Number ..... Street."

Any person whose name has been submitted for candidacy by any such petition shall file his acceptance of such candidacy with the city clerk not later than twenty days before the day of the primary election, and in the absence of such acceptance the name of the candidate shall not appear on the

ballots. Immediately upon the expiration of the time of filing the petitions for and acceptance of the candidates, the city clerk shall cause to be published in all the daily newspapers of the city once, in proper form, the names of the persons as they are to appear upon the primary ballots; and the said clerk shall thereupon cause the primary ballots to be printed, authenticated with a facsimile of his signature. No candidate shall circulate his own petition for nomination, and the name of any such candidate circulating his own name for nomination shall be omitted from the primary ballot.

The ballots shall be printed upon plain, substantial white paper, without party mark or designation, and shall contain the names of the candidates in alphabetical order in their respective districts. The ballots shall be substantially in the following form or to the following effect, to wit:

"Official Primary Ballot

Candidates for Nomination for Board of Directors of the City of Bluefield at the Primary Election.

(Place a cross in square to the left of the name of the person for whom you desire to vote).

For Member of the Board of Directors.

(Vote for one in each district.)
Names of Candidates

Official ballot, attest:

Facsimile of the signature ..... City Clerk."

Proceedings of Election

Having caused said ballot to be printed the said city clerk shall cause to be delivered at each polling place a number of said ballots equal to twice the number of votes cast in such polling precinct at the last general municipal election. The persons who are qualified to vote at the general election shall be qualified to vote at such primary election, and challenges can be made by not more than two persons, to be appointed at the time of opening the polls by the judges of election;

and the law applicable to challenges at a general municipal election shall be applicable to challenges made at such primary election. The judges of election in each precinct shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in their precinct for each of the candidates, and make return thereof on proper blanks, properly sealed, to the city clerk within six hours of the closing of the polls, and post duplicate return blanks on the outside of the voting place. On the day following the said primary election the said city clerk shall canvass said returns so received from the polling precincts, and shall make and publish in all the newspapers of said city, at least once, the result thereof. Said canvass by the city clerk shall be publicly made. The two candidates receiving the highest number of votes for board of directors from each district, shall be the candidates and the only candidates whose names shall be placed upon the ballots at the next ensuing general municipal election. In the event of the death of or resignation of a nominee before the election, the name of the candidate receiving the next highest number of votes at the primary, in his district, if such nominee was nominated in a district, shall be placed on the ticket in his stead.

When more than two persons shall have an equal number of votes for the same nomination and more than the other candidates, so that there is no choice at the primary, the city clerk shall determine by lot the two names of those voted on at the primary, and tied as aforesaid, to be placed on the ballot for the next ensuing regular election, and whenever in any other case no choice of candidate is made at a primary by reason of a tie vote, such clerk shall also determine by lot who of those so tied shall have his name placed on the ballots for the next ensuing regular election.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as practicable.

The necessary and legitimate expense of the holding of any such primary, as well as of any regular or special municipal election in said city for ballot, stationery, forms, ballot boxes,

booths, voting places, judges and clerks and notices of the election shall be paid by the city. At every such primary election and at every other municipal election in said city, regular or special, the polls shall open and close as provided by state law.

Insofar as the first primary election under this charter is concerned, the duties by this section imposed upon the city clerk, shall be performed by the recorder of the city in office when this act takes effect, and the words "city clerk" as hereinbefore used in this section, shall be construed as meaning such recorder in respect of such first primary. (Amend. 1972)

Sec. 20. Removal of directors, recall election.

The city board of directors may be removed from office by the electors qualified to vote for their successors. The procedure to effect the removal shall be as follows:

A petition signed by electors entitled to vote for such successors equal in number to at least twenty per centum of the entire vote cast at the last preceding general municipal election, demanding an election of a successor or successors of the person or persons sought to be removed, shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures of the petition need not all be on one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each of such papers shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature on the paper is the genuine signature of the person whose signature it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and ascertain whether or not said petition is signed by the requisite number of qualified electors, and, if necessary, the board of directors shall allow him extra help for that purpose, and he shall attach to said petition his certificate, showing the result of said examination. If, by the clerk's certificate, the petition is shown to

be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition, and, if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed sufficient by him, the clerk shall submit the same to the city board of directors without delay. If the petition shall be found by it to be sufficient, the city board of directors shall order and fix a date for holding said election of such a successor or successors, not less than thirty days nor more than forty days from the date of the clerk's certificate to the city board of directors that a sufficient petition is filed.

Special Recall Election

The city board of directors shall make or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the result thereof declared in all respects as are other city elections. Nominations of candidates to be voted on at such election shall be made without the intervention of a primary election, by filing with the city clerk at least ten days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote cast in the district at the last preceding general municipal election, for which said candidate is to be elected, which said statement of candidacy and petition shall be substantially in the form set out in section eighteen of this act, so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination, and making such other necessary changes therein to adapt the same to the case of such special recall election. But the person sought to be removed shall have his name placed on the ballots for use at such election, as a candidate to succeed himself, without nomination, unless he requests the city clerk otherwise in writing.

The ballot for such special election shall be in substantially the following form or to the following effect:

"Official Ballot

Special election for the balance of the unexpired term of (here name the person or persons whose unexpired term or terms are to be filled, designating the district). For member of the city board of directors _____ District, (designating the district) of the City of Bluefield, West Virginia.

(Vote for one only)

( ) Names of candidates.

( ) Name of present incumbent.

If more than one vacancy is to be filled, add for each vacancy: For member, of the city board of directors from the _____ district, designating the district.

(Vote for one only)

( ) Names of candidates.

( ) Name of present incumbent.

Official ballot - attest:

Facsimile of the signature _____

City Clerk."

The successor of any member of the city board of directors so removed shall hold office during the unexpired term of his predecessor. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be removed from the office upon the qualification of his successor. In case the person who received the highest number of votes shall fail to qualify within ten days after the result of the election is ascertained, the office shall be deemed vacant. If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal

shall be cumulative and additional to other methods provided by law. No recall petition shall be filed within ninety days succeeding or preceding any regular city election.

The city manager shall be subject to recall, according to the procedure for the recall of members of the city board of directors in this section, so far as practicable, except that the ballots shall give the name and title of this employee, followed by the words, with appropriate voting squares to the left: "For recall," and "Against recall." Should a majority of the votes cast be in favor of recalling the employee subject to this provision, the city board of directors shall forthwith choose a successor to the employee so recalled.

Sec. 21. Initiative and referendum.

Any proposed ordinance may be submitted to the city board of directors by petition, signed by electors of the city equal in number to the percentage hereinafter required. The signatures, verification, authentication, inspection, certification, amendment and submission of such petition shall be the same as provided for the petition first named in the next preceding section.

If the petition accompanying the proposed ordinance be signed by such electors equal in number to fifteen per centum of the votes cast at the last preceding general municipal election in the city, and contains a request that the said ordinance be submitted to a vote of the people, if not passed by the board of directors, the board of directors shall either:

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate of sufficiency to the accompanying petition, or

(b) Forthwith after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the board of directors shall call a special election, unless a general municipal election is to be held within ninety days thereafter, and at such special or general municipal election, such ordinance shall be submitted without alteration to the vote of the electors of

said city. But if the petition is signed by less than fifteen per centum and not less than ten per centum of the electors, as above defined, then the board of directors shall within twenty days, pass said ordinance without change, or submit the same at the next general municipal election occurring not less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

Referendum Features

The ballot used when voting upon said ordinance, shall contain these words: "For the ordinance" and "Against the ordinance," stating the nature of the proposed ordinance. If a majority vote be in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city, and the ordinance proposed by petition, or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed ordinances may be voted upon at the same election, in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The board of directors may submit a proposition for the repeal of any such ordinance or for amendments thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly.

Whenever the people have properly petitioned for the submission of a bond issue to a referendum vote there shall not be any other bond issue submitted at the same election.

Whenever any ordinance or proposition is required by this charter to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in all daily newspapers published in said city; such publication to be not more than twenty days nor less than five days before such election.

Sec. 22. Stay of ordinance.

No ordinance, resolution or action of the city board of directors changing the district boundaries or otherwise redistricting the city, or annexing any municipality or territory, or granting to any corporation, firm, person or association or combination of persons, any privilege, right, license, easement or franchise, to establish, maintain or conduct in the city any public utility, except when otherwise required by the general laws of this state, or by the provisions of this charter, shall go into effect before thirty days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, the same shall have been published in all daily newspapers published and generally circulated in said city. And if during said thirty days a petition signed by electors of the city, equal in number to at least fifteen per centum of the entire vote at the last preceding regular general municipal election, protesting against the passage of such ordinance, resolution or action be presented to the board of directors, the said ordinance, resolution or action shall thereupon be suspended from going into operation, and it shall be the duty of the board of directors to reconsider the same, and if the same is not entirely repealed, the board of directors shall submit the ordinance, resolution or action, as is provided in relation to referendum of ordinances, to the vote of the electors of the city either at the next general municipal election or at a special municipal election to be called for that purpose, and such ordinance, resolution or action shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of the last section (except that is must be signed by the number of electors in this section specified), and examined and certified to by the clerk in all respects as in the last preceding section.

Sec. 23. Petition requirements.

Petitions provided for in this charter shall be signed by none but legal voters of the city. Each petition shall contain, in addition to the names of the petitioners, the street and

number of the house, or if no number or street is designated, then the district in which the petitioner resides must be given. It shall also be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were, at the time of the signing, legal voters of said city.

Sec. 24. Control of streets.

The board of directors shall have the custody and control of the streets, alleys and public grounds of the city, with all the powers with reference thereto, which are held by the city immediately before this charter takes effect, and all such powers as are now or hereafter shall be held by boards of directors of cities, towns and villages organized under the general laws of the state; subject, however, to the provisions of this charter.

Sec. 25. Franchise restrictions.

Franchises, rights or privileges may be granted by the board of directors, allowing to persons, firms or corporations, for a limited time, such occupancy of portions of the streets, alleys or public grounds of the city, as may be deemed by it necessary for works of public utility and service, such as steam railroad tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles, electric light and other electric poles, wires and conduits, and subways, and water, gas, steam and heating pipe lines. But no franchise, right or privilege shall hereafter be granted by the city board of directors, except under the following restrictions and conditions:

First: No ordinance granting any franchise, right or privilege, for the use of the streets, alleys or public grounds of the city, for any of the purposes of public utility above named, or for any other purpose of like nature, shall be passed unless it shall have been first offered at a regular meeting of the city board of directors, and notice of the object, nature and full extent of such franchise, right or privilege shall have been published daily for at least thirty days (Mondays excepted) by the applicant, in some daily paper published in the City of Bluefield before being acted

upon. The vote thereon shall be taken by ayes and noes and the same entered upon the journal of the proceedings at the meeting of the board of directors.

Second: If no time be expressly provided in the grant, the franchise, right or privilege shall be granted for one year only, and in no case shall the same extend for a period exceeding thirty years. No shall any grant of a franchise, right or privilege be made without reservation on the part of the city of the right to alter, amend or repeal the same at any time during its term, should the grantee fail to do those things which the said grant of franchise, right or privilege stipulates that the grantee shall do, or, should the grantee do such things as by the said grant of franchise, right or privilege the grantee is prohibited from doing; provided, that after notice by the city to the grantee, specifying wherein the grantee has failed to comply with the terms of the grant, the grantee shall not within three months from the service of such notice comply with such terms.

Third: No grant of any franchise shall be made without, at the time of making it, providing that the grantee shall indemnify the city against all damages caused by the construction, operation or maintenance of any works, under the grant. All reasonable additional provisions and conditions may be made for the protection of the public from unnecessary damages or inconvenience by reason of such works and the maintenance or operation thereof.

Fourth: No grant of any franchise, rights or privilege shall be made without, at the time of making it, providing that the city shall receive in consideration therefor, a compensation, to be paid annually during the whole period; provided, however, that the principle of competition shall be employed by the city board of directors where the same is offered, so that the franchise, right or privilege with prescribed terms and conditions as to its extent, and as to the rates to be charged the public by it for its services will be given to the person, firm or corporation bidding or agreeing to pay therefor to the city the highest compensa-

tion, or so that the franchise, right or privilege with prescribed conditions as to its extent and the compensation that must be paid therefor, will be given to the person, firm or corporation that will agree to render service to the public at the lowest rates. But where revenue or tolls to be charged the public and revenue to the city are joint points of deliberation, the city board of directors may take both into consideration with probable good or ill service of competing applicants, and grant any such franchise to the applicant, the grant to whom will result in the greatest benefit to the largest number of citizens of the city, in the board of director's judgment.

Fifth: The board of directors shall, in suitable terms, make it an express condition of the grant of any such franchise, right or privilege, where it is for a work that is useful chiefly to the local public, that at the expiration of such franchise, grant, right or privilege, the grantee shall, if required by the board of directors, sell to the city the physical plant in the city, at what it is then worth, independent of any value based upon the earning power thereof, and may also provide a means of arbitration or otherwise for determining what such value may be; provided, the city is authorized by law to use, maintain and operate such plant.

Sixth: In case a petition for stay of ordinance is presented, in accordance with section twenty-two, and a special election is called for the purpose of accepting or rejecting the application for a franchise, right or privilege, the applicant for the same shall deposit with the city, the amount of expenses of said election, which shall be applied to the payment of such expenses, if the franchise is granted, otherwise to be returned to the applicant.

Seventh: No franchise, right or privilege referred to in this section can be granted unless on the affirmative vote of a majority of the membership of the board of directors.

Eighth: The provisions of this section, however, shall not apply to grants made under section twenty-eight of this act.

Sec. 26. Further franchise provisions.

No renewal of any franchise, right or privilege for any such work of public utility or service as is mentioned in the next preceding section, granted for a period of more than three years, shall in any manner be granted until within three years of the time of its expiration.

Sec. 27. Vacation of franchise.

The nonuser of a franchise, right or privilege, for a period continuously of one year, shall vacate and annul the same.

Sec. 28. Private switch grants.

Permission may be given to a person, firm or private corporation, not engaged in conducting a public utility business, to place a switch or tramway on a part of a public street or alley, at grade, for his own or its own use, but the grant shall be so limited as not to exceed ten years, and a charge, in the nature of an annual rental or license charge for the same, payable to the city, may be fixed by the board of directors.

All grants under this section shall be subject to the following restrictions and conditions:

If no time is expressly provided in the grant, it shall be for one year only.

It shall provide that the grantee shall indemnify and save harmless the city against all suits, loss or damage, by reason of the construction or maintenance of such switch or tramway, and that said grant may be altered, amended or repealed upon satisfactory evidence that the grantee has failed to comply with its provisions. Reasonable provisions must be made to protect the public from unnecessary damage or inconvenience by reason of such switch or tramway and the operation or maintenance thereof.

Sec. 29. Ordinances, etc., available for public inspection before enactment; franchises, etc., by ordinance.

Every ordinance, resolution or action appropriating money or ordering any street improvement or sewer or making or

authorizing the making of any contract, or granting any franchise, or right to occupy or use the streets, highways, bridges or public places in the city, or any part thereof, for any purpose shall be complete in the form in which it is finally passed, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise, or right to occupy or to use the streets, highways, bridges, or public places in said city, or any part thereof, shall be granted, renewed, altered, amended, repealed or extended except by ordinance.

Sec. 30. General ordinance powers as to city services.

The board of directors shall have authority to acquire or establish, own and operate waterworks, gasworks, and works for generating and furnishing heat and electricity for the use of said city, and to sell water, heat, electricity and gas from such works to persons or corporations outside as well as within the limits of the city, or to buy heat, electricity, water or gas at wholesale and sell the same at retail; to construct and operate other waterworks for the use of said city at any point to be selected by the board of directors, inside or outside of the city limits, and to place and maintain all needed mains, pipes and other fixtures and appliances at such works and between such works and the city, and for these purposes to acquire and hold, by purchase or condemnation all needed lands and rights-of-way inside or outside of the city limits, and to have power to acquire by purchase or condemnation or damage, private property real or personal inside or outside of the corporate limits of said city, to the end that pure, clean, wholesome water may be obtained and supplied to the inhabitants of said city, and to have the power to proceed as provided by law, against any person, firm or corporation who so uses their property either inside or outside of the corporate limits of said city as to pollute the water supply of said city; to establish and maintain a fire department, police department, health department, public libraries, playgrounds, parks, crematory and city prison, and for these purposes acquire and hold all necessary real estate by purchase or condemnation, and also to establish and maintain hospitals and

cemeteries either within or outside the limits of the city, and for these purposes to acquire and hold all necessary real estate by purchase or condemnation, outside as well as within the city limits.

Sec. 31. Weights and measures.

The city board of directors may by ordinance provide for the proper weighing or measurement of all goods of any description whatsoever, which may be offered for sale in said city by either weight or measure; and the board of directors shall further have authority to require by ordinance that goods ordinarily sold by measure shall be sold by weight, and to prescribe proper weights and measures. It shall also be within the power of the board of directors to provide for the inspection of all weights and measures used in said city at such times and in such manner as to the board of directors may seem fit and proper.

Sec. 32. Inspection and regulation of food.

The board of directors may by ordinance provide for the inspection of bread, milk, meat, and all other articles intended for food, including animals from which milk and meat are obtained, and all substances entering into the manufacture of food intended for use in said city; and regulate or prevent the sale, or cause the destruction of any such food or milk as may be unwholesome, adulterated, or dangerous, and provide for the punishment of persons negligently or knowingly selling or offering the same for sale. Under this section the word "food" means anything intended to be eaten or drunk by the inhabitants of the said city.

Sec. 33. Abatement of nuisances; regulating various activities.

The board of directors may by ordinance require and compel the abatement and removal of all nuisances within said city at the expense of the person, or persons causing the same, or of the owner or owners of the ground whereon the same shall be; restrict the driving of hogs, cattle or other

stock within said city, either as to time within which they may be driven, or both; prevent any such stock or dogs and other animals, chickens or other fowl from running at large in said city; or subject the same to such regulations and taxes as they may deem proper. The board of directors shall also have authority to locate, prohibit or license, regulate and tax, slaughterhouses and stockyards, or the exercise of any offensive or unhealthful business, trade or employment within said city; to prevent the firing of guns, crackers, or any combination of gunpowder, or other explosives and dangerous materials in said city; to prevent the driving or riding of horses or other animals, the riding of bicycles or other vehicles, the running of locomotives or automobiles propelled by steam, electricity or other power, and of cars of all kinds at a speed exceeding that prescribed by an ordinance of the city, within its limits; and, generally, to prevent such conduct in the city as is prejudicial to the comfort, health, convenience, safety, peace and good order of said city or the inhabitants thereof, and to make and ordain appropriate provisions and penalties for the enforcement of all the lawful regulations of said city, respecting the matters hereinbefore in this section mentioned.

Sec. 34. Markets.

The board of directors may establish markets in and for said city, maintain or authorize the maintenance of any already established, appoint the time and place for holding the same, provide suitable buildings therefor and ordain and enforce such regulations respecting the markets as in its opinion the convenience or interest of the inhabitants of said city shall require, among others such regulations as it shall deem necessary or proper to prevent forestalling therein.

Sec. 35. Assessment for abatement of property nuisances.

If any ground in the said city shall be subject to be covered by stagnant water, or if the owner or owners, occupier or occupiers thereof, shall permit weeds, rank growth, or offensive or unwholesome substances to remain or accumulate

thereon, the board of directors may cause such ground to be filled up or drained, or such growths or substances to be cut or covered up or removed therefrom, and collect the expense of so doing from the said owner or owners, occupier or occupiers, or any of them, by distress and sale, in the same manner as taxes levied upon real estate for the benefit of said city; provided, however, that at least five days' notice of what is required shall be given to the said owners or occupiers, or their agents.

In case of nonresident owners, who have no agent in said city, such notice may be given by publication, for not less than ten days in some newspaper printed in said city, at the expense of said owners.

Sec. 36. Providing for public safety and welfare.

The board of directors may pass and cause to be enforced such ordinances as it shall deem necessary or proper to secure the inhabitants of said city against thieves, robbers, burglars, persons carrying concealed weapons, and all other persons violating the public peace of said city, for the suppression of riots and gaming, and for the prevention and punishment of lewd, lascivious, indecent or disorderly conduct in said city. The board of directors shall also have the authority to provide in like manner for preventing children under twelve years of age from being at large and unattended in the streets or alleys, commons, parks, fairgrounds, or other public places within the city; to provide for the prevention of cruelty to animals, and of cruelty, neglect, or otherwise, to aged, feebled or imbecile persons or children, within the city; and to provide for the welfare, health and safety of persons in theaters or other places of amusement, including assembly and lodge rooms, requiring proper sanitary hygienic arrangements together with adequate exits and fire escapes.

Sec. 37. Explosives and combustibles.

The board of directors may by ordinance require that suitable magazines or places shall be provided in or near said city for the storage of gunpowder, dynamite, petroleum and

the volatile products thereof, and all explosives and combustible and dangerous articles; make and enforce such regulations as it may deem necessary respecting the place and manner of transporting the same, and assess and collect an annual license tax for the keeping and selling of any or all such articles.

Sec. 38. Shows and exhibitions.

The board of directors may by ordinance regulate theatrical exhibitions, public shows, musical performances and hypnotic exhibitions, and all performances to which admission is obtained by the payment of money or other reward, and grant or refuse license for any such performances, and levy and collect license taxes on the same.

Sec. 39. Licensing conveyances, hawkers, etc.

The board of directors may grant licenses to owners and keepers of horses, hacks, carts, wagons, drays, automobiles, bicycles and every description of wheeled vehicles kept within the said city; levy and collect license taxes as well as other taxes thereon, and subject the same to such regulations as the interest or convenience of the inhabitants of said city, in the opinion of the board of directors, may require. The board of directors shall also have authority to license and collect license taxes from hawkers and peddlers within said city, and persons who rent temporary quarters or who temporarily station themselves upon a street to sell or exhibit articles, and all butchers who do not rent a stall or stand in any of the market houses in the city hawking and peddling meat on the streets of the city must take out and pay the license required by the city of hawkers and peddlers.

Sec. 40. Fortune-telling; clairvoyance.

It shall be unlawful for any person, in said city, to hold himself or herself out as a fortune-teller, clairvoyant, mind-reader or palmist, and purport and claim to tell the future or the past by the above or any other hidden and secret

methods or science, or to practice the above callings, avocations or professions, and the board of directors may pass an ordinance prohibiting the same and prescribing penalties for its violation. Nothing in this section contained shall be construed so as to regulate or control any religious association or body.

Sec. 41. Auctions; loan agencies.

The board of directors may by ordinance regulate sales at auction within said city, and levy and collect taxes upon such sales; grant or refuse licenses to auctioneers, and loan agencies, and levy and collect taxes upon such licenses, in addition to any tax which may be payable to the state; provided, however, that nothing herein contained shall be construed to authorize any interference by the corporate authorities of the city with, or the imposition of any tax upon any sale made under the judgment or decree of any court of justice in this state, or made by a trustee under a deed of trust given in this state, or made by a trustee under a deed of trust given bona fide in this state to secure debt.

Sec. 42. Hotels, restaurants, stables, garages.

The board of directors shall have exclusive authority within said city, by ordinance, to grant or refuse license to the keepers of hotels, inns and taverns, houses of public or private entertainment, not used for immoral purposes, boarding-houses, public eating houses, places of public amusement, and boarding stables or stables for keeping and feeding horses and mules for compensation, and automobile garages; provided, however, that persons keeping an inn, hotel or tavern, with stabling attached, shall not be required to have any other license to keep an inn, hotel, or tavern, by reason of their keeping and feeding horses and mules for compensation. The board of directors shall further have authority, by ordinance, to regulate the manner in which such houses or places shall be kept, and to levy and collect a license tax from every person licensed under the authority of this section, in addition to all other taxes imposed upon him or his property.

Sec. 43. Pawnbrokers.

The board of directors may by ordinance require a city license from persons conducting the business of pawnbroker or loan agent in the city by lending money or other thing of value for profit, for or on account of personal property deposited with the lender in pledge, or left in the possession of the borrower and secured to the lender by lien, pledge, mortgages, or deed of trust.

Sec. 44. City may license state licensees.

The board of directors may by ordinance require city licenses for persons conducting and carrying on any business or vocation in the city for which the state may now or hereafter require licenses.

Sec. 45. Failure to obtain license.

The board of directors may by ordinance subject any person or persons, who without having obtained a city license therefor, shall do any act, or follow any employment or business in said city, for which the board of directors is or shall be authorized to grant license, to any fine or punishment which they are authorized to impose or inflict [in] the enforcement of their ordinance.

Sec. 46. Public ways and grounds, extension powers.

The board of directors may, by ordinance, within said city lay out and cause to be opened any streets, walks, alleys, market grounds, and public squares, or extend or widen the same, first having obtained title to the ground necessary for the purpose, and grade any street, walk, alley, market ground or public square which is or shall be established within said city, pave or otherwise improve the same, and cause them to be kept open and in good repair, and generally ordain and enforce such regulations respecting the same, or any of them, as shall be proper for the health, interest or convenience of the inhabitants of said city.

Sec. 47. Work without contractors or middlemen.

The board of directors may by ordinance have all work done without the intervention of contractors or middlemen, but shall not be compelled so to do.

Sec. 48. Taking or damaging land for public purposes.

The board of directors may cause to be taken or damaged for the use of the city, for streets, alleys, markets, bridges, public squares, parks, playgrounds and other municipal purposes, including occupation by sewer, water pipes, gas pipes, heating pipes, compressed air pipes and electric or other subways, any private property within the city, (and where such use is to secure or improve the water supply, or for park, playground, sanitary or cemetery purposes, outside the limits of the city), but no such property shall be taken or damaged without just compensation. The compensation, if it cannot be determined by agreement with the owner of the property so taken or damaged, shall be ascertained in such manner as is, or may be, prescribed by general law for the condemnation of land for public purposes.

Sec. 49. City planning commission.

There shall be a city planning commission of three members, consisting of the city manager and two citizens to be elected by the board of directors. The said citizen members shall be chosen because of their knowledge of city planning and kindred subjects, shall serve without compensation, and shall hold their positions at the pleasure of the board of directors. The board of directors may in its discretion appropriate such sums of money as shall be needed to defray the necessary expenses of said commission.

The duties of the city planning commission shall be advisory only to the board of directors, and in general said duties shall be as follows:

First: To keep itself informed of the progress of city planning in this and other countries, to make investigations

into existing physical conditions in the City of Bluefield and vicinity and compile information relative thereto.

Second: To determine and report upon what should be done to improve those conditions.

Third: To prepare a comprehensive city plan for the future improvement and growth of the city within and without the city limits, including recommendation for:

(a) Extension of streets and opening of new subdivisions.

(b) Improvement of entrances and terminals to and from the city, particularly those of the public service corporations, looking to the future harmonious development of a city plan.

(c) A rapid transit system, including terminal projects when the same may become advisable.

(d) Extension of car lines into outlying districts.

(e) Playgrounds, parks and boulevard system.

(f) Location of public buildings and other public works as in the opinion of the commission, will tend to make Bluefield a more convenient and attractive city.

Fourth: After money to cover the cost thereof shall have been appropriated by the board of directors, to cause the necessary survey to be made, and to prepare a plat for the extension of the city for such distance beyond the city limits as said commission shall deem advisable, which plat shall harmonize with projected improvements within the present city limits, shall carefully conserve the topography of the land as may be requisite for sanitary influences and purposes, and shall make ample provision for factory and other commercial territory, with efficient transportation service, and may provide residence areas apart from the commercial and industrial zones; provided that such plat shall not include territory within the corporate limits of any other city or town.

Fifth: To suggest, upon the written approval of its chairman and of the city manager, such legislation as may be necessary to facilitate the carrying out of the commission's recommendation. (Amend. 1958)

Sec. 50. Paving—Generally.

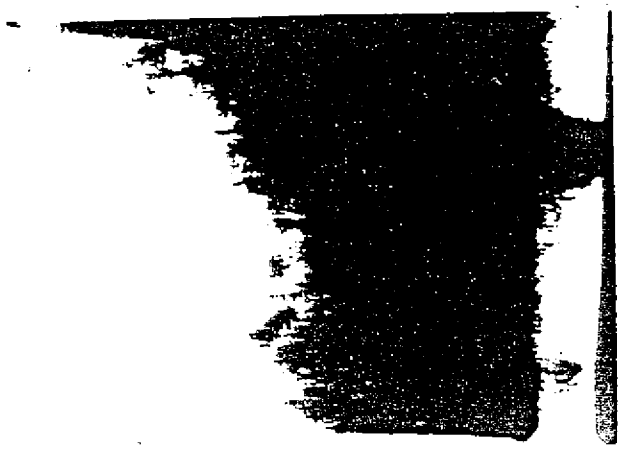
The board of directors may cause any street or alley to be paved, or repaved between the sidewalks, or between the parkways, with cobble, asphalt, stone, brick, or other suitable materials, under such regulations as shall be fixed by ordinance, upon the lowest and best terms to be obtained by advertisement for bids on proposals therefor by the board of directors as herein provided; or the board of directors may have such work done without the intervention of contractors or middlemen; and the cost of such paving and repaving shall be paid in compliance and accordance with all of the provisions of chapter eight of the West Virginia Code. (Amend. 1972)

Sec. 51. Same—On request.

If two-thirds, or more, of the owners of the property abutting on any street or alley, or any section thereof which shall lie between intersecting streets or alleys, shall desire the same to be paved or repaved, and shall present a petition to the board of directors, setting forth their desire and describing the street or alley, or the section thereof desired to be paved or repaved, the board of directors may, within a reasonable time cause the said work to be done, after the method set forth in the next preceding section, the provisions of which section shall apply to the last named paving or repaving. (Amend. 1972)

Sec. 52. Sewers—Constructing.

The board of directors of the City of Bluefield may order a sewer or sewers to be constructed in or through any street or alley in the city, under such regulations as may be prescribed



by ordinance either by the city itself, or upon the lowest and best terms to be obtained by advertisement for bids therefor by the board of directors; the cost of the construction of any such sewer or sewers, to be paid by the city.

Sec. 53. Same—Connections.

The board of directors shall have the authority to regulate by ordinance, the manner and time in which connections are to be made with the sewers of the said city by the owners of property therein, and shall have the authority to compel the owners of any property abutting upon a street or alley, in which there is a sewer, to connect their pipes therewith under the regulations prescribed by the board of directors, and may charge such person or persons a reasonable amount therefor, to be fixed by the board of directors by ordinance; and in case of the failure of the owner of any such property to so connect his sewer pipe with any such sewer when required, the board of directors may provide by ordinance such fines and penalties as in its discretion may be necessary to effect a compliance with its regulations. The amount fixed by the board of directors for the connection with such sewer shall be paid into the city treasury to the credit of the fund to be used for sewers, and shall be used for no other purpose.

Sec. 54. Sidewalks.

The board of directors may by ordinance establish the width of any sidewalks along any street, alley or public square or part thereof, and cause to be constructed or reconstructed, the curbing thereon, and require that when any such street, alley or public square, or part thereof shall be prepared by the city for the laying of sidewalks, by grading the sidewalk space, either by filling or cutting, as the case may require, the owner or owners of any ground fronting on such sidewalks adjacent to their property shall be required to pave or repave the same; and in case of the failure or refusal of such owners so to do, the city may cause the same to be

properly paved or be repaved by others than such owner or owners, and levy and collect from such owner or owners the cost of the paving or repaving adjacent to his or their property, or where the cost cannot be conveniently ascertained, levy and collect a special tax to defray the expense of such paving or repaving upon the owner or owners of such adjacent ground, who fail to pave as required, by an assessment upon each, proportionate to the number of front feet which he shall own abutting on the sidewalk. The board of directors shall have power, by ordinance, in like manner, to require the owner or owners of property adjacent to any paved sidewalk whether heretofore or hereafter constructed, to keep such sidewalk in repair, and in default of his or their so doing, to cause the same to be repaired, and assess the cost thereof upon such owner or owners. It shall be lawful for the officers authorized by the board of directors to collect any such tax or assessment for the cost of such paving or repaving, to collect the same from the owner or owners of such grounds at once by distress and sale as provided in sections seventy-three and seventy-four of this charter, and such assessment shall be a lien upon such adjacent property, which may be enforced as taxes assessed upon estate for the benefit of the city. All disturbances of any streets or alleys of the city (including sidewalks), or public ground of said city, caused by digging therein for the benefit of a private person or firm, other than the city itself, and except where the digging is done by the city to furnish water, gas or other commodity to such private person or firm, for a consideration, shall be repaired by the city at the expense of the person or firm for whose benefit, or for the benefit of whose property the digging is done; and the board of directors shall by ordinance require the enforcement of this duty, including the duty of making repeated repairs, as often as the defect so caused shall reappear.

The board of directors may by ordinance establish a date from which new or renewed sidewalks along any of the streets or alleys of the city must be made uniform as to width, material and construction for paving and repaving sidewalks.

Sec. 55. Ornamental streetlighting.

The board of directors may, by ordinance, establish a district or zone which shall include the business section of the city, for the purpose of ornamental streetlighting, the limits of said district or zone to be defined in said ordinance.

The board of directors may order ornamental streetlights placed upon any street within the said ornamental lighting district or zone, the same to be fully described in such ordinance, which shall also state the distance such lights shall be placed apart, and assess and collect the cost of the installation of same from the owners of the property abutting on said street in proportion to the frontage owned by each. And such assessment shall be made in the same manner and shall become a lien upon the property abutting upon the said street to the same extent as herein provided for liens against property for sidewalks constructed upon any street by the city, and the remedies herein provided for the collection of sidewalk assessments against property owners or the property abutting upon any street upon which a sidewalk is laid by the city, shall apply to the collection of any assessment made for the construction of ornamental streetlighting upon any street upon which such lights are installed; provided, however, that electric current for any such streetlights or system of streetlighting shall be carried by wires placed beneath the surface of the street or sidewalk, and in no event shall such a system of lights or lighting be established by electricity carried from wires on poles located along said street, unless all parties owning property abutting upon said street shall join in a petition to the board of directors asking that poles be used instead of the underground system as hereinbefore set forth.

Sec. 56. Buildings—Regulating those over ten feet high.

The board of directors may, by ordinance, prohibit the erection within any square or squares of the city, of any building or any addition to any building, more than ten feet high, having in the foundation or outer walls thereof, or the outside covering of the roof thereof, any wood or other combusti-

ble material; and provide for the removal of any building, or addition which shall be erected contrary to such prohibition, at the expense of the builder or builders, or owners thereof.

Sec. 57. Same—Inspection; permits; unsafe structures.

The board of directors, by ordinance, may establish a system of regulations by which all plans for the construction of buildings or additions thereto within the city shall be required to be submitted to the board of directors or some other designated officer or officers of the city, for inspection as to the safety of all flues, elevators, drainage, plumbing, electrical wiring, power and lighting or heating arrangements, and as to the sufficiency of all supporting parts and the general safety of such buildings and additions.

The board of directors may provide by ordinance, that no building or addition thereto, shall be erected within the city without the owner or builder thereof having first obtained from the officer designated to make such inspection, a license or building permit authorizing the erection of such structure. Such ordinance may provide for the keeping of a permanent record of all such permits or licenses, and the keeping on file, or on record, of a full description of all such buildings and structures. The board of directors may, by ordinance, establish and maintain supervision over the construction and maintenance of electrical conductors within said city, whether they be located within or outside of a building.

The board of directors may, by ordinance, regulate buildings, already constructed, which are either dangerous, unsafe or in a bad sanitary condition, and may require the removal or reconstruction of the same, or that they be repaired so as to render them safe or put in proper condition.

Sec. 58. Power to enact laws.

The board of directors shall have authority to pass all ordinances not in conflict with the Constitution and laws of the United States, or of this state, which shall be necessary and proper to carry into effect any power, authority, capacity or jurisdiction which is or shall

be granted to, or vested in, the said city, or in the board of directors or any officer of said city; and to provide for the enforcement of any and all of their ordinances by reasonable fines and penalties, or by imprisoning the offender or offenders violating such ordinances, and by compelling them to labor without compensation, at any of the public works or improvements undertaken by said city, or by any or all of the said modes; provided, however, that no person shall be imprisoned or compelled to labor as aforesaid more than thirty days or fined more than a fine authorized for a similar offense by the West Virginia Code, or fined more than one hundred dollars for any offense not appearing in the West Virginia Code. (Amend. 1972; Ord. No. 81-5, 5-12-81)

State law reference—See W.Va. Code, § 8-11-1.

Sec. 59. Police court judge.

The judge of the police court shall receive a salary to be fixed by the board of directors, and no other compensation shall be allowed him. He shall preside over said police court and try and determine all cases over which said court has jurisdiction. At his request, or where necessary in his temporary absence or disability, the board of directors may appoint assistant judges of police court to discharge some or all of his duties, or to aid him in the discharge of some or all of his duties. The purpose and the limitations, if any, upon the appointment of such assistant police court judges, shall be stated by the board of directors in the appointments of any such assistant police court judges, which appointments shall also set out the compensation to be paid them. (Ord. No. 83-5, 8-9-83)

Sec. 60. Police court jurisdiction—Generally.

The said police court shall have jurisdiction over all offenses against, or violation of, the ordinances of said city, and full authority to punish in any manner lawfully prescribed by such ordinances, the offenders against, or violation of, the same; provided, however, that no jury shall be allowed in any trial in said court for the violation of any ordinance of said city.

Sec. 61. Same—Enforcement of penalties.

The proceedings for the recovery of the fine or for the enforcement of the penalty prescribed by any ordinance shall

conform to the regulations as far as they are applicable prescribed in the Code of West Virginia for civil proceedings before justices of the peace; but the judge of said court may, for good cause, shown by affidavit, by an endorsement upon the summons, order the defendant or defendants to be arrested and brought before the said court to be dealt with according to law.

Sec. 62. Same—Violation of state law.

In cases where evidence discloses such a violation within the city, of a law of the state, that, in the opinion of the judge of the police court, the person accused should be committed to await the action of the grand jury upon an accusation made, the judge of the police court shall have the same jurisdiction and power as a justice of the peace in the County of Mercer, in regard to the apprehension, commitment and admission to bail of the person so accused; and in the exercise of such jurisdiction and powers, shall be governed by the same regulations.

Sec. 63. Sessions of court.

The sessions of said court shall be at such time and place as the board of directors of said city shall by ordinance direct.

Sec. 64. Enforcement of orders and judgments by police court; fees.

The said court shall have full power and authority to enforce its orders and judgments by any process of law which may be necessary and proper for the purpose, and all processes, executions and orders of said court shall be signed by the judge thereof. Such processes and executions shall be directed to the chief of police of said city, and be executed by him or one of his deputies. In the execution of any process or order of said court, the chief of police or deputy shall have the same powers, be governed in his proceedings by the same rules of law, and be subject to the same liabilities as the sheriff of Mercer County, West Virginia, in the performance of like services. There may be charged for the services of

such officer the same fees as the sheriff is entitled to charge for like services, but all such fees, as well as all fines imposed by said court, shall be collected by the chief of police and accounted for and paid by him to the treasurer of the city. The city shall in no event be liable for any such fees.

Sec. 65. Court docket, seal, records.

A docket and other books required for the records and a seal shall be provided for the said court by the board of directors, and the seal may be altered or renewed as the said court may direct. Full faith and credit shall be given to the records of said court, and the certificates of its judge whether the seal of said court be fixed thereto or not, in like manner and with the same effect as if the same were records of the circuit court or certificates of the judge of a circuit court similarly authenticated.

Sec. 66. Costs of prosecution.

The said police court shall have power, upon rendering judgment against a defendant charged with the violation of an ordinance of the city, to render judgment against him also for the costs of prosecution. In every suit or prosecution for the violation of an ordinance the said court shall cause the person or persons at whose instance it was instituted to be designated upon the warrant or writ issued to arrest or summon the person charged, and if the person or persons charged shall not be convicted in such court, and such court shall be of the opinion that no sufficient or probable cause existed for the institution of the said suit or prosecution, then judgment for the costs of the city, and of the defendant, or of either of them, as the court shall deem just, shall be rendered against the person or persons at whose instance such suit or prosecution was instituted.

Sec. 67. Appeals.

From the judgment of the police court in any case in which there is imposed a fine of ten dollars or more, or imprisonment, or both, or in any case involving the validity of an

ordinance of the said city, an appeal shall lie as a matter of right, to the criminal court of said Mercer County, either in behalf of the defendant or the city, and in any case where a fine is imposed, on demand of the defendant, such fine shall be fixed at not less than ten dollars, so that such appeal may be taken; but no defendant shall be entitled to such appeal until and unless he executes before the said police court, bond in such penalty, not exceeding two hundred dollars, as the said police court may prescribe, conditioned for the performance of the judgment or order of the criminal court of said county made or rendered upon such appeal. Every such bond shall be with security approved by the said police court; but in any case in which an appeal is taken or granted on behalf of the city, no bond or security shall be required. Every such appeal shall be proceeded with in the criminal court, in the same manner as is provided by law for the proceedings in such criminal court, in cases appealed from justices of the peace. If on such appeal judgment be against the appellant it shall also be against the sureties on his appeal bond for costs, and for any fine or percuniary penalty adjudged against him. No such appeal shall be allowed after ten days from the date of any fiscal order or judgment desired to be appealed from.

Sec. 68. Government buildings, hospitals, parks, libraries, etc.

The board of directors shall have the authority to erect, buy, sell, and lease all buildings necessary for the use of the city government, and to provide for and regulate the same; to establish, regulate and maintain public parks, hospitals, libraries, and reading rooms, and to purchase books, papers, and manuscripts for such libraries and reading rooms, and to receive donations, gifts, or bequests for the same in trust or otherwise.

Sec. 69. City prison.

It shall be lawful for the board of directors to maintain within said city a prison, and to ordain and enforce all necessary or proper regulations respecting the same, and to vest in the officer or officers of said prison, under the supervision of

the city manager, any powers and duties which, by the laws of this state, are or shall be vested in or imposed on the sheriffs or jailors of the several counties in this state in relation to the county jails, or the custody of persons imprisoned therein.

Sec. 70. Annual audits.

At the end of each year the board of directors shall cause a full and complete examination of all the books and accounts of the city to be made by competent accountants, and shall publish the result of such examination in connection with the annual city financial statement required by law.

Sec. 71. Taxation—Statutory power.

The board of directors shall have power and authority to levy taxes on all property subject to taxation within the city in accordance with the provisions of chapter nine of the acts of the Legislature of West Virginia, special session of one thousand nine hundred and eight, and as it may be amended, and in the making of such levies the said board of directors shall comply with all the provisions of said act as the same now exists, or as it may be hereafter amended insofar as it applies to the laying of levies by municipalities. The taxes so levied as aforesaid shall be levied upon the values of the real and personal property within the city as the same shall be ascertained by the assessor [of] Mercer County.

Sec. 72. Same—Scope of property and activities.

The board of directors shall have authority to levy and collect an annual tax on real estate and personal property in said city, and to impose a license and assess a tax thereon on wheeled vehicles for public hire, and for all dogs and horses kept within said city, and upon automobile garages, and gasoline filling stations occupying any street or alley, and to impose a tax upon all other subjects of taxation as provided in this charter, or under the several laws of the state, which taxes shall be uniform with respect to persons and property within the jurisdiction of said city, and shall only be levied on

such property, real, personal and mixed, and on capital on which the state imposes a tax; provided, the levy upon all taxable property of said city shall not exceed for all purposes one dollar upon the one hundred dollars valuation. There shall be a tax of one dollar annually assessed on each inhabitant of said city over the age of twenty-one years who is subject to a capitation tax under the laws of the State of West Virginia. The same shall be set out and included in the personal property book against every such inhabitant, and shall be collected under the authority of the board of directors at the time of collecting other levies and taxes.

Sec. 73. Same—Due date; collection procedure.

The taxes levied by the board of directors for the use of the city shall become due at the same time as taxes levied for the use of the County of Mercer, and the treasurer of said city, or such other person as the board of directors may direct, shall collect the same at the same time, and in the same manner, as taxes are collected by the sheriff of Mercer County for county purposes, and the same discount shall be allowed to those paying taxes to the city and the same penalties added as in the case of taxes collected by the sheriff of Mercer County, it being the intention of this act to make the collection of taxes levied for the purposes of the city uniform in all respects with the collection of taxes for county purposes, and the treasurer of said city, or such other person as may be designated by the board of directors for the collection of taxes, is hereby clothed with all the power within the said city for the purposes of collecting city taxes, that is now possessed by the sheriff of Mercer County for the collection of county taxes.

The treasurer, or collector, on the first Monday in June next succeeding the year for which such taxes were assessed, shall make out and return to the board of directors two alphabetical lists, one a list of real estate, and the other a list of persons and property other than real estate, in the city delinquent for the nonpayment of taxes thereon for such year and shall subscribe on oath to each list in form and effect as

sheriffs are required to make to delinquent lists returned to county courts, and the board of directors shall not give the treasurer or collector, credit for any uncollected taxes unless the same have been abated as prescribed herein or are mentioned in such lists. If any real estate within said city be returned delinquent for the nonpayment of the taxes thereon and such return shall be made by the treasurer or collector thereof, in the manner aforesaid, a copy of such delinquent list shall be certified by the board of directors to the auditor of the state, and the same shall be sold for taxes, interest, and commissions thereon, in the same manner and at the same time, and by the same officer as real estate is sold for the nonpayment of state and county taxes. A copy of said delinquent list within ten days after it has been certified by the board of directors, shall be filed in the office of the clerk of the county court of Mercer County, and recorded in a well-bound permanent book, to be furnished by the city, and kept and preserved in said office for that purpose; provided, however, that a copy of each of said lists shall be posted at the front door of the city hall of said city at least two weeks before said lists are returned to the board of directors, and a copy of said lists shall at the same time be printed for one time in two newspapers of opposite politics, if such there be in said city.

Sec. 74. Same—Power of treasurer to collect.

The treasurer shall have power to collect the city taxes, except as otherwise provided in this act, and he shall also have power to collect city claims which may be placed in his hands by the board of directors for collection, and to execute, within the city, any process which might be executed by the sheriff of Mercer County.

Sec. 75. Same—Power to distrain for taxes.

All goods and chattels belonging to a person, firm, corporation or estate, assessed with any city taxes, whether the same be a capitation tax or a tax upon real or personal property, or an assessment for paving or other improvements shall

be liable for said tax, and may be distrained therefor in whosesoever possession they may be found, and the treasurer shall have the same power to collect said taxes or assessments from any person owing a debt to or having in his possession any estate belonging to a person assessed with any tax or assessment of any kind that the sheriff has to collect state taxes in such cases. The treasurer may distrain and sell for all city taxes and assessments and in all respects have the same power to enforce the collection thereof as the sheriff has to enforce the collection of state taxes.

Sec. 76. Same—Imposing liens for taxes.

There shall be a lien upon all real estate within said city for the city taxes assessed thereon, including such penalties added thereto for nonpayment thereof as are prescribed by this act, from the first day of January of the year in which said taxes are assessed. Said liens may be enforced by appropriate suit in any court of record within Mercer County; provided, such suit be instituted within five years from the time the said liens attached as herein provided, and such suit may either be instituted by and in the name of the City of Bluefield as plaintiff, or said city may intervene by petition in any suit pending to sell or enforce liens against any real estate which is subject to such lien for said taxes.

The liens herein created shall have priority over all other liens except those for taxes due the state.

Sec. 77. Same—Enforcement of liens.

Said liens for city taxes and attendant penalties may also be enforced by certifying the same to the clerk of the county court of Mercer County for certification to the state auditor, and the same may be certified down by said auditor, and sold for the taxes, interest, penalties and commissions thereon, in the same manner, at the same time and by the same officer as real estate is sold for the taxes, interest, damages, costs and commissions due the state thereon, which officer shall account therefor on settlement with the board of directors, and pay over the same to the treasurer of the city.

Sec. 78. Debts of city—Limits on payment.

Neither the city clerk, the treasurer, nor any other disbursing officer of the city, shall issue any order or check for the payment of money for any work, matter or thing contracted for or ordered by the board of directors or any officer or employee of the city, which shall have been so contracted for or ordered wholly or in part in excess of the amount which shall have been previously set by ordinance or resolution as the limit of expenses of the department to which such work, matter or things belongs, or in excess of the amount previously appropriated for the payment thereof, or in the city treasury available for such payment. The foregoing provision of this section is intended as a restrainer provision, and it is further declared that no act of such clerk, treasurer or other disbursing officer shall be in anywise held to render valid any debt contracted by or on behalf of the city in violation of the constitution and laws of the state. If any such officer of the city, as is mentioned in the first sentence of this section, shall violate the provisions thereof, he shall be disqualified from holding his office, and shall forfeit and pay for such violation to the city a fine of not less than twenty dollars, nor more than one hundred dollars, or be imprisoned for a term not exceeding one year, or both.

Sec. 79. Same—Legal limit.

No debt shall be incurred by said city even with the consent of the voters, to an amount, including existing indebtedness, in the aggregate exceeding the amount fixed by law of the State of West Virginia.

Sec. 80. Deposits of city funds.

The board of directors shall provide by ordinance, for the deposit of all public moneys of the city, in such bank, or banks, situated within the city, as offer, at competitive bidding, the highest rate of interest and give a good and sufficient bond to the city, to secure the accounting for and due

payment of such public money, with security approved by board of directors. The security shall always be in a sum less than ten per cent, in excess of the maximum amount any time deposited, but there shall not be deposited in any bank an amount in excess of the paid-up capital stock surplus of such bank, and not in any event to exceed million dollars.

In such ordinance the board of directors may determine method by which such bids shall be received, the authority which shall receive them, the duration of the contracts respecting deposits of public money, and all details for carrying this section into effect. Proceedings in connection with such competitive bidding and the deposit of money shall be conducted in such manner as to insure full publicity, and shall be open at all times to the inspection of any citizen. As to any deposits made under authority of an ordinance of the board of directors, passed pursuant to this section, neither the depositing officer, nor other persons so depositing, nor such officer's sureties shall be liable for any loss occasioned by the deposit, or in anywise growing out of it.

Sec. 81. Improvement, etc., bonds—Procedure.

All provisions of general law governing the issuance and sale of bonds by municipalities and the investment of sinking funds shall be applicable to the issuance and sale of bonds and the investment of sinking funds by said City of Bluefield, except as herein otherwise provided. All the provisions of general law governing the levying and collecting of taxes for the use and benefit of municipal corporations shall be enforced and applied by the board of directors in the levying and collecting of taxes for the use and benefit of said City of Bluefield, except as herein otherwise provided, and the provisions of general law requiring the making and publishing of estimates of expenditures in advance of the laying of levies therefor, and limiting the amount of such levies, shall be enforced and complied with by the board of directors of said city.

Sec. 82. Same—Issuance.

The board of directors may refund the lawful bonded indebtedness of said city by issuing bonds of the city, payable within twenty years, bearing no greater rate of interest than five per cent, but the indebtedness of the city shall not thereby be increased without the consent of the voters of said city being first had and obtained, as provided by law.

Such bonds shall not be sold for less than par nor exchanged for the evidence of said indebtedness of said city, except dollar for dollar, and there shall be provided a sinking fund that will discharge said bonds as they shall become due. Said bonds shall express on their face that they may be paid at any time after five years, at the pleasure of the city. A record shall be kept of all proceedings hereunder; provided, that nothing herein contained shall be construed to authorize an increase of the bonded indebtedness of said city beyond the amount now authorized by law.

Sec. 83. Investigations of official malfeasance; removal from office.

The board of directors shall have authority at its discretion, upon the filing before it, by any person, of charges in writing, of malfeasance or nonfeasance in office, of gross immorality, or any improper conduct, verified by affidavit, against any officer of the city, in any department thereof, to make or cause to be made an investigation of such charges. The board of directors shall have authority to require the attendance of witnesses, and the production of any books or papers pertinent to such inquiry or investigation. Any officer found guilty of any such offense shall be removed from office.

Sec. 84. Bribery—Definition; punishment.

Any person who shall bribe, by directly or indirectly giving to or bestowing upon a member of the board of directors of the city, or other officer thereof, any money, testimonial or other valuable thing, or do any act beneficial to such officer, in order to influence him in the performance of any of his official or public duties, shall be deemed guilty of a felony,

and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for a term of not less than two years, nor more than five years, and shall, moreover, be forever disqualified from holding any office or position of honor, trust or profit in said city.

Sec. 85. Same—Attempting; punishment.

Any person attempting to bribe, by offering or proposing to give any officer or member of the board of directors of the said City of Bluefield, money, testimonial, or other valuable thing, or to do any act beneficial to such officer or member of the board of directors in the performance of his official or public duties, shall be deemed guilty of a felony, and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for not less than one year, nor more than three years, and shall, moreover, be forever disqualified from holding any office of honor, trust or profit in said city.

Sec. 86. Same—Demanding or receiving bribe; punishment.

If any member of the board of directors of the City of Bluefield, or other officer of the said city shall demand or receive from any corporation, company, firm or person, any money, testimonial or other valuable thing, for the performance of any of his official or public duties, or for refusal or failure to perform the same, or for any vote or influence he may give or withhold as such member of the board of directors or other officer, or for making any particular nomination or appointment, he shall be deemed guilty of felony, and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for not less than five years, nor more than ten years; and shall, moreover, be forever disqualified from holding any office or position of honor, trust or profit in said city.

Sec. 87. Same—Testifying as to.

Any person bribing or attempting to bribe, or demanding or receiving a bribe, fee, reward or testimonial, as set forth

in any of the three next preceding sections, shall be compelled to testify against any person or persons who have committed any of the offenses in said sections mentioned; provided, that any person so compelled to testify shall be exempted from trial and punishment for the offense of which he may have been guilty, and concerning which he is compelled to testify.

Sec. 88. Annual account by officers who handle money.

All officers of the City of Bluefield, who shall collect or receive or whose official duty it is, or shall be, to collect, receive, hold or pay out any money belonging to, or which is or shall be, for the use of said city, shall make annual account and settlement therefor. Such settlement, when made, shall be subject to exceptions and take such direction, and have only such force and effect as may be provided by law; but in all cases, such settlements shall be recorded, and be open to examination of the people, at such convenient place or places as may be appointed by ordinance of the city.

Any person violating any of the provisions of this section shall be guilty of a misdemeanor, and fined not less than fifty dollars nor more than one hundred dollars, or imprisoned not less than two nor more than twelve months, or punished by both such fine and imprisonment.

Sec. 89. Prior obligations to continue.

All contracts, grants, easements, rights, privileges or consents on, in or relative to any street, alley, or public ground or property of said city, made by the council of said city, or by any board or officer thereof, prior to this charter taking effect, and all other contracts, grants, easements, rights, privileges or consents entered into or granted by the said city or its duly constituted authorities, at any time prior to this charter taking effect, which are now in force, or which may have been lawfully entered into or granted within any territory hereafter annexed to the City of Bluefield and be in force and effect, when the annexation is made, shall continue in full force and effect, and be respected and complied with by the

City of Bluefield, and the board of directors and other officers thereof under this charter, and all indebtedness incurred by the said city, prior to this charter going into effect, shall be binding upon the City of Bluefield, under this charter, and be paid by it out of its revenues.

Sec. 90. Admission into evidence of ordinances.

All copies purporting to be copies of the ordinances of said city or extracts from the journal or minutes of the board of directors, which shall be printed by the authority of the board of directors, or which shall be certified to be correct by the mayor of said city under the seal thereof, shall be received by all courts and magistrates of this state as prima facie evidence of the tenor of such ordinances, and of the acts and proceedings of the board of directors therein set forth.

Sec. 91. Prior ordinances not affected.

All valid ordinances and regulations passed and adopted by the duly constituted authorities of the City of Bluefield on or before the date this charter goes into effect, and not inconsistent with this act, shall be and remain in full force until amended or repealed.

Sec. 92. Fees to be paid into treasury.

All fees and money paid to an officer of the city, for any official service, shall belong to the city and be paid at once into the city treasury by such officer, the salary or compensation given by the city to its officers respectively, being all the compensation they shall be entitled to for any official service.

Sec. 93. General penalty.

Any person who shall violate any of the provisions of this charter for the violation of which no punishment has been provided herein, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine not exceeding one hundred dollars, or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

Sec. 94. Civil service provisions.

The city board of directors, in its discretion, may appoint a civil service commission for the purpose of examining applicants for positions in the fire, police and health departments. Said commission shall consist of three citizens, not all of whom shall be of one political party. Any vacancies occurring in the commission shall be filled by the board of directors. For the purpose of conducting tests in the departments specified they shall conduct practical examinations annually or oftener, fixing grades and classifications as they may determine, and a list of those successfully passing the examinations prescribed shall be furnished to the city manager. Such list shall be known as the "eligible list," and, unless for good cause shown, selections must be made from among the three applicants rated highest for the appointments necessary to be made. Said list and all examination papers shall be kept on file in the office of the city clerk and available to the public at all times; provided, that appointees in the departments under civil service may be subjected to examinations from time to time in the interest of efficiency, and that the passing of the required examination prior to entering the city's employ shall not constitute a life tenure of office. No member of the civil service commission during his incumbency shall be a holder of any state, county or municipal office.

Sec. 95. First and subsequent election—Generally.

The officers elected at the first election held under this charter, shall begin their terms on the first day of August, one thousand nine hundred and twenty-one, and thereafter all elections, except special elections, shall be held on the first Tuesday in July in every fourth year thereafter; unless the first Tuesday falls on the fourth then the day following and the terms of office of the persons elected shall begin on the first day of August next after such election.

For the first election to be held hereunder, the city council now in office shall be a canvassing board to ascertain and disclose the result of said election, to determine and settle ties

as herein provided for, and determine all contests. Thereafter, the board of directors shall act as such canvassing board.

Sec. 96. Same—Duty of recorder at first election.

At the first election held hereunder, the recorder of the City of Bluefield shall perform all the duties prescribed under the charter of the City of Bluefield existing at the time of such election, and the general laws of the State of West Virginia.

Sec. 97. Former officers and offices.

The mayor and council and all other officers, agents and employees of the City of Bluefield shall remain in and hold their offices and discharge the duties thereof, until the first day of August, nineteen hundred and twenty-one, and thereafter until their successors are elected and qualified as provided by this act, and all existing offices not provided for by this act shall be abolished as of the first day of August, nineteen hundred and twenty-one.

Sec. 98. Charter election; repeal of conflicting acts.

Before this charter shall become effective a special election shall be called and held in said city in the several precincts as now established and existing in said city to be held on the sixteenth day of May, one thousand nine hundred and twenty-one, at which election if a majority of the votes cast in said election be in favor of the adoption of this charter then this charter shall thereafter be the charter of the City of Bluefield.

The ballots at said election shall be prepared as provided by the general election laws of this state, except that the duties in connection with the preparation of said ballots to be performed by the clerks of the circuit and county courts shall be performed by the city recorder, and the said ballots shall be in the following form:

Vote on New Charter

( ) For new charter.

( ) Against new charter.

And the voter shall indicate his preference by making a cross or X in the square opposite the wording for or against new charter.

The laws of the State of West Virginia governing the holding of elections, and special elections, and the ascertaining of the result thereof shall govern the conduct of the special election herein, insofar as applicable, except that the recorder shall perform the duties required of the circuit and county clerks under general election laws, and the council of said city in connection with the selection of election officers and ascertaining the result of said election, and the holding of said special election shall perform the duties required of the county court under general election laws.

The council of said city at a special or regular meeting shall enter an order calling said special election to be held in said city on May sixteenth, one thousand nine hundred and twenty-one, and have published once a week for two weeks immediately preceding the date of said election in a newspaper of general circulation in said city, the call for said special election, as well as a full draft of this charter. The expense of holding said election, including the publication of said call for said election and the publication of a draft of this charter, shall be paid by the said city out of its treasury.

The result of said special election, shall be ascertained and be spread upon the minutes of the city council of said city at once after the result of said election is ascertained, so that a permanent record of the choice of the voters for and against this charter shall exist. If a majority of the votes in said election be in favor of adopting this charter it shall become effective for all purposes from the date of the ascertaining of the result of said election.

All acts in conflict or inconsistent with this act are hereby repealed.

[The next page is 103]

The Board of Directors
of the
CITY OF BLUEFIELD

In Session on the 22nd day of
Oct. 35
192

Motion to
Sanitary Board Ordinance

	Yes	Nay	Not Voting	Absent
Mr. Mayor				
Mr. [illegible] Godsey				
Mr. [illegible] Perkins				
Mr. [illegible] Saunders				
Mr. [illegible] Settle				

Exhibit H

ORDINANCE CREATING A SANITARY
FOR THE CITY OF BLUEFIELD [illegible]

Introduced October 15, 1935.
Record 6, page 1.

Adopted October 22, 1935.
Record 6, page 10.

Ordinance Docket 2, page 340.

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CITY OF BLUEFIELD

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of Bluefield does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the City Clerk at the front door or bulletin board of the City Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 17th day of November, 2004.

Mayor

City Manager

ATTEST:

City Clerk

11/11/04
079810.00001

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

December 9, 2003

City Solicitor J. W. Feuchtenberger to Mr. George McGonagle:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as Member, **City Board of Directors** to the best of your skill and judgment; So help you God?

Response: I will.

George McGonagle
George McGonagle, Director

Minutes of Board of Directors
City of Bluefield
December 9, 2003

Drema A. Shireman
Attest: Drema A. Shireman, City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

April 22, 2003

City Solicitor J. W. Feuchtenberger to Mr. Mark Randolph Henne:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **City Manager** to the best of your skill and judgment; So help you God?

Response: I will.

Mark R. Henne

Mark R. Henne, City Manager

Minutes of Board of Directors
City of Bluefield
April 22, 2003

Drema A. Shireman

Attest: Drema A. Shireman, City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

July 11, 2000

City Solicitor J. W. Feuchtenberger to Mrs. Drema A. Shireman:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **City Clerk** to the best of your skill and judgment; So help you God?

Response: I will.

Drema A. Shireman

Drema A. Shireman, City Clerk

Minutes of Board of Directors
City of Bluefield
July 11, 2000

John W. Feuchtenberger

Attest: John W. Feuchtenberger, City Solicitor

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

August 11, 1998

Mayor Nelson R. Walker to City Solicitor J. W. Feuchtenberger:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **City Solicitor** to the best of your skill and judgment; So help you God?

Response: I will.

John W. Feuchtenberger, City Solicitor

Minutes of Board of Directors
City of Bluefield
August 11, 1998

Beverly G. Tresch

Attest: Beverly Tresch, City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

July 24, 2001

Mayor Paul Cole, Jr. to Robert E. "Bob" Perkinson, Jr., Mayor:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **Mayor** to the best of your skill and judgment; So help you God?

Response: I will.

Robert E. Perkinson, Jr., Mayor

Minutes of Board of Directors
City of Bluefield
July 24, 2001

Attest: Drema A. Shireman, City Clerk

AN ORDINANCE CREATING A SANITARY BOARD, VESTING IN SAID BOARD THE CONTROL, ADMINISTRATION, OPERATION AND MAINTENANCE OF THE SEWERAGE WORKS OF THE CITY OF BLUEFIELD, PROVIDING THE METHOD OF APPOINTMENT, TERM OF OFFICE AND COMPENSATION OF MEMBERS OF SAID BOARD, PROVIDING OFFICERS OF SAID BOARD AND THE COMPENSATION AND BOND FOR CERTAIN OF SAID OFFICERS.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

Sec. 1. There is hereby created a Sanitary Board for the City of Bluefield, in which is hereby vested the custody, administration, operation and maintenance of the sewerage works of said City. Said Board shall possess all the rights, powers and duties granted to such boards by Chapter 25, Acts of the Legislature of West Virginia, First Extraordinary Session, 1933, and such rights, powers and duties as may hereafter be granted to such boards by any amendment to said Act of the Legislature or by any further Act passed by the Legislature of the State of West Virginia.

Sec. 2. Said Board shall be composed of the Mayor of said City and two persons appointed to membership thereon by the Board of Directors of said City, at least one of whom shall be a registered professional engineer and may or may not be a resident of said City. No officer or employee of said City, whether holding a paid or unpaid office, shall be eligible to appointment upon said Board until at least one year after the

expiration of the term of his public office.

Sec. 3. Said appointees shall originally be appointed for terms of two and three years respectively, and upon expiration of each such term, and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

Sec. 4. The Mayor of said City shall not be Chairman of said Sanitary Board. Said Board shall select a Vice Chairman from its members and designate a Secretary and Treasurer (but the Secretary and Treasurer may be one and the same person), who need not be a member or members of said Board. The Vice Chairman, Secretary and Treasurer shall hold office at the will of said Board.

Sec. 5. The members of said Sanitary Board shall receive as compensation for their services the sum of $25.00 monthly for each member, and they shall be entitled to payment of their reasonable expenses incurred in the performance of their duties. The Secretary and Treasurer, whether the persons or the office to vested in one person, shall be paid a salary in an amount fixed by said Sanitary Board by and with the consent and approval of the Board of Directors of said City. The Treasurer shall give bond in number, form and amount satisfactory to and approved by the Board of Directors of said City. All compensation and expenses provided in this section shall be payable only from the funds collected from the charges made contracted by said Sanitary Board.

Sec. 6. The Sanitary Board shall have power to establish by-laws, rules and regulations for its own government.

Sec. 7. This ordinance shall become effective from passage.

ARTICLES OF ASSOCIATION

OF

THE SANITARY BOARD OF BLUEFIELD, INCORPORATED

* * * * * * * * * * * * *

This is to certify that we do hereby associate ourselves to establish a corporation under and by virtue of chapter 150, Code of Virginia, 1919, and acts amendatory thereof, for the purpose of establishing a corporation to purchase, lease, construct, maintain and operate a system of sewerage works, including sewer lines and sewage treatment plants, and for that purpose make and sign these articles of association under the corporate name hereinafter mentioned.

(a) The name of this corporation shall be The Sanitary Board of Bluefield, Incorporated.

(b) The nature and character of its works to be purchased, leased, or constructed, maintained and operated shall be a system of sewerage lines and sewage treatment plants for the collection, conveyance, treatment, purification and disposal of sewage, in and for the Town of Bluefield and territory adjacent thereto in Tazewell County, Virginia, and, conformably to the West Virginia law, the City of Bluefield, Mercer County, West Virginia, all of said sewage works to be local to the said Town of Bluefield, Virginia, and the City of Bluefield, West Virginia, and territory adjacent thereto.

(c) The estimated extent of the works of this corporation in Virginia is a system of sewer lines comprising approximately five miles of trunk line sewers and approximately ten miles of

RICHARDSON AND KEMPER
ATTORNEYS AT LAW
BLUEFIELD, W. VA

sufficient to meet the sewerage requirements of the City of Bluefield, West Virginia, and the Town of Bluefield, Virginia, and adjacent territory.

(d) The period for the duration of this corporation shall be unlimited.

(e) The maximum and minimum capital stock of said corporation shall be five (5) shares, which this corporation shall have authority to issue and deliver, which shares are without nominal or par value, and upon which no dividends shall be declared or paid.

(f) The names and places of residence of the directors and of the officers who shall manage the affairs of the corporation for the first year, unless others are sooner chosen by the stockholders to act in their places are:

W. A. Light, Bluefield, West Virginia
Director and President

George Pungleson, Jr., Bluefield, West Virginia
Director and Vice-President

E. G. Obey, Bluefield, West Virginia
Director and Treasurer

George Richardson, Jr., Bluefield, West Virginia
Director and Secretary

E. L. Bruce, Bluefield, West Virginia
Director

(g) The place in this state in which its principal office will be located is, Bluefield, Virginia.

(h) This corporation shall have the right to charge, collect, and enforce reasonable and proper fees or rates, and

make and enforce reasonable and proper regulations for the service of collection, purifying and disposing of sewage subject to determination and regulation by any municipality, board, commission or other body now or hereafter authorized by law so to do.

The stockholders of this corporation shall be only those persons who have been duly appointed by the board of directors of the City of Bluefield, West Virginia, to membership upon and are actively serving as members of the sanitary board of said city, created pursuant to the provisions of chapter 25 of the Acts of the West Virginia Legislature, First Extraordinary Session, 1933, as amended, the secretary of said sanitary board and the city manager of said city of Bluefield, and upon the discontinuance or termination of such service by any one of such stockholders, for any cause whatever, the stock in this corporation issued to and held by him shall immediately be transferred to his successor in office.

This corporation shall have all the general powers and be subject to all the general restrictions conferred and imposed on corporations by chapter one hundred and forty-seven of the Code of Virginia, and the laws of said State relating to corporations, so far as applicable thereto, and shall also have power:

(1) To cause to be made such examinations and surveys for its proposed line or location of its works as may be necessary to the selection of the most advantageous locations, route or routes, or for the improvement or straightening of its line, or works, or change of location or construction, or providing additional facilities, and for such purposes, by its officers and

servants, to enter upon the lands or waters of any person, but subject to responsibility for all damages that may be done thereto.

(2) To take and hold such voluntary grants of real estate, and other property, as shall be made to it to aid in the construction, maintenance and accommodation of its work, terminals and appurtenances.

(3) To purchase, lease, or otherwise acquire, hold and use all such real estate or other property as may be necessary for the construction and maintenance of its lines, or works, its terminals, and other accommodations necessary to accomplish the objects of its incorporation.

(4) To lay o lines, or works, as in these articles of association, and in chapter 150 of the Code of Virginia provided, and to construct the same.

(5) To consolidate or merge its works, property and franchises with that of any other corporation incorporated for like purposes, in or out of the State of Virginia, or in the State of Virginia and another State, as provided in chapter one hundred and forty-seven of the Code of Virginia; and to purchase or lease the works, property and franchises, or any part thereof, of any other such corporation, and to sell or lease its property, works and franchises, or any part thereof, to any other such corporation chartered and organized under the laws of this State.

(6) To exercise the right of eminent domain to the extent and in the manner now or hereafter provided by the laws of the State of Virginia.

(7) To exercise all other powers granted by chapter 150 of the Code of Virginia and all the powers conferred upon corporations of a like character by the existing laws of the State of Virginia, so far as not in conflict with said chapter 150 of the Code, and by all acts hereafter passed amendatory thereof, or supplemental thereto.

To extend its sewer lines or any branch thereof into the State of West Virginia, and, conformably to the laws of said state, to hold, own, maintain, improve, enlarge and operate in and for the City of Bluefield, West Virginia, a system of sewerage lines and works including a sewage treatment or disposal plant or plants, and to exercise in connection therewith in West Virginia any and all of the rights and powers hereinabove enumerated, as well as any and all rights conferred upon corporations of like or similar character by the laws of the State of West Virginia not in conflict with the laws of the State of Virginia.

IN TESTIMONY WHEREOF we have hereunto set our hands on this 30th day of June, 1936.

[illegible]

George Vaughan Jr

[illegible]

George Richardson Jr

[illegible]

STATE OF WEST VIRGINIA,

COUNTY OF BRUCE, to-wit:

I, Albert L. Campbell, a Notary Public within and for the County and State aforesaid, do certify that W. A. Lloyd, George Huntington, Jr., E. C. Otey, George Richardson, Jr., and E. L. Bruce, whose names are signed to the writing annexed hereto, bearing date the 30th day of June, 1950, have each this day acknowledged the same before me in my said County.

Given under my hand and official seal this 30th day of June, 1950.

My commission expires January 19th 1953.

Albert L. Campbell
Notary Public.

C. C. 141—2-2-39—1M.

COMMONWEALTH OF VIRGINIA

DEPARTMENT OF THE STATE CORPORATION COMMISSION

City of Richmond, 1st *day of* July, 1936

The accompanying Articles of Association, together with the charter fee required by law, having been presented to the STATE CORPORATION COMMISSION by

W. A. Light, George Dunglinson, Jr., E. C. Otey, George Richardson, Jr., and K. L. Bruce,

and the State Corporation Commission, having examined said articles now declares that the said applicants have complied with the requirements of law and have entitled themselves to a charter and it is therefore ordered that they and their associates and successors be, and they are hereby, made and created a body politic and corporate under and by the name of

The Sanitary Board of Bluefield, Incorporated,

upon the terms and conditions, and for the purposes set forth in said articles, with all the powers and privileges conferred and subject to all the conditions and restrictions imposed by law.

And said Articles of Association, with this order, are hereby ordered to be admitted to record.

W. Meade Fletcher
Chairman.

Attest:
H. W. Robinson
Clerk of the Commission.

COMMONWEALTH OF VIRGINIA:

OFFICE OF THE STATE CORPORATION COMMISSION.

In the CITY OF RICHMOND, the 1st day of July 1936

The foregoing charter of The Sanitary Board of Bluefield, Incorporated,

was this day received and duly admitted to record in this office.

STATE CORPORATION COMMISSION,

By W. Meade Fletcher
Chairman.

Attest: H. W. Robinson
Clerk of the Commission.

Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

the foregoing is a true copy of all documents constituting the charter of THE SANITARY BOARD OF BLUEFIELD, INCORPORATED.

Nothing more is hereby certified.

V

Signed and Sealed at Richmond on this Date: June 22, 1992

William J. Bridge

William J. Bridge, Clerk of the Commission

Max Kammer
318 Bland Rd

Term expires April 12, 2001

POLICEMEN'S CIVIL SERVICE COMMISSION Code of WV 3 Year Terms
Commissioners, one appointed by Mayor, one appointed by Chamber Of Commerce , and one by Fraternal Order of Police. Not more than Two can belong to same political party

Tonia Russell **Chamber Appointment**
108 Christie Manor

Term expires May 31, 2006

William Aldridge **Police Appointment**
1244 Sunrise Drive

Term expires June 01, 2006

Sgt. Major Baylor **City Board Appointment**
643 Shenandoah

Term expires June 22, 2006

FIREMEN'S CIVIL SERVICE COMMISSION 4-Year Term:
Commissioners, one appointed by Mayor, one appointed by Chamber Of Commerce, and one by Fraternal Order of Firemen. Not more than Two can belong to same political party.

Tommy Cole, **Chamber of Commerce**
500 Oakhurst

Term expires May 31, 2008

Scott Morrison Fire Dept Appointment
910 Bland Street

Term expires December 31, 2004

Roscoe Warner **City Board Appointment**
304 Memorial

Term expires September 29, 2006

SANITARY BOARD Board of Directors appoints 2 members; 3 yr. Terms
Code: 22-21 (City) 16-13-3 (State)

Robert E. Perkinson, Jr.
Mayor
P.O. Box 4100

Claude Erps, Jr.
P.O. Box 1777

Term expires April 23, 2006

Tom Blevins
Verdun Heights

Term expires January 5, 2005

MERCER COUNTY BOARD OF HEALTH – 5 year term – Code: 16-2-3 (State)

Request for Approval of Highways Safety Grant Funds (Click It or Ticket): Det. John A. Jones

In the absence of Detective John Jones, Mayor Perkinson explained that the primary focus of the Click It or Ticket campaign was to encourage seat belt usage. The seat belt use rate in West Virginia in 2001 was 52%, as determined by a statewide scientific seat belt use survey. In 2002, that rate increased to 72%, largely as result of the Click It or Ticket campaign. The rate continued to increase in 2003 to 74%. In order to continue to improve the state's use rate, it is imperative to continue the Click It or Ticket campaign.

The grant award of $17,250.00 will be administered by the mayor on behalf of the City. These funds are divided among other communities including Bradshaw, Keystone, Welch, McDowell County Sheriff's Department and Chief S. P. McKinney. The City of Bluefield's share is $1,000.00

Rev. Garry D. Moore, Sr., Vice-Mayor made a motion to accept the Resolution authorizing Mayor R. E. Perkinson, Jr. to act on behalf of the City to enter into a contractual agreement with the West Virginia Department of Motor Vehicles to apply, receive, and administer funds pursuant to provisions of the West Virginia Governor's Highway Safety Program. A second to the motion was made by Director George McGonagle. Unanimously approved and so ordered.

APPOINTMENT/REAPPOINTMENT: Reappoint Mr. Claude Erps, 253 Teaberry Street, Princeton, WV 24740 (Business address: 1301 Pen Mar Avenue, Bluefield, WV 24701) to three-year term on Sanitary Board (Term Expiring April 23, 2006)

Director Jim Bailey made a motion to reappoint Mr. Claude Erps to the Sanitary Board for a three-year term. A second to the motion for re-appointment was made by Rev. Garry D. Moore, Sr. After addressing a question of residency requirements, the members of the Board voted to unanimously approve. So ordered.

DOWNTOWN NEIGHBORHOOD ASSOCIATION CONCERNS -ART RILEY:

A brief update on the Neighborhood Associations was presented by Mr. Riley. He also addressed concerns with regard to the repair of the street lights, and the length of

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

July 23, 2002

City Solicitor John W. Feuchtenberger to Mr. Robert E. Perkinson, Jr., Mayor:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **Chairman, Sanitary Board of Bluefield** to the best of your skill and judgment; So help you God?

Response: I will.

Robert E. Perkinson, Jr., Mayor

Minutes of Board of Directors
City of Bluefield
July 23, 2002

Drema A. Shireman

Attest: Drema A. Shireman, City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

July 23, 2002

City Clerk Drema Shireman to Mr. Tom Blevins:

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **Member, Sanitary Board of Bluefield** to the best of your skill and judgment; So help you God?

Response: I will.

T E Blevins

Tom Blevins, Director

Minutes of Board of Directors
City of Bluefield
July 23, 2002

Attest: Drema G. Shireman
City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

Email: bluefield.wv@citlink.net
http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax: (304) 325-6494

March 13, 2001(Appointment)
February 8, 2004 (Reappointment)

City Clerk Drema Shireman to Mr. Claude Erps,

Do you solemnly swear that you will support the Constitution of the United States of America, the State of West Virginia, and the laws and ordinances of the City of Bluefield; and that you will discharge your duties as **Member, Sanitary Board of Bluefield** to the best of your skill and judgment; So help you God?

Response: I will.

Claude Erps, Director

Minutes of Board of Directors
City of Bluefield
March 13, 2001
February 8, 2004

Attest: Drema G. Shireman
City Clerk

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax:: (304) 325-6494

July 24, 2002

Dr. Tom Blevins
2339 Verdun Heights
Bluefield, WV 24701

Dear Dr. Blevins:

The City of Bluefield's Board of Directors unanimously appointed you to a three year term on the Sanitary Board at their regular meeting July 23, 2002. (Term expiring January 5, 2005).

The Directors are pleased that you are willing to accept this responsibility. Mr. Honaker will contact you regarding duties and responsibilities and meeting dates.

Respectfully,

Drema A. Shireman

Drema A. Shireman
City Clerk

cc: Mr. Robert E. Perkinson, Jr., Mayor
Mr. Terry Honaker, Executive Director, Sanitary Board
File

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

http://ci.bluefield.wv.us/
Phone: (304) 327-2401
Fax:: (304) 325-6494

February 9, 2004

Mr. Claude Erps
c/o Erps Construction
1301 Pen Mar Avenue
Bluefield, WV 24701

Dear Mr. Erps:

The City Board of Directors re-appointed you to a three-year term on the **Sanitary Board of Bluefield (term expiring April 23, 2006).**

The Board of Directors are pleased that you are willing to serve on this Commission. If you have any questions, please contact me at 327-2443, or Mr. Terry Honaker, Executive Director of the Sanitary Board.

Respectfully,

Drema G. Shireman

Drema Shireman
City Clerk

cc: Mr. Mark Henne, City Manager
Mr. Robert Perkinson, Jr., Chairman, Sanitary Board

THE CITY OF BLUEFIELD

Sewer Refunding Revenue Bonds, Series 2004

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Bluefield (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $3,500,000 for the purposes of refunding a portion of The City of Bluefield (West Virginia) Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, and paying the costs of issuance and related costs.

Directed this 17th day of November, 2004.

SANITARY BOARD OF THE CITY OF BLUEFIELD

By: _____
Its: Chairman

11/16/04
079810.00001

CH708444.2

RECEIVED
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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA

Public Service Commission
of W. VA. Tariff Office
APR 0 8 2004
Special Studies Section

P.S.C. W. Va. No. 16
Canceling P.S.C. W. Va. No. 15

CITY OF BLUEFIELD, a municipal utility

OF

BLUEFIELD, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

at Bluefield and vicinity, Mercer County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued March 25, 2004

Effective for service rendered on or after April 1, 2004
or as otherwise provided herein

Adopted by City Council

Issued by CITY OF BLUEFIELD, a municipal utility

By _____

Mayor
Title

CITY OF BLUEFIELD (Sewer)

P.S.C. W.Va. Tariff No. 16
Original Sheet No. 1

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable in the entire territory or area served

RATES

Available for sanitary sewer service to domestic and industrial customers

First	10,000 gallons used per month	$6.87 per 1,000 gallons
Next	115,000 gallons used per month	$6.31 per 1,000 gallons
Next	375,000 gallons used per month	$6.13 per 1,000 gallons
All over	500,000 gallons used per month	$4.58 per 1,000 gallons

MINIMUM MONTHLY CHARGE

The minimum monthly charge to any user of the sewerage system shall be $13.74.

UNMETERED USERS

In locations where the customer has no water meter, charges for sewer service shall be assessed based upon a reasonable rate or formula to be applied equally to all unmetered users or in the alternative the minimum monthly rate provided for herein shall be charged.

Customers having water uses which result in a substantial portion of the water purchased not being discharged to the sanitary sewer system shall be entitled to an adjusted sewer service charge. Such adjusted charges shall be based as nearly as possible upon the actual volume of wastewater discharged to the Bluefield Sanitary Sewer System. This volume of wastewater shall be measured by special meters or calculated by reasonable formula.

TAP OR CONNECTION FEE

A tap or connection fee may be charged for all new or additional connections. Each tap or connection fee shall be based upon a single family equivalent dwelling equal to an average usage of 300 gallons per day. The tap or connection fee for a single family equivalent dwelling shall be in an amount not less than $350.00, plus any additional costs incurred by the system for installation of any new lines or extension of the lines necessary to make such connection.

SERVICE TO OTHER SYSTEMS

Available for sanitary sewer service to other systems.
Rate per metered gallons $3.50 per 1,000 gallons

LEAK ADJUSTMENT RATE

$0.20 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

DELAYED PAYMENT PENALTY

Ten percent (10%) penalty shall be added to all charges not paid within twenty (20) days from the date of the billing.. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

UTILITY SERVICE TAX AND ADMINISTRATION FEE

2% of the charge imposed

(N) SECURITY DEPOSIT

A security deposit not to exceed one-twelfth (1/12) of the annual estimated charge for service may be charged to new customers and reconnected customers of the sewerage system of the City of Bluefield throughout the entire territory served.

(N) Indicates new

LEGAL NOTICES

ATTACHMENT 3

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the Sanitary Board of Bluefield, a public utility, has adopted by ordinance on January 27, 2004, a tariff containing a security deposit and returned check charge for customers for furnishing sewer service to 8095 customers at the City of Bluefield, West Virginia; the Town of Bluefield, Virginia, in the counties of Mercer County, West Virginia and Tazewell County, Virginia.

The proposed security deposit and returned check charge will become effective April 15, 2004.

The Commission shall review and approve or modify the security deposit and returned check charge only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rate or charges by one (1) of the following:

1) Any customer aggrieved by the security deposit or returned check charge who presents to the Commission a petition signed by not less than twenty five percent of the customers served by such municipally operated public utility; or

2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is not affected by the security deposit or returned check charge and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

3) Any customer or group of customers who are affected by said security deposit or returned check charge who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed ordinance, as well as a representative of the Sanitary Board of Bluefield to provide any information requested concerning it is available to all customers, prospective customers or their agents at any of the following offices of the Sanitary Board Bluefield, 100 Rogers Street, Bluefield, West Virginia 24701 and at the Office of the Secretary of the PUBLIC SERVICE COMMISSION at 201 Brooks Street, Charleston, West Virginia.

Director

R. Terry Honaker, Executive
Sanitary Board of Bluefield

PH

2004

CERTIFICATE OF PUBLICATION

State of West Virginia, }
County of Mercer, } To-wit:—

I, Teresa Heaton of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph

Two (2) Times

on the following days, namely: January 30, February 6

in the year 1XX 2004.

Publication Fee $86.63

Teresa Heaton

Subscribed and sworn to before me this 12th day of February 20 04.

My Commission expires DEC 16 20 08.

Teresa Heaton
Notary Public

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
January 13, 2004

The Board of Directors of the City of Bluefield, West Virginia met in regular session January 13, 2004 in the Municipal Boardroom. Present were Mayor Robert E. Perkinson, Jr.; Directors Jim Bailey and George McGonagle; City Manager Mark R. Henne: Assistant City Manager/ Treasurer Charles Cromer: Chief Financial Officer: Hasan Baig, City Solicitor John Feuchtenberger and City Clerk: Drema A. Shireman. Vice-Mayor Rev. Garry D. Moore, Sr. and Director Deb Sarver were absent.

INVOCATION/PLEDGE:

City Solicitor John Feuchtenberger gave the invocation followed by the Pledge of Allegiance.

MINUTES:

The minutes of the regular board meeting of December 9, 2003 were approved as presented.

FIRST READING BY TITLE: An Ordinance Modifying an Ordinance Adopted June 10, 2003 Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Penalty Charges and Returned Check Charges for Service to Customers of the Sewerage System of the City of Bluefield by Adding Customer Security Deposits Thereto: Attorney Norris Kantor

Sanitary Board Attorney, Mr. Norris Kantor, appeared before the Board of Directors requesting approval for First Reading by Title of the above named Ordinance, and a public hearing date for January 27, 2004 at 7:30 p.m. This request for changes to returned check charges and security deposits will eliminate debts by approximately forty (40) percent.

A motion to approve First Reading by Title and set for public hearing was made by Director George McGonagle; seconded by Director Jim Bailey. Unanimously approved and so ordered.

AN ORDINANCE MODIFYING AN ORDINANCE ADOPTED JUNE 10, 2003 ESTABLISHING AND FIXING RATES, FEES, CHARGES, AND DELAYED PAYMENT PENALTY CHARGES AND RETURNED CHECK CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD BY ADDING CUSTOMER SECURITY DEPOSITS THERETO

WHEREAS, The City of Bluefield owns and operates a municipal sewerage system; and

WHEREAS, said system is operated in the State of West Virginia by The Sanitary board of the City of Bluefield, and in the Commonwealth of Virginia by The Sanitary Board of Bluefield, Inc., a Virginia corporation; and

WHEREAS, on June 10, 2003, the City of Bluefield adopted an Ordinance Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Penalty Charges for Service to Customers of the Sewerage System of the City of Bluefield; and

WHEREAS, upon Petition filed with the Public Service Commission of West Virginia, a Tariff adopting the Rates, Fees, Charges, and Delayed Payment Penalty Charges was issued by the Public Service Commission, the same effective August 1, 2003; and

WHEREAS, the Sanitary Board of The City of Bluefield has petitioned the City Board requesting that a provision allowing the collection of a Security Deposit not to exceed one-twelfth (1/12) of the annual estimated charge for service from new customers and reconnected customers and that the Returned Check Charge be increased from $15.00 to $25.00.

WHEREAS, the request of the Sanitary Board of the City of Bluefield is reasonable and will provide a useful tool for the collection of Fees, Charges, and Delayed Payment Charges and for recoupment of bank service charges for processing returned checks.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following be added to the Ordinance Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Charges and Returned Check Charges for Service to Customers of the Sewerage System of the City of Bluefield.

SECURITY DEPOSIT

A Security Deposit not to exceed one-twelfth (1/12) of the annual estimated charge for service may be charged to new customers and reconnected customers of the sewerage system of the City of Bluefield throughout the entire territory served.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the bank's charge to the Sanitary Board of Bluefield shall be the charge to the customer, but such charge to the customer shall not exceed $25.00.

The security deposit and returned check charge provided herein shall be effective April 1, 2004, which is more than forty-five (45) days after the enactment hereof.

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

FIRST READING BY TITLE: January 13, 2004

SECOND READING BY TITLE and APPROVAL: _____

_____
Robert E. Perkinson, Jr., Mayor

_____
Drema A. Shireman, City Clerk

COMCAST COMMUNICATIONS- Introduction of General Manager and New Services: Russell Byrd

Mr. Russell Byrd, Director of Government and Public Affairs for Comcast Communications, Knoxville, Tennessee introduced the newly hired General Manager, Terry Kennedy, whose job responsibilities will cover the local Bluefield area.

Mr. Byrd explained the increase in the choice of products and services offered customers including the availability of an additional tier at a lesser cost to persons on fixed incomes as well as the addition of three new channels. Other newly expanded services include Internet access, a 225 member call center with increased hours from 6 a.m. to 10 p.m., and 24-hour, 7 days-a-week, technical assistance. Future services will include the addition of Impulse Pay-Per-View and Digital Video Recorders.

City Manager Mark R. Henne questioned the duplication of channels 7 and 13. The response from Mr. Kennedy was that they were happy about the duplication, and would have nothing to put in its place.

Board of Directors member Mr. McGonagle, as Executive Director of the Orioles Baseball Club, expressed an interest in having cable in the facilities at Bowen Field and at Mitchell Stadium. Mr. McGonagle is to follow up with Terry Kennedy in the next few days. Further reports will be forthcoming in the next month.

Mr. Art Riley reiterated that the new tiers of services are in effect now. His question to Mr. Byrd was whether or not a publicity campaign to citizens as well as current subscribers was planned. Mr. Byrd and Mr. Kennedy stated that the company will be doing newspaper and billboard advertising.

APPOINTMENTS/REAPPOINTMENTS: Police Citizens Review Board

On a motion by Director Bailey, seconded by Director McGonagle, the reappointments of E. C. Browning, 504 Union Street, and Elsie Sims, 620 Albemarle Street, Bluefield, West Virginia were unanimously approved. Both will serve another three-year term, (terms expiring November 21, 2006), on the Police Citizens Review Board.

REMARKS FROM MAYOR R. E. PERKINSON, JR. – Bluefield Florist Chamber of Commerce Business of the Year – Ron & Jan Davis, Proprietors:

Mayor Perkinson congratulated Ron and Jan Davis for being selected as the Chamber of Commerce's Business of the Year. He also thanked them for being an "anchor" in our downtown.

City Solicitor Feuchtenberger commented on their vision and abilities to take a ruinous building downtown, and through a lot of hard work and effort, turn it into one of the most attractive buildings in the downtown.

DOWNTOWN NEIGHBORHOOD ASSOCIATIONS - Art Riley:

The light pole on the corner of Jones & Bland Street has been replaced. However, citizens are still experiencing difficulty in having streetlights repaired. Mrs. Hebert at Cole Street has reported the outage of the streetlight, has used the ribbon as discussed at a previous meeting, has reported it to the police department, but the light is still out? When will it be fixed?

Mr. Riley further questioned the schedule for street paving projects. Has the list been completed for future paving, and will we see more paving in the Spring?

Four of the Neighborhood Associations are up and running. Two more will be operational by the end of January. Mr. Glen Tabor will be heading up the Midway section, and a meeting is planned for Tuesday, January 20. Mr. Blaine Braithwaite of the South Bluefield Neighborhood Association was also in attendance.

CITY MANAGER'S REPORT: Mr. Mark R. Henne

Mr. Henne reported on the various projects in place within the City. Streetscape project downtown continues. Sidewalks are in in most locations, and new lights have been installed. We are presently waiting for a decision on Phase II (Chicory Square).

The City has published Requests for Proposals for the State mandated Storm Water Project. This request calls for consulting and engineering services and funding support.

The Bowen Field Lighting Project proposals are due on January 27, 2004 and a pre-bid conference will be held at 11 a.m. on January 20. This project is funded through an Economic Development Grant.

The Beautification Commission, chaired by Mr. Steve Hopta and the Garden Council members along with Chamber of Commerce Representatives, Marc Meachum, Charles Carter, incoming President, and Ron Satterfield, Economic Development Chair, held a successful joint meeting. These groups will be working together to get ready for the Spring.

Another IS-TEA grant has been submitted through a combined effort of the City of Bluefield and Region I Economic Development Commission. Two of the projects included are additional funds for Streetscape and money for the Matz Hotel.

MAYOR: Robert E. Perkinson, Jr.

Mayor Perkinson discussed the CNBC "Eye on Technology" project. The final script has been submitted. Filming is yet to be scheduled, however.

Mayor Perkinson also thanked all the volunteers who work on the various commissions of the City. Anyone who is interested in serving on a committee may contact Annette Shumate at 327-2464.

The Mayor also gave a nod of thanks to Director Deb Sarver for her gift of "Council of Bluefield" glasses.

CITY SOLICITOR: John Feuchtenberger

City Solicitor Feuchtenberger stated that information on AEP can be found on the internet. He stated that a light on his street had been replaced after several years.

ASSISTANT CITY MANAGER: Charles Cromer

Assistant City Manager/Treasurer Charles Cromer announced that the City will be closed on Monday, January 19 to celebrate Martin Luther King, Jr. Day. Monday's garbage will be collected on Tuesday.

OTHER:

Mr. Glen Tabor announced that the Midway section, West End Neighborhood Association, would meet on January 20, at the Midway Church of Christ at 6:30 p.m.

Director Bailey announced that Student Government Day would be held on Wednesday, January 28. He also sent condolences to the family of Coach Willis.

EXECUTIVE SESSION:

Director Jim Bailey made a motion to adjourn to executive session for personnel matters, and to return to regular session to adjourn only. Director George McGonagle seconded the motion. Unanimously approved and so ordered.

ADJOURNMENT:

There being no further business, the meeting was adjourned.

Drema A. Shireman, City Clerk ***Robert E. Perkinson, Jr., Mayor***

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
January 27, 2004

The Board of Directors of the City of Bluefield, West Virginia met in regular session January 27, 2004 in the Municipal Boardroom. Present were Mayor Robert E. Perkinson, Jr., Vice-Mayor Rev. Garry D. Moore, Sr.; Directors Jim Bailey, Deb Sarver and George McGonagle: Assistant City Manager/Treasurer Charles Cromer; Chief Financial Officer: Hasan Baig, City Solicitor, John Feuchtenberger and City Clerk: Drema A. Shireman.

INVOCATION/PLEDGE:

Vice-Mayor Rev. Garry D. Moore, Sr. gave the Invocation followed by the Pledge of Allegiance.

MINUTES:

On a motion by Director Bailey, seconded by Vice-Mayor Moore, the minutes of January 13, 2004 were unanimously approved as presented.

PUBLIC HEARING: An Ordinance Modifying an Ordinance Adopted June 10, 2003 Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Penalty Charges and Returned Check Charges for Service to Customers of the Sewerage System of the City of Bluefield by Adding Customer Security Deposits Thereto: Attorney Norris Kantor

The public hearing was opened by Mayor Robert E. Perkinson to discuss a request from the Sanitary Board Attorney to raise returned check charges from $15.00 to $25.00 and to require a deposit to new customers and reconnected customers of the system equal to one-twelfth of the annual estimated service charges.

Mr. Blaine Braithwaite, South Bluefield Neighborhood Association, asked several questions with regard to process and procedures.

- Does the Code require reading in full of the Ordinance at the First or Second Reading? According to Solicitor Feuchtenberger, Title and Purport of Statute only has to be read.
- Does the Mayor vote? All members can and do vote.

- Will deposits be kept in escrow account? Deposits will be kept for one year in the General fund.
- Will seniors be exempted from deposits? Mr. Honaker, Executive Director, responded in the negative.
- Will there be an exemption for hardship? Again, Mr. Honaker responded in the negative.

Members of the Board of Directors also had questions as well as did citizen, Art Riley. Once the questions were answered, a motion to close the public hearing was made by Director Jim Bailey, and seconded by Vice-Mayor Rev. Garry D. Moore, Sr.

Mr. Norris Kantor, counsel for the Sanitary Board read the Ordinace by Title for the second time. Rev. Moore then made a motion to approve; Director Bailey seconded the motion. Unanimously approved and so ordered.

AN ORDINANCE MODIFYING AN ORDINANCE ADOPTED JUNE 10, 2003 ESTABLISHING AND FIXING RATES, FEES, CHARGES, AND DELAYED PAYMENT PENALTY CHARGES AND RETURNED CHECK CHARGES FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF BLUEFIELD BY ADDING CUSTOMER SECURITY DEPOSITS THERETO

WHEREAS, The City of Bluefield owns and operates a municipal sewerage system; and

WHEREAS, said system is operated in the State of West Virginia by The Sanitary board of the City of Bluefield, and in the Commonwealth of Virginia by The Sanitary Board of Bluefield, Inc., a Virginia corporation; and

WHEREAS, on June 10, 2003, the City of Bluefield adopted an Ordinance Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Penalty Charges for Service to Customers of the Sewerage System of the City of Bluefield; and

WHEREAS, upon Petition filed with the Public Service Commission of West Virginia, a Tariff adopting the Rates, Fees, Charges, and Delayed Payment Penalty Charges was issued by the Public Service Commission, the same effective August 1, 2003; and

WHEREAS, the Sanitary Board of The City of Bluefield has petitioned the City Board requesting that a provision allowing the collection of a Security Deposit not to exceed one-twelfth (1/12) of the annual estimated charge for service from new customers

and reconnected customers and that the Returned Check Charge be increased from $15.00 to $25.00.

WHEREAS, the request of the Sanitary Board of the City of Bluefield is reasonable and will provide a useful tool for the collection of Fees, Charges, and Delayed Payment Charges and for recoupment of bank service charges for processing returned checks.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD HEREBY ORDAINS: The following be added to the Ordinance Establishing and Fixing Rates, Fees, Charges, and Delayed Payment Charges and Returned Check Charges for Service to Customers of the Sewerage System of the City of Bluefield.

SECURITY DEPOSIT

A Security Deposit not to exceed one-twelfth (1/12) of the annual estimated charge for service may be charged to new customers and reconnected customers of the sewerage system of the City of Bluefield throughout the entire territory served.

RETURNED CHECK CHARGE

If a check received is returned by the bank for any reason, the bank's charge to the Sanitary Board of Bluefield shall be the charge to the customer, but such charge to the customer shall not exceed $25.00.The security deposit and returned check charge provided herein shall be effective April 1, 2004, which is more than forty-five (45) days after the enactment hereof.

The provisions of this Ordinance are separable, and if any clause, provision, or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. All resolutions, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior resolutions, orders, or parts thereof, the same shall remain in full force and effect.

FIRST READING BY TITLE: January 13, 2004
SECOND READING BY TITLE and APPROVAL: January 27, 2004

Robert E. Perkinson, Jr., Mayor

Drema A. Shireman, City Clerk

PROCLAMATION: February Celebrated as Black History Month – Dr. Albert Walker, President, Bluefield State College

A Proclamation declaring February as Black History Month was read by Rev. Garry D. Moore, Sr., and presented to Dr. Albert Walker of Bluefield State College. Mayor Perkinson invited all citizens of the Bluefields to participate in the activities planned during the month.

RESOLUTION OF RESPECT: Mr. Isaac Anthony Robinson, Jr.

Vice-Mayor Rev. Garry D. Moore, Sr. read into the record a resolution celebrating the life of Mr. Isaac Anthony Robinson, Jr. Mr. Robinson had been an active volunteer participant of various commissions of the City as well as the Community Center, and was a retired professor of Chemistry from Bluefield State College.

RESOLUTION OF RESPECT
MR. ISAAC A. ROBINSON, JR. (1931 – 2004)

The City of Bluefield Board of Directors with feelings of deep sadness mourns the death of Mr. Isaac A. Robinson, Jr. but celebrates the life of a friend, scholar, educator, civic leader and family man.

The Board of Directors extends its heartfelt sympathy to his loved ones, and particularly to his wife Ristina Brown Robinson, and his sons Herbert, Isaac II, and Bobby, their wives and other immediate family members.

His service to his GOD, his church, his years of service on the Zoning Board of Adjustments, the Bluefield Community Center, and the Bluefield YMCA will be greatly missed, and there has been a void created in our hearts by his passing;

Be it resolved that this resolution be spread upon the official minutes of this City and the original sent to his family members.

January 17, 2004

Robert E. Perkinson, Jr., Mayor
Rev. Garry D. Moore, Sr.,Vice-Mayor
Jim Bailey, Director
Deb Sarver, Director
George McGonagle, Director

Request for Approval of Highways Safety Grant Funds (Click It or Ticket): Det. John A. Jones

In the absence of Detective John Jones, Mayor Perkinson explained that the primary focus of the Click It or Ticket campaign was to encourage seat belt usage. The seat belt use rate in West Virginia in 2001 was 52%, as determined by a statewide scientific seat belt use survey. In 2002, that rate increased to 72%, largely as result of the Click It or Ticket campaign. The rate continued to increase in 2003 to 74%. In order to continue to improve the state's use rate, it is imperative to continue the Click It or Ticket campaign.

The grant award of $17,250.00 will be administered by the mayor on behalf of the City. These funds are divided among other communities including Bradshaw, Keystone, Welch, McDowell County Sheriff's Department and Chief S. P. McKinney. The City of Bluefield's share is $1,000.00

Rev. Garry D. Moore, Sr., Vice-Mayor made a motion to accept the Resolution authorizing Mayor R. E. Perkinson, Jr. to act on behalf of the City to enter into a contractual agreement with the West Virginia Department of Motor Vehicles to apply, receive, and administer funds pursuant to provisions of the West Virginia Governor's Highway Safety Program. A second to the motion was made by Director George McGonagle. Unanimously approved and so ordered.

APPOINTMENT/REAPPOINTMENT: Reappoint Mr. Claude Erps, 253 Teaberry Street, Princeton, WV 24740 (Business address: 1301 Pen Mar Avenue, Bluefield, WV 24701) to three-year term on Sanitary Board (Term Expiring April 23, 2006)

Director Jim Bailey made a motion to reappoint Mr. Claude Erps to the Sanitary Board for a three-year term. A second to the motion for re-appointment was made by Rev. Garry D. Moore, Sr. After addressing a question of residency requirements, the members of the Board voted to unanimously approve. So ordered.

DOWNTOWN NEIGHBORHOOD ASSOCIATION CONCERNS -ART RILEY:

A brief update on the Neighborhood Associations was presented by Mr. Riley. He also addressed concerns with regard to the repair of the street lights, and the length of

time it takes for AEP to make the repairs. Other areas addressed included the status of the landfill report, and annexation.

CITY MANAGER – MARK R. HENNE:

Several important matters were considered by the Board based on recommendations of City Manager Mark R. Henne.

The first order of business was a report regarding former Fairview School Property, located between Shenandoah and Rockbridge and a Lot, Corner of Carey & Marellen. Mr. Henne, with the assistance of Parks and Recreation Director, Robin Lefler presented a general overview of the City's condition as well as the park system. Key elements of the report were: financial concerns; declining population -- currently have a 40-acre City Park and 13 neighborhood parks; obsolete equipment that does not meet WVDOH specifications; cost of liability insurance and labor costs—expenditures over $10,000/year to complete minimum maintenance for thirteen neighborhood parks only.

Recommendations from Mr. Henne were as follows:

A public hearing was held December 9, 2003 whereas there was no opposition to the sale of Marellen Park, Lot Corner of Carey and Marellen, for surplus property. Mr. Henne recommended an appraisal of the site.

Director Jim Bailey made a motion to move forward with steps to declare the park surplus property. Vice-Mayor Moore seconded the motion. Unanimously approved and so ordered.

However, given the interest and support experienced for maintaining the Fairview property as a neighborhood park, Mr. Henne recommended the City and the South Bluefield Neighborhood Association reach a written agreement on the maintenance of the park.

Mr. Blaine Braithwaite from the South Bluefield Neighborhood Association asked the Board to consider including East River Park in the written maintenance agreement.

A motion to accept the recommendation of City Manager Mark R. Henne with regard to the Fairview Property was made by Director George McGonagle and seconded by Director Bailey. Unanimously approved and so ordered.

The transit department's request for budget requests was also approved by the Board. Director Bailey made a recommendation for approval, seconded by Vice-Mayor Moore. Unanimously approved and so ordered. Mr. Patrick McKinney, head of the Bluefield Area Transit Department will submit his request to Charleston.

The annual report of the Police Citizen Review Board was issued as required.

Mr. Henne also announced that the demolition grant will be re-submitted; however, the City will ask for funds totaling $500,000.00

A number of proposals were received on the state mandated storm water system. A ranking system should be in the City Manager's office by January 28, 2004. A meeting with the top three bidders will be established in the near future.

MAYOR – ROBERT E. PERKINSON, JR.:

Mayor Perkinson reported that the filming of "Eye on Technology" is scheduled for April.

BOARD OF DIRECTORS:

Director George McGonagle announced that bids were opened earlier in the day for the lighting project at Bowen Field. Three bids were received. The bonds have been sold at the State level, and we anticipate release of funds.

The Town of Bluefield, Virginia has waived the building permit and business license fees. Mr. McGonagle thanked the Mayor and members of the Town Council for their support of the project.

Vice-Mayor Moore explained that he had been in Richmond, Virginia at the Virginia Union School of Theology working on his Doctor of Ministry degree.

CITY SOLICITOR – JOHN FEUCHTENBERGER:

Solicitor Feuchtenberger stated that he had been working with Mr. Baig, Chief Financial Officer and members of Arnett and Foster with the GASB/34 mandate. A list of the properties owned by the City of Bluefield had been submitted to them.

ASSISTANT CITY MANAGER/CITY TREASURER – CHARLES CROMER:

Mr. Cromer gave a list of accounts to the Board who had failed to pay B&O taxes. Nine accounts have been given until February 23 to pay up or make arrangements for

payment. Out of the nine, one has called, and he reported that he had not heard from the other eight. Mr. Cromer requested permission to proceed with the collection process.

Director Bailey made a motion to allow Mr. Cromer to take actions necessary to bring accounts in good standing. Director George McGonagle seconded the motion. Unanimously approved and so ordered.

CHIEF FINANCIAL OFFICER – HASAN BAIG:

An update on the GASB/34 requirements was given by Mr. Baig. Fourteen projects of 28 are completed. This phase of the project is expected to be completed in two to three weeks.

Mr. Baig requested the Board to review fiscal policy manual and set for approval at the next board meeting. He stated that there would be no conflict with the charter of the City, but would actually serve as a compliment to.

OTHER:

Director Jim Bailey made a motion to have only one regularly scheduled Board meeting in February. The date set for the meeting was February 17, 2004 at 7:30 p.m. in the municipal boardroom. Vice-Mayor Moore seconded the motion. Unanimously approved by the Board.

Mr. Art Riley questioned where he could get a copy of the surplus property list. He was advised that Charlie Cromer had the list.

Mr. Braithwaite requested that the board sign a petition to keep the nursing school at Bluefield State College rather than moving to a satellite office in Beckley.

There being no further business, the meeting was adjourned.

Drema A. Shireman, City Clerk **Robert E. Perkinson, Jr., Mayor**

THE CITY OF BLUEFIELD
NOTICE OF PUBLIC HEARING ON ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Board of Directors of the City of Bluefield (the "City") to be held on Wednesday, November 17, 2004, at 1:30 p.m. in the Board Room in the Municipal Building, Bluefield, West Virginia, and at such hearing any person interested may appear before the Board of Directors and present protests, and all protests and suggestions shall be heard by the Board of Directors and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

An Ordinance authorizing the refunding of a portion of the City's outstanding sewer refunding revenue bonds, series 1992; the issuance of sewer refunding revenue bonds, series 2004 of the city in the aggregate principal amount of not more than $3,500,000; The proceeds of which, together with refunding and to pay costs in connection therewith; providing for the rights and remedies of, and the security for, the registered owners of such bonds; authorizing the execution and delivery of a prepayment agreement, a continuing disclosure agreement and other documents; authorizing the sale and providing for the terms and provisions of such bonds and adopting other provisions relating thereto.

The above-entitles Ordinance was approved by the Council on November 3, 2004.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to finance the costs of refunding of a portion of the City's outstanding Sewer Refunding Revenue Bonds, Series 1992 and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office if the City Clerk for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: November 3, 2004.

/s/ Drema Shireman
City Clerk

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CERTIFICATE OF PUBLICATION

State of West Virginia, } To-wit:—
County of Mercer,

I, Shannon Green of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph
Two (2) Times
on the following days, namely: November 4, 11

in the year 19xx 2004.

Publication Fee $92.14.

Shannon R. Green

Subscribed and sworn to before me this 11th day of November 20 04.

My Commission expires Dec 16 20 08

Drema Shireman
Notary Public

TERRALEX

THE CITY OF BLUEFIELD
(WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2004

EXCERPT OF MINUTES ON ADOPTION AND ENACTMENT OF BOND ORDINANCE AND ADOPTION OF SUPPLEMENTAL RESOLUTION

The undersigned duly appointed City Clerk of The City of Bluefield hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the Board of Directors of said City:

*** *** ***

The Board of Directors of The City of Bluefield met in special session, pursuant to notice duly posted, on the 17th day of November, 2004, in Bluefield, West Virginia, at the hour of 1:30 p.m.

PRESENT: Robert E. Perkinson, Jr. - Mayor
Rev. Garry D. Moore, Sr. - Vice Mayor
Jim Bailey - Director
Deb Sarver - Director
George McGonagle - Director
John W. Feuchtenberger - City Solicitor
Mark R. Henne - City Manager
Drema Shireman - City Clerk

ABSENT: None

Robert E. Perkinson, Jr., Mayor, presided, and Drema Shireman acted as City Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

*** *** ***

Thereupon, the Mayor presented a proposed Bond Ordinance in writing entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING SEWER REFUNDING REVENUE BONDS, SERIES 1992; THE ISSUANCE OF SEWER REFUNDING REVENUE BONDS, SERIES 2004 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $3,500,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE

SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PREPAYMENT AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Jim Bailey, Director and seconded by George McGonagle, Director, it was unanimously ordered that said Bond Ordinance be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION ESTABLISHING AMOUNT, MATURITIES, INTEREST RATES, PRICES, REDEMPTION PROVISIONS AND OTHER DETAILS AS TO THE SEWER REFUNDING REVENUE BONDS, SERIES 2004, OF THE CITY; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A REGISTRAR AGREEMENT, A PREPAYMENT AGREEMENT, AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY INSURING THE BONDS FROM MUNICIPAL BOND INVESTORS ASSURANCE CORPORATION; APPOINTING A PREPAYMENT AGENT, REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Jim Bailey, Director and seconded by Rev. Garry D. Moore, Vice-Mayor, it was unanimously ordered that said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

I hereby certify that the foregoing action of The City of Bluefield remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 1st day of December, 2004.

Irema G. Shireman
City Clerk

11/16/04
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Writer's Contact Information

December 1, 2004

$3,175,000
The City of Bluefield
(West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Bluefield (the "Issuer") and have examined a record of proceedings relating to the issuance by the Issuer of its $3,175,000 aggregate principal amount Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted and adopted by the Issuer on November 17, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 17, 2004 (collectively, the "Ordinance") and are subject to all the terms and conditions of the Ordinance. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

The Bonds are issued in fully registered form, are dated December 1, 2004, upon original issuance, mature on July 1 in years and amounts and bear interest payable each January 1 and July 1, commencing July 1, 2005, as follows:

Maturity	Amount	Interest Rate
2008	$300,000	3.250%
2009	$275,000	3.500%
2010	$280,000	3.700%
2011	$295,000	3.800%
2012	$305,000	3.900%
2013	$320,000	4.000%
2014	$330,000	4.050%
2015	$340,000	4.100%
2016	$360,000	4.150%
2017	$370,000	4.200%

TERRALEX

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Ordinance.

The Ordinance provides that the issue is for the purposes of providing funds to currently refund a portion of the Issuer's outstanding Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992 (the "Series 1992 Bonds"), originally issued in the aggregate principal amount of $4,985,000, consisting of a term bond maturing July 1, 2017 outstanding in the aggregate principal amount of $2,800,000 (the "2017 Term Bond"), to fund a reserve account for the Bonds and to pay costs of issuance of the Bonds and other costs in connection with such refunding. The portion of the Series 1992 Bonds constituting the term bond maturing July 1, 2008, currently outstanding as of the date hereof in the aggregate principal amount of $815,000, will not be refunded, but will remain outstanding, on a parity with the Bonds. The Bonds are also issued on a parity with the Issuer's (i) Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995, issued in the original aggregate principal amount of $7,945,000 (the "Series 1995 Bonds"), (ii) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds"), and (iii) Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds"). The Series 2008 Term Bond, the Series 1995 Bonds, the Series 1998 A Bonds and the Series 2000 A Bonds are herein collectively called the "Outstanding Prior Bonds."

The Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated November 17, 2004, and accepted by the Issuer (the "Bond Purchase Agreement").

The 2017 Term Bond will be defeased pursuant to a Prepayment Agreement (the "Prepayment Agreement") dated December 1, 2004, by and between the Issuer and the West Virginia Municipal Bond Commission, as prepayment agent (the "Prepayment Agent").

Except as specifically set forth in our opinion of even date herewith rendered to Crews & Associates, Inc., as Underwriter, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated November 17, 2004 (the "Official Statement"), or other offering materials relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Issuer, the Original Purchaser, the Prepayment Agent, and others, contained in the Ordinance, the Prepayment Agreement, the Tax and Non-Arbitrage Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants, representations and certifications of the Issuer, the Original Purchaser, the Prepayment Agent, and others, pertaining to tax matters set forth in the Ordinance, the Prepayment Agreement, the Tax and Non-Arbitrage Certificate and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to refund a portion of the Series 1992 Bonds consisting of the 2017 Term Bond, enact the Ordinance, enter into the Prepayment Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively enacted the Ordinance, has authorized, executed and delivered the Prepayment Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Prepayment Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable from the Net Revenues and issued on a parity with respect to liens, pledge and sources of and security for payment with the Outstanding Prior Bonds, and enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

4. Under the laws, regulations, published rulings and judicial decisions of the United States of America existing on the date hereof, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraph 5.

5. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not

exceed the outstanding amount of the refunded obligations) during the calendar year 2004. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. Under the Act, the Bonds and the interest thereon, are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

7. The 2017 Term Bond has been paid within the meaning and with the effect expressed in the Series 1992 Bonds Ordinance pursuant to which it was issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such 2017 Term Bond have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the certificate of the West Virginia Municipal Bond Commission relating to the sufficiency of the moneys on deposit in the Prepayment Fund to provide for the payment on January 1, 2005 of the principal on the 2017 Term Bond.

8. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Acts.

9. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Ordinance and secured by a lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Outstanding Prior Bonds, all in accordance with the terms of the Bonds and the Ordinance.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance, the Prepayment Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

11/19/04
079810.00001

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

December 1, 2004

$3,175,000
THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale by The City of Bluefield, West Virginia (the "City") of its $3,175,000 aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). In our capacity as bond counsel, we are delivering an opinion of even date herewith concerning the legality of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated November 17, 2004, by and between the City and Crews & Associates, Inc. (the "Underwriter"), and approved by the City.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Underwriter, is a legal, valid, binding and enforceable obligation of the City (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' right generally).

(2) The City, under the Act, has full power and authority to enact the Ordinance and enter into the Purchase Agreement and perform its obligations thereunder.

(3) The City has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, signed and delivered by the City, and the City has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bonds.

TERRALEX

(4) The statements and information contained in the Official Statement under the captions or subcaptions "The Series 2004 Bonds," "Security for the Series 2004 Bonds," "Legal Matters," "Tax Matters" and, if applicable, the definitions and the summary of the Ordinance in the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Series 2004 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

STEPTOE & JOHNSON PLLC

11/19/04
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December 1, 2004

Crews & Associates, Inc.
Charleston, West Virginia

Re: $3,175,000 The City of Bluefield, Sewer
Refunding Revenue Bonds, Series 2004

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriter") in connection with the issuance and sale by The City of Bluefield (the "City") of its Sewer Refunding Revenue Bonds, Series 2004, in the aggregate principal amount of $3,175,000 (the "Series 2004 Bonds"). In connection with rendering this opinion, we have examined the Official Statement dated November 17, 2004, the Bond Purchase Agreement dated November 17, 2004 (the "Purchase Agreement"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing review, we are of the opinion that you are not required to comply with the requirements of paragraph (b)(5) of the Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the City, counsel for the City, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the Official Statement, including Appendix B thereto as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2004 Bonds.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

City of Bluefield

P.O. Box 4100, 200 Rogers Street
Bluefield, West Virginia 24701-1900

http://ci.bluefield.wv.us/
Phone: (304) 327-2401
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November 22,2004

$3,160,000
The City of Bluefield (West Virginia)
Sewer Re-funding Revenue Bonds, Series 2004

The City of Bluefield, West Virginia
Bluefield, West Virginia

Municipal Bond Investors Assurance Corpoation
New York, New York

Steptoe & Johnson, PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I have served as counsel for The City of Bluefield, West Virginia (the "Issuer") and have acted as such in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of November 17, 2004 (the "Purchase Agreement"), by and between Crews & Associates, Inc. (the "Underwriter") and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this option, the Constitution and the laws of the State of West Virginia, specifically Chapter 16, Article 13 of the *West Virginia Code* of 1931, as amended (the "Act"), the Ordinance of the Issuer relating to the Bonds enacted on November 17, 2004, as supplemented by a Supplemental Resolution adopted November 17, 2004 (collectively, the "Ordinance"), the Prepayment Agreement, the Continuing Disclosure Certificate, the Purchase Agreement, the Preliminary Official Statement dated November 15, 2004, the Official Statement dated November 17, 2004, with

respect to the issuance and offering of the Bonds (collectively, the "Official Statement"), and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The Issuer is a duly organized and validly existing municipal corporation and political subdivision of the State of West Virginia, and it is authorized by the laws of the State of West Virginia, as provided by the Act, to enter into and perform its obligations under the Ordinance, the Prepayment Agreement, the Continuing Disclosure Certificate, and the Purchase Agreement.

2. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds, the Purchase Agreement, the Continuing Disclosure Certificate, the Prepayment Agreement, and any and all other agreements relating thereto, to which the Issuer is a party.

3. The Issuer has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Prapyment Agreement, the Continuing Disclosure Certificate and the Bond Purchase Agreement; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Issuer and the issuance and delivery of the bonds upon the terms set forth in the Ordinance; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Prepayment Agreement, the Continuing Disclosure Certificate, and the Purchase Agreement have been duly and validly authorized, executed and delivered by the Issuer and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally.

5. The Ordinance has been duly enacted and adopted at meetings of the Board of Directors of the Issuer which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at each such meeting.

6. The execution and delivery by the Issuer of the Prepayment Agreement, the Certificate Disclosure Certificate, and the Purchase Agreement and the performance of its obligations thereunder do not and will not result in a violation of the provision of, or in default under, the West Virginia statutes organizing and governing the Issuer or, to the best of my knowledge after diligent inquiry and

review of the Issuer's records, any agreement or other instrument to which the Issuer is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the Issuer have been taken, and no additional approval, authorization, consent or other order of the Issuer or any public board or body, other than those previously obtained is legally required to allow the Issuer to enter into and perform its obligations under the Prepayment Agreement or as described in the Official statement.

8. The issuer is not in violation of any provision of, or in default under, West Virginia statutes organizing and governing the Issuer.

9. There are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Prepayment Agreement, the Certificate Disclosure Certificate, or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Prepayment Agreement, the Certificate Disclosure Certificate, or the Purchase Agreement, or (iii) materially or adversely affect the financial condition of the Issuer or the transactions contemplated by the Official Statement to be engaged in by the Issuer.

10. Based upon my experience as counsel for the Issuer and upon my review of the Official Statement, and after diligent inquiry, the statements and information contained in the Official Statement under the captions or subcaptions "Purpose and Plan of Financing," "Security for the Bonds," "The Bonds," "The System," "No Litigation," "Continuing Disclosure" and "Appendix B" (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

I hereby consent to the references made to me in the Official Statement.

Very truly yours,

J. W. Feuchtenberger
City Solicitor

JWF:djn

CAMPBELL & MATNEY

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December 1, 2004

Doug/Letters/

$3,175,000
The City of Bluefield
Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

City of Bluefield Sanitary Board
Bluefield, West Virginia

Steptoe & Johnson, PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Sanitary Board (the "Sanitary Board") of The City of Bluefield, West Virginia (the "Issuer"), in connection with the issuance of the Issuer's $3,175,000 Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson, PLLC, as bond counsel, the opinion of John W. Feuchtenberger, Esquire, as counsel to the Issuer, a Bond Purchase Agreement dated November 17, 2004 (the "Bond Purchase Agreement"), by and between the Issuer and Crews & Associates, Inc. (The "Underwriter"), the Bond Ordinance duly enacted and adopted by the Issuer on November 17, 2004, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 17, 2004 (collectively, the "Bond Legislation"), the Petition of the Sanitary Board, dated November 17, 2004 (the "Petition"), to the Board of Directors of the Issuer directing the Issuer to enact an ordinance to issue the Bonds, and other documents relating to the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

We are of the opinion that:

1. The Petition has been duly adopted by the Sanitary Board at a meeting duly called and held on November 17, 2004. The Petition has not been amended, repealed, revoked or rescinded and is in full force and effect.

2. The Sanitary Board is duly established and validly existing under the laws of the State of West Virginia, and the members and officers of the Sanitary Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Sanitary Board in their respective capacities.

3. The execution and delivery of the bonds and the Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Sanitary Board, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Sanitary Board is a party or any existing law, regulation, court order or consent decree to which the Sanitary Board is subject.

4. The Sanitary Board has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the operation of the System and the imposition of rates and charges for use of the System, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of a resolution prescribing such rates and charges and the receipt of the order of the Public Service Commission of West Virginia entered March 25, 2004 in Case No. P.S.C.W.Va. No. 16, approving the rates set forth in such rate ordinance. The time for appeal of such Order has expired prior to the date hereof without any appeal.

5. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or in any way questioning or affecting the existence of the Sanitary Board, the organization of the Sanitary Board, or the titles of the officers and members of the Sanitary Board to their respective offices, or contesting the powers or authority of the Sanitary Board, including its authority to petition the board of Directors of the Issuer to issue the Bonds, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Bond Purchase Agreement, the Bond Legislation, the refunding of a portion of the Issuer's Series 1992 Bonds, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

Douglas M. Campbell

CAMPBELL & MATNEY

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON

1. TERMS
2. NO LITIGATION
3. PUBLICATION AND PUBLIC HEARING ON ORDINANCE
4. AWARD OF BONDS; SIGNATURES
5. DELIVERY AND PAYMENT
6. CERTIFICATION OF DOCUMENTS
7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
8. RATES
9. MEETINGS, ETC.
10. INCUMBENCY AND OFFICIAL NAME OF CITY
11. PREPAYMENT FUND AND DEFEASANCE OF PRIOR BONDS
12. OFFICIAL STATEMENT CERTIFICATION
13. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT
14. DESIGNATION OF REGISTRAR, PAYING AGENT, PREPAYMENT AGENT AND DEPOSITORY BANK
15. IRS INFORMATION RETURN
16. SPECIMEN BONDS
17. CONFLICTS OF INTEREST
18. RELIANCE
19. COUNTERPARTS

We, the undersigned MAYOR, CITY MANAGER and CITY CLERK of The City of Bluefield (West Virginia) (the "Issuer"), and the undersigned CITY SOLICITOR for the Issuer, hereby certify in connection with the $3,175,000 aggregate principal amount of The City of Bluefield (West Virginia) Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the bond authorizing ordinance of the Issuer, duly enacted and adopted November 17, 2004, as supplemented by

a supplemental resolution adopted November 17, 2004 (said ordinance, as so supplemented, herein called the "Ordinance").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance and delivery of the Bonds, the refunding of a portion of the Series 1992 Bonds, consisting of the term bond maturing July 1, 2017 (hereinafter called the "Refunded Bonds") or the collection of the Net Revenues of the System or the pledge thereof to the payment of the principal of and interest on the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds nor in any manner affecting the validity or enforceability of the Bonds, the Ordinance, the Prepayment Agreement, the Continuing Disclosure Certificate or the Bond Purchase Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Mayor, City Manager, City Clerk and the members of the Board of Directors and other officials of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with issuance of the Bonds or the refunding of the Refunded Bonds which is not set forth in the Official Statement relating to the Bonds.

3. PUBLICATION AND PUBLIC HEARING ON ORDINANCE: Upon adoption of the Ordinance, an abstract thereof, determined by the Board of Directors to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in the Bluefield Daily Telegraph, a qualified newspaper published and of general circulation in The City of Bluefield, together with a notice to all persons concerned, stating that the Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Ordinance, stating that any person interested may appear before the Board of Directors at the public hearing held at a public meeting of the Board of Directors on November 17, 2004, at 1:30 p.m., in the meeting room of the Board of Directors in the City Hall of The City of Bluefield and present protests, and stating that a certified copy of the Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Board of Directors and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

4. AWARD OF BONDS; SIGNATURES: The Bonds were awarded to Crews & Associates, Inc. (the "Underwriter"), upon a negotiated basis at the price of $3,079,750 (par amount less Underwriter's discount of $95,250). As of the date hereof, the Bonds were duly signed by the manual signature of the Mayor and City Manager and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the City Clerk.

5. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to the Underwriter, the entire issue of the Bonds, in various denominations and numbered R-1 to R-10, inclusive. At the time of delivery of the Bonds, there was paid to, or on behalf of the Issuer the agreed price therefor as follows:

Par Amount	$3,175,000
Less: Underwriter's Discount	95,250
Total	$3,079,750

The Issuer has approved the transfer of $72,916.67 from the Series 1992 Bonds Sinking Fund and $177,012.50 from the Series 1992 Bonds Reserve Account, held by the West Virginia Municipal Bond Commission, to the Prepayment Fund to provide sufficient funds to defease the Refunded Bonds.

6. CERTIFICATION OF DOCUMENTS: There are delivered herewith true and correct copies of the following documents, all which remain in full force and effect and have not been amended, modified, supplemented or repealed unless changed by the terms of other documents listed below:

City Charter and Code of Ordinances

Oaths of Office of City Officers and Members of Board of Directors

Bond Ordinance

Supplemental Resolution

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

Ordinance Creating Sanitary Board

Articles of Association of The Sanitary Board of Bluefield, Incorporated

Order Appointing Sanitary Board Members and Oaths of Office

Petition of Sanitary Board

Bond Purchase Agreement

Prepayment Agreement

Continuing Disclosure Certificate

Tax and Non-Arbitrage Certificate

Preliminary Official Statement

Official Statement

Consent of West Virginia Water Development Authority

7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since June 30, 2003. Upon defeasance of the Refunded Bonds on the date hereof, there is not any indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Bonds as to the sources of and security for payment, except the Prior Bonds. The Issuer has obtained the consent of the holder of the Series 1995 Bonds, the Series 1998 A Bonds and the Series 2000 A Bonds to the issuance of the Bonds in the lien position as set forth in the Ordinance. The consent of the holder of the outstanding Series 1992 Bonds not being currently refunded from proceeds of the Bonds is not required.

8. RATES: The Issuer has duly enacted a sewer rate ordinance on June 10, 2003, setting rates and charges for the services of the System, which rates and charges are currently in effect. Such rate ordinance is presently in full force and effect, and the period for appeal of such rate ordinance has expired.

9. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the current refunding of the Refunded Bonds were authorized or adopted at meetings of the Board of Directors of the Issuer duly and regularly called and held pursuant to the City Charter and Code of Ordinances and all applicable statutes, including Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Board of Directors was present and acting at all times during all such meetings.

10. INCUMBENCY AND OFFICIAL NAME OF CITY: The proper corporate title of the Issuer is "The City of Bluefield" and it is a municipal corporation of the State of West Virginia, in Mercer County of said state. The governing body of the Issuer is its Board of Directors, consisting of 5 members, all duly elected or appointed, as applicable, qualified and acting, one of whom is elected by the Board of Directors as Mayor, and whose names and dates of commencement and termination of current terms of office are as follows:

Name and Office		Date of Commencement of Office	Date of Termination of Office
Robert E. Perkinson, Jr.	- Mayor	August 1, 2001	July 31, 2005
Garry D. Moore	- Vice-Mayor	August 1, 2001	July 31, 2005
Deb Coppinger Sarver	- Director	August 1, 2001	July 31, 2005
Jim F. Bailey, II	- Director	August 1, 2001	July 31, 2005
George McGonagle	- Director	December 9, 2003	July 31, 2005

The duly appointed and acting members of the Sanitary Board of the Issuer are as follows:

Robert E. Perkinson, Jr.	- Chairman
Claude Erps	- Treasurer
Tom Blevins	- Member

The duly appointed and acting Executive Director and Secretary of the Sanitary Board of the Issuer is Terry Honaker. The duly appointed and acting City Manager of the Issuer is Mark Henne. The duly appointed and acting City Clerk of the Issuer is Drema Shireman. The duly appointed and acting City Solicitor of the Issuer is John W. Feuchtenberger, Esquire. The duly appointed and acting Counsel to the Sanitary Board is Douglas G. Campbell, Esquire, Tazewell, Virginia.

11. PREPAYMENT FUND AND DEFEASANCE OF PRIOR BONDS: The funds on deposit in the Prepayment Fund established by the Prepayment Agreement between the Issuer and the West Virginia Municipal Bond Commission, as Prepayment Agent, dated December 1, 2004, together with moneys on deposit in the Series 1992 Bonds Sinking Fund, are sufficient to pay fully, on January 1, 2005, the Redemption Price of the Refunded Bonds. As of the date hereof, the Refunded Bonds have been prepaid and refunded and the liens and pledges securing the Refunded Bonds have been discharged and defeased.

12. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement, nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

13. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT: In addition to the foregoing, the undersigned hereby certify, as of the date hereof, that: (i) the Issuer has duly performed all of its obligations to be performed at or prior to the Closing and that each of its representations and warranties contained in the Bond Purchase Agreement are true as of the Closing, (ii) the Issuer has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Bonds, the Ordinance, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions

contemplated hereby and by the Official Statement, (iii) to our knowledge no litigation is pending, or to our knowledge threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Bond Legislation or the Issuer's existence or powers or the Issuer's right to use the proceeds of the Bonds to refund the Refunded Bonds, and (iv) the execution, delivery, receipt and due performance of the Bonds, the Ordinance and the other agreements contemplated by the Bond Purchase Agreement and the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound.

14. DESIGNATION OF REGISTRAR, PAYING AGENT, PREPAYMENT AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of United Bank, Inc., Charleston, West Virginia, as Registrar, the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent and Prepayment Agent, and First Century Bank, National Association, Bluefield, West Virginia, as Depository Bank.

15. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah. The information set forth in such Form 8038-G is true, correct and complete in all respects.

16. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

17. CONFLICTS OF INTEREST: No director, member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Bonds and the Ordinance, including, without limitation, with respect to the Original Purchaser. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. RELIANCE: The undersigned acknowledge that it is intended that interest on the Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Steptoe & Johnson PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering said opinions, said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

19. COUNTERPARTS: This Certificate may be executed in counterparts, and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official seal of THE CITY OF BLUEFIELD on this 1st day of December, 2004.

[CORPORATE SEAL]

Signature	Official Title
	Mayor
	City Manager
	City Clerk
	City Solicitor

11/16/04
079810.00001

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, Mayor of The City of Bluefield (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $3,175,000 Sewer Refunding Revenue Bonds, Series 2004, of the Issuer, dated December 1, 2004 (the "Bonds"), hereby certifies as follows, all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on November 17, 2004, as supplemented (collectively, the "Ordinance"), pursuant to which the Bonds are issued:

A. DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations. Any capitalized word or term used herein but not defined herein shall have the meaning set forth in the Ordinance.

"**Bona Fide Debt Service Fund**" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

"**Bond Act**" means Article 13 of Chapter 16 of the Code of West Virginia of 1931, as amended.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with the respect to the issuance of the Bonds and the exclusion of interest on the Bonds from gross income for the purposes of federal income taxation.

"**Bond Year**" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"**Bond Yield**" means the yield of the Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

"**Code**" means the Internal Revenue Code of 1986, as amended, and all rulings and regulations promulgated thereunder.

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Computation Date Credit**" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Bonds.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriter's spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which a substantial number of Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Underwriter's Counsel, Issuer's Counsel, Insurance Company's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);

(c) trustee fees and registrar fees;

(d) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Bonds;

(e) accountant fees related to issuance of the Bonds;

(f) printing costs (for the Bonds and of preliminary and final offering materials); and

(g) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Date of Issue**" means December 1, 2004.

"**Discharged**" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The institution makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least three (3) bona fide bonds from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The institution purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed

investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Safe Harbor for Establishing Fair Market Value for Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available on reasonably comparable certificates of deposit offered to the public.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$FV = PV(1+i)^n$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval.

The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $3,175,000 being the initial offering price to the public at which price a substantial amount of the Bonds is sold, and includes accrued interest on the Bonds. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Bonds may not exceed their fair market value as of the sale date.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those Sale Proceeds invested in a reasonably required reserve or replacement fund under section 148(d) of the Code and as part of a minor portion under section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a payment as defined in section 1.148-5(b) of the Regulations for purposes of computing the Yield on an Investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an Investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

"**Rebate Amount**" means, in respect of the bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E(3) hereof to determine the Rebate Amounts.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in section 1.148-5(b) of the Regulations for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Bonds.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest). Sale Proceeds also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"**Series 2004 Bonds**" means the Issuer's Sewer Refunding Revenue Bonds, Series 2004, dated December 1, 2004.

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of section 103 of the Code and section 1.150-1 of the Regulations that is not investment property within the meaning of section 148(b)(3) of the Code.

"**Transferred Proceeds**" means Proceeds of a prior issue of bonds that have ceased to be allocated to that prior issue and are treated as Proceeds of a refunding issue under section 1.148-9 of the Regulations.

"**Transferred Proceeds of the Bonds**" means amounts that have ceased to be allocated to the Series 2004 Bonds and are treated as Transferred Proceeds of the Bonds.

"**Underwriter**" means Crews & Associates, Inc., Charleston, West Virginia.

"**Universal Cap**" means the maximum value of Nonpurpose Investments which may be allocated to the Bonds under section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"**Valuation Date**" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder must be determined under section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date. In addition, the Regulations provide with respect to a refunded issue (e.g., the Prior bonds) and a refunding issue (i.e., the Bonds) each date on which proceeds of the refunded issue would become transferred proceeds of the refunding issue, e.g., each date on which principal of the refunded issue is paid with proceeds of the refunding bonds, constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code"). I am an officer of the Issuer charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer the certification of which may not be relied upon by holders of their respective obligations or that there is any disqualification thereof by the Internal Revenue Service because a certification made by it contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 1, 2004, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Ordinance that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Bonds were sold on December 1, 2004, to Crews & Associates, Inc. (the "Underwriter") for a purchase price of $3,079,750 (par amount of $3,175,000, less underwriter's discount of $95,250).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys, together with the moneys transferred from the Series 1992 Bonds Sinking Fund and the Series 1992 Bonds Reserve Account (the "Refunded Bonds"), necessary (i) to current refund a portion of the Series 1992 Bonds, consisting of the term bond maturing July 1, 2017, on January 1, 2005; (ii) to fund a reserve account for the Series 2004 Bonds; and (iii) to pay costs of issuance of the Bonds and related costs.

8. [RESERVED]

9. The face amount of the Bonds is $3,175,000. The sources and uses of proceeds of the Bonds and the moneys transferred from the Series 1992 Bonds Sinking Fund and the Series 1992 Bonds Reserve Account in connection with the refunding of the Refunded Bonds is as follows:

Sources

Par Amount of Series 2004 Bonds	$3,175,000.00
Transfer from Series 1992 Bonds Reserve Account	177,012.50
Transfer from Series 1992 Bonds Sinking Fund	72,916.67
Total Sources	$3,424,929.17

10. The proceeds of sale of the Bonds, together with the moneys transferred from the Series 1992 Bonds Sinking Fund and the Series 1992 Bonds Reserve Account, will be applied as follows:

Uses of Funds

Deposit to Prepayment Fund	$2,887,500.00
Deposit to Series 2004 Bonds Reserve Account	390,585.00
Underwriter's Discount	95,250.00
Costs of Issuance	51,594.17
Total Uses	$3,424,929.17

11. The Underwriter has stated, in its certificate, a copy of which is attached as EXHIBIT A - UNDERWRITER'S CERTIFICATE hereto (the "Underwriter's Certificate") that the Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement for the Bonds.

The yield on the Bonds, as so computed, has been determined to be 3.9850716%, based on a "purchase price" equal to the Issue Price for the Bonds (including accrued interest thereon).

C. DEFEASANCE

1. The Issuer has entered into a Prepayment Agreement (the "Prepayment Agreement"), dated December 1, 2004, with the West Virginia Municipal Bond Commission, as Prepayment Agent. Provision will be made for the payment of the Refunded Bonds by placing into the Prepayment Fund $2,637,570.83 from the Series 2004 Bonds, $72,916.67 from the Series 1992 Bonds Sinking Fund, and $177,012.50 from the Series 1992 Bonds Reserve Account, which will provide funds sufficient to provide for the payment of the outstanding principal of and interest on, the Refunded Bonds on January 1, 2005, being the redemption date.

D. THE BONDS

i. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Bonds are detailed in the Bonds.

ii. Using the initial offering price of the Bonds as the "purchase price" and taking into account accrued interest the yield on the Bonds is computed by the Underwriter to be 3.9850716% (the "Bond Yield").

iii. A Sinking Fund for the Bonds is created under the Ordinance. Moneys deposited to the Sinking Fund (other than the Reserve Account therein), including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds. The Bonds all bear interest at a fixed interest rate and the average maturity of the Bonds is in excess of 5 years. The Sinking Fund is designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond Year. All moneys held in the Sinking Fund will be used to pay debt service on the Bonds. All Sale Proceeds of the Bonds deposited in the Sinking Fund will constitute accrued interest on the Bonds and will be applied to pay interest on the Bonds on the first interest payment date, being July 1, 2005. The Sinking Fund qualifies as a Bona Fide Debt Service Fund and all moneys in the Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

iv. A Reserve Account within the Sinking Fund is created under the Ordinance in an amount equal to the Maximum Annual Debt Service on the Bonds (the "Reserve Account Requirement"). The Reserve Account is being funded by moneys from the Series 2004 Bonds proceeds in the amount of $390,585.00. The Reserve Account Requirement is equal to the maximum annual principal and interest requirements of the Bonds, is not in excess of 10% of the stated principal amount of the Bonds and is not in excess of 125% of the average annual principal and interest requirements of the Bonds. The moneys in the Reserve Account will be invested without restriction as to yield. All earnings on amounts deposited in the Reserve Account will, to the extent the yield thereon exceeds the yield on the Bonds, be subject to rebate.

v. A Renewal and Replacement Fund is created under the Ordinance, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Bonds, and depletion in full of the Reserve Account, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Bonds. Such moneys will be invested without restriction as to yield and are not subject to rebate.

vi. A Redemption Account is created under the Ordinance. In the event moneys are deposited into the Redemption Account, to the extent they are not part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

vii. A Costs of Issuance Fund is created under the Ordinance to be funded from proceeds of the Bonds in the amount of $51,594.17, to pay costs of issuance of the Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such moneys will be invested without restriction as to yield and are not subject to rebate.

viii. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Bonds or which are pledged as collateral to secure repayment of Debt Service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Bonds.

ix. Accrued interest with respect to the Bonds in an amount less than 6 month's interest on the Bonds will be applied within one year from the

date hereof toward the payment of interest first due on the Bonds, as detailed in the Schedules. Pending such disbursement, such monies will be invested without restriction as to yield.

E. REBATE OF EXCESS ARBITRAGE

1. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Section D hereof, the Sinking Fund, the Reserve Account therein, the Costs of Issuance Fund and all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Ordinance, the Issuer has created the Rebate Fund to be held by the Depository Bank. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Moneys so deposited shall be derived from the Issuer's own funds.

(c) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in Section E(3) hereof) agrees and covenants to take the following actions:

(i) For each investment of (i) amounts held in the Reserve Account, (ii) Transferred Proceeds of the Bonds, and (iii) any other moneys held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Bonds as required by the Code and Regulations. If the Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above this section E(1)(c) that are allocable to Gross Proceeds of the Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Bonds, any unrealized gains or losses as of the date of retirement of the Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap. In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond Year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

2. Payment to United States. (a) Installment Computation Dates. Unless the Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to Section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in Section E(1)(c) hereof pertaining to the investment of the proceeds of the Bonds until six years after the Final Computation Date.

3. Rebate Analyst. (a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such

Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

4. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Bonds.

5. Small Issuer Exception. The Bonds do not qualify for the Small Issuer Exception to the payment of rebate created in Section 148(f)(4)(D) of the Code.

F. MISCELLANEOUS

1. The amount designated as "Cost of Issuance" of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds and the current refunding of the Refunded Bonds.

2. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The Form 8038-G attached hereto as EXHIBIT B - FORM 8038-G is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel.

3. None of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

5. The Issuer shall use the proceeds of the Bonds solely to current refund the Refunded Bonds to their redemption date; to fund a Reserve Account for the Bonds; and to pay costs of issuance thereof.

6. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

7. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

8. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

9. On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

10. [RESERVED]

11. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Bonds.

12. In connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax and Non-Arbitrage Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Bonds.

13. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

14. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will

be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

15. Gross Proceeds of the Bonds, other than gross proceeds that are allocable to:

(a) the payment of principal of, interest on, the Refunded Bonds;

(b) the payment of the Costs of Issuance of the Bonds;

(c) the payment of administrative costs allocable to repaying the Series 2004 Bonds, or carrying and repaying the Bonds, or the reasonable investments of Proceeds of the Bonds;

(d) Transferred Proceeds allocable to expenditures for governmental purpose of the Series 2004 Bonds;

(e) amounts deposited in the Sinking Fund (including investment earnings thereon) to pay debt service on the Bonds; and

(f) qualified guarantee fees (within the meaning of the Regulations) for the Bonds or the Series 2004 Bonds;

will not exceed 1% of the Sale Proceeds from the Bonds.

16. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

17. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

18. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Issuer does not qualify for the Small Issuer Exception to the payment of rebate created in Section 148(f)(4)(D) of the Code with respect to the Bonds.

19. The Issuer has retained the right to amend the Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income of the holders thereof.

20. The Issuer shall comply with all yield restrictions on Bond proceeds as set forth in the Code.

21. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Ordinance.

22. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

23. Under section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Chairman of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Bonds.

24. The Issuer does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and bonds issued to currently refund any obligation of the Issuer) during the calendar year 2004 and hereby and in the Ordinance designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

25. To the best of my knowledge, information and belief there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

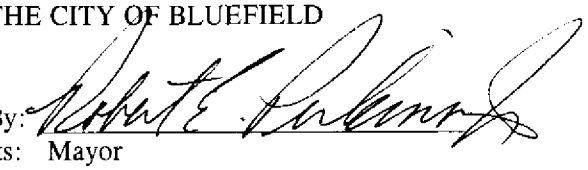
27. Notwithstanding any other provision hereof, any provision of this Tax and Non-Arbitrage Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Bonds from gross income of the recipients thereof for federal income tax purposes.

28. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Signature Page Follows]

WITNESS my signature this 1st day of December, 2004.

THE CITY OF BLUEFIELD

By: 
Its: Mayor

11/16/04
079810.00001

EXHIBIT A

UNDERWRITER'S CERTIFICATE

[Included in Transcript as Document No. 24]

EXHIBIT B

IRS FORM 8038-G

[Included in Transcript as Document No. 45]

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

REGISTRAR'S CERTIFICATE

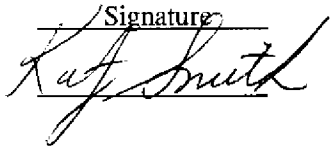
United Bank, Inc., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the same meanings set forth in the Ordinance of The City of Bluefield (the "Issuer") enacted November 17, 2004, as supplemented (collectively the "Ordinance"):

1. The Bank is a banking corporation duly organized, validly existing, and in good standing under the laws of the State of West Virginia, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Ordinance and to serve in the capacity of Registrar under the Ordinance.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Ordinance, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of her signature.

Name	Title	Signature
Kathy Smith	Vice President & Trust Officer	

5. There have been filed with the Bank all of the documents listed in Section 3.12 of the Ordinance; the Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Bonds have been deposited as required by the Ordinance.

6. Attached hereto as EXHIBIT A is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts, interest rates and yields of the Bonds.

[Remainder of Page Intentionally Left Blank]

WITNESS my signature on this 1st day of December, 2004.

UNITED BANK, INC.

By _____
Its Authorized Officer

11/19/04
079810.00001

EXHIBIT A - SERIES 2004 BOND TERMS

Bond No.	Maturity (July 1)	Amount	Interest Rate	Yield or Price	CUSIP
R-1	2008	$300,000	3.250%	3.249%	096224EQ9
R-2	2009	$275,000	3.500%	3.499%	096224EF3
R-3	2010	$280,000	3.700%	3.700%	096224EG1
R-4	2011	$295,000	3.800%	3.800%	096224EH9
R-5	2012	$305,000	3.900%	3.900%	096224EJ5
R-6	2013	$320,000	4.000%	4.000%	096224EK2
R-7	2014	$330,000	4.050%	4.050%	096224EL0
R-8	2015	$340,000	4.100%	4.100%	096224EM8
R-9	2016	$360,000	4.150%	4.150%	096224EN6
R-10	2017	$370,000	4.200%	4.200%	096224EP1

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

UNDERWRITER'S CERTIFICATE

The undersigned Gregory B. Isaacs, Vice President of Crews & Associates, Inc. (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies that:

(a) At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement dated November 17, 2004, by and between The City of Bluefield, West Virginia (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated November 17, 2004, relating to the Bonds. We have made a bona fide public offering of all Bonds at the public offering price. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement.

(b) The level of funding of the Series 2004 Bonds Reserve Account established by the Ordinance authorizing issuance of the Bonds is reasonable and necessary because such an amount is required as a condition to obtaining bond insurance and marketing the Bonds at the interest rates and with the maturities established for the Bonds. Such amount was determined to be necessary to reduce the probability of a default on the Bonds due to a temporary decrease in revenues or increase in operating expenses. The amount to be maintained in the Series 2004 Bonds Reserve Account is equal to the aggregate maximum annual debt service on the Bonds and the Prior Bonds, and is less than either 125% of the average annual debt service on the Bonds or 10% of the face amount of the Bonds.

(c) The weighted average maturity of the Bonds is 8.319 years.

(d) The remaining weighted average maturity of the portion of the Series 1992 Bonds being refunded is 10.90 years.

(e) The net interest cost on the Bonds is 4.3457019% and the yield on the Bonds is 3.9742409%.

(f) This certificate may be relied upon by the Issuer with respect to completion of its Tax and Non-Arbitrage Certificate and IRS Form 8038-G relating to the Bonds, and by Steptoe & Johnson PLLC, in rendering their tax opinion with respect to the Bonds.

[Remainder of Page Intentionally Left Blank]

Dated this 1st day of December, 2004.

CREWS & ASSOCIATES, INC.

By _____
Its Vice President

11/16/04
079810.00001

SULLIVAN, WARE & HALL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
COAL EXCHANGE BUILDING - SUITE 601
401 ELEVENTH STREET • P. O. BOX 2745 OR P. O. BOX 819
HUNTINGTON, WEST VIRGINIA 25727-2745
TELEPHONE: (304) 697-0565 OR (304) 525-7202 • FAX: (304) 697-0567
email: swh.cpa@swh-cpa.com
website: www.swh-cpa.com

BRUCE I. SULLIVAN, CPA
DANIEL J. WARE, CPA
WILLIAM L. HALL, CPA

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

December 1, 2004

$3,175,000
The City of Bluefield (West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

In connection with the issuance and delivery of the above-captioned bonds (the "Series 2004 Bonds"), a portion of the proceeds of which will be used to prepay and current refund a portion of the Sewer Refunding Revenue Bonds, Series 1992 (the "Series 1992 Bonds"), issued by The City of Bluefield (the "Issuer"), we have reviewed the debt service schedules for a portion of the Series 1992 Bonds consisting of the term bond maturing July 1, 2017 (the "2017 Term Bond") and the Series 2004 Bonds and, based upon such review, we hereby certify that the savings to be achieved by such refunding will be approximately $146,137, determined by deducting $4,225,946, the total debt service on the Series 2004 Bonds from $4,372,083, the remaining debt service on the 2017 Term Bond.

Based upon the rates and charges set forth in the sewer rate ordinance of The City of Bluefield (the "Issuer") finally adopted and enacted June 10, 2003, and current operating expenses and current customer usage as furnished to us by the Issuer, for the fiscal year ending June 30, 2005, it is our opinion that such rates and charges will be sufficient to produce Net Revenues equal to not less than 120% of the maximum annual debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, remaining outstanding as of the date hereof and consisting of a term bond maturing July 1, 2008 (the "2008 Term Bond"), Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995 (the "Series 1995 Bonds"), Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999 (the "Series 1998 A Bonds"), Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000 (the "Series 2000 A Bonds" and together with the 2008 Term Bond, the Series 1995 Bonds and the Series 1998 A Bonds, collectively referred to herein as the "Prior Bonds"), and the above captioned Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds") in any fiscal year and all payments required for all the funds and accounts of the Prior Bonds and the Series 2004 Bonds.

It is further our opinion that the Net Revenues actually derived from the sewerage system of the Issuer (the "System") during the 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of the Series 2004 bonds, was not less that 120% of the maximum annual debt service on the Prior Bonds and the Series 2004 Bonds.

It is further our opinion that just prior to the issuance of the Series 2004 Bonds, the Issuer is in compliance with the rate covenant set forth in the bond ordinance authorizing the Series 1992 Bonds and that immediately following the issuance of the Series 2004 Bonds, the Issuer will still be in compliance with such rate covenant.

Very truly yours,

SULLIVAN, WARE & HALL, PLLC

Daniel J. Ware, CPA
Shareholder

DJW:ca

RESERVED

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

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P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information
(304) 353-8196 - Telephone
(340) 353-8181 - Fax
stumpjc@steptoe-johnson.com

November 22, 2004

The City of Bluefield
(West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

VIA FACSIMILE AND REGULAR MAIL

Steven Layfield, Trust Officer
First Community Bank, National Association,
as successor to The Flat Top National Bank of Bluefield
211 Federal Street
Bluefield, West Virginia 24701

Dear Mr. Layfield:

As bond counsel for The City of Bluefield (the "Issuer"), we wish to advise you that on December 1, 2004 (the "Closing Date"), the Issuer will deliver the above-captioned bonds (the "Series 2004 Bonds") to Crews & Associates, Inc. (the "Purchaser"). A portion of the proceeds of the Series 2004 Bonds will be used to refund a portion of the Issuer's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992 (the "Series 1992 Bonds"), heretofore issued, consisting of the term bond maturing July 1, 2017 currently outstanding in the aggregate principal amount of $2,800,000 (the "2017 Term Bond"). Please note that the remaining portion of the Series 1992 Bonds, consisting of the term bond maturing July 1, 2008, will not be refunded and will remain outstanding until maturity. First Community Bank, National Association, as successor to The Flat Top National Bank of Bluefield, is the Registrar and Paying Agent for the Refunded Bonds.

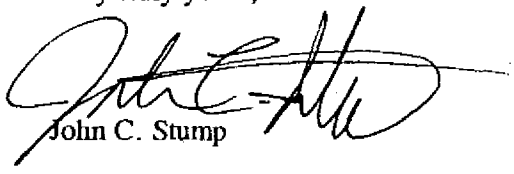
On the Closing Date, the Issuer will fund a Prepayment Fund, pursuant to a Prepayment Agreement dated December 1, 2004, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), as Prepayment Agent. The Prepayment Fund will be funded with proceeds of the Series 2004 Bonds, together with funds held by the Commission in the Series 1992 Bonds Reserve Account, in an amount sufficient to pay the principal of, and accrued interest on, the 2017 Term Bond on January 1, 2005, the next available redemption date (the "Redemption Date"). On the Redemption Date, the Commission shall transfer the moneys held in the Prepayment Fund to you, as the Paying Agent for the Series 1992 Bonds, to effect the redemption of the 2017 Term Bond. Please apply the moneys in the Prepayment Fund solely to pay the Redemption Price of the 2017 Term Bond on the Redemption Date.

Enclosed is the "Partial Notice of Redemption" in connection with the above-captioned Bonds. You are hereby directed to send to the registered bondholders, the bond insurer and the original purchaser of the 2017 Term Bond, by registered or certified mail, not less than 30 nor more than 60 days prior to the Redemption Date, this notice in accordance with the redemption notice provisions of Section 3.08 the ordinance (the "Ordinance") authorizing the issuance of the Series 1992 Bonds. You are further directed, in accordance with Section 3.08 of the Ordinance, to send this notice not less than 35 days prior to the Redemption Date to The Bond Buyer and to all registered securities depositories currently in business.

If at any time you have any questions about the instructions contained in this letter, please feel free to call me.

My best regards.

Very truly yours,



John C. Stump

Enclosures
cc: John Feuchtenberger, Esquire
Douglas G. Campbell, Esquire
William K. Bragg, Esquire
Sara Boardman, Executive Director

11/15/04
079810.00001

CH711738.1

[TO BE MAILED BY CERTIFIED OR REGISTERED MAIL TO
ALL REGISTERED HOLDERS, THE BOND INSURER
AND THE ORIGINAL PURCHASER OF THE SERIES 1992 BONDS
NOT LESS THAN 30 NOR MORE THAN
60 DAYS PRIOR TO JANUARY 1, 2005,
AND TO BE MAILED BY FIRST CLASS, CERTIFIED OR
REGISTERED MAIL OR OVERNIGHT DELIVERY TO
THE BOND BUYER AND ALL REGISTERED SECURITIES DEPOSITORIES
AT LEAST 35 DAYS PRIOR TO JANUARY 1, 2005]

NOTICE OF PARTIAL REDEMPTION

THE CITY OF BLUEFIELD
(WEST VIRGINIA)
Sewer Refunding Revenue Bonds, Series 1992
Dated: June 1, 1992
CUSIP: 096224 EE6

TO ALL REGISTERED HOLDERS, THE BOND INSURER AND THE ORIGINAL PURCHASER OF THE ABOVE-CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that a portion of The City of Bluefield, West Virginia Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, consisting of the term bond maturing July 1, 2017 (the "Refunded Bonds"), has been ordered by the City to be redeemed on January 1, 2005, in accordance with the provisions of the ordinance pursuant to which the Refunded Bonds were issued. The outstanding Refunded Bonds mature on July 1 in the following years:

Principal Amount	Maturity Date (July 1)
$ 240,000	2009
255,000	2010
275,000	2011
290,000	2012
310,000	2013
325,000	2014

345,000	2015
370,000	2016
390,000	2017

All Refunded Bonds outstanding as of January 1, 2005, are to be surrendered for payment of the principal of and interest accrued thereon (the "Redemption Price") to January 1, 2005 (the "Redemption Date") to:

First Community Bank, National Association,
as successor to The Flat Top National Bank of Bluefield
211 Federal Street
Bluefield, West Virginia 24701
Attention: Steven Layfield, Trust Officer

There has been deposited with the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Prepayment Agent for the Refunded Bonds, an amount sufficient to fully pay, on the Redemption Date, the principal amount of each of the Refunded Bonds outstanding, plus interest thereon to the Redemption Date. On the Redemption Date, interest will cease to accrue on all Refunded Bonds and the Refunded Bonds will be deemed to be paid from such date.

No representation is made as to the correctness of the CUSIP number, either as printed on the Refunded Bonds or as contained in this notice.

IMPORTANT: Under Federal law, individual holders of the Refunded Bonds who present such bonds for payment are required to submit their social security number, certified as correct under penalty of perjury. The required certification may be made on an Internal Revenue Service Form W-9. Holders of the Refunded Bonds may obtain copies of Form W-9 from their local bank or broker. If the social security number is not submitted and certified as correct, 31% of the principal due under the bonds must be withheld and paid over to the IRS.

FIRST COMMUNITY BANK, NATIONAL ASSOCIATION, as Registrar and Paying Agent

/s/_____
Authorized Officer

Dated: _____, 2004.

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

PREPAYMENT AGREEMENT

THIS AGREEMENT, made and entered into as of December 1, 2004, by and between THE CITY OF BLUEFIELD (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Commission").

W I T N E S E T H T H A T:

WHEREAS, the Issuer presently owns and operates a public sewerage system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds;

WHEREAS, the Issuer has determined that debt service savings can be obtained through the current refunding of a portion of its Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, consisting of the term bond maturing July 1, 2017, issued in the aggregate principal amount of $2,800,000 (the "Refunded Bonds");

WHEREAS, the Issuer has determined to issue its Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), pursuant to a bond ordinance enacted and adopted on November 17, 2004, as supplemented by a supplemental resolution adopted November 17, 2004 (collectively, the "2004 Ordinance"), and contemporaneously therewith, prepay and defease the Refunded Bonds by depositing a portion of the proceeds of the Series 2004 Bonds with the Commission; and

WHEREAS, the cash amounts which will be delivered to the Commission simultaneously with the delivery of the Series 2004 Bonds, along with funds currently on deposit with the Commission, are in such amounts as to insure the payment on January 1,

2005 (the "Redemption Date"), of the entire principal amount of the Refunded Bonds then outstanding, and all interest accrued thereon (collectively, the "Redemption Price");

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Refunded Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. The deposit of moneys with the Commission shall constitute an irrevocable deposit of such moneys in trust for, and such moneys shall be applied to, the payment of the Redemption Price of the Refunded Bonds on the Redemption Date.

2. Concurrently with the delivery of the Series 2004 Bonds, a portion of the existing balance in the Series 1992 Bonds Sinking Fund of $72,916.67 and a portion of the existing balance in the Series 1992 Bonds Reserve Account of $177,012.50 shall be transferred by the Commission to the Prepayment Fund.

3. Concurrently with the delivery of the Series 2004 Bonds, the Issuer shall deposit proceeds of the Series 2004 Bonds in the amount of $2,637,570.83 in the Prepayment Fund. This deposit, along with the transfer of the moneys described in paragraph 2 above, will be sufficient to pay the Redemption Price of the Refunded Bonds on the Redemption Date.

4. On January 1, 2005, the Commission shall wire to the Paying Agent for the Refunded Bonds all moneys in the Prepayment Fund which shall be applied by the Paying Agent for the Refunded Bonds to the payment in full of the Redemption Price of the Refunded Bonds.

5. The holders of the Refunded Bonds shall have an express lien on all moneys and assets in the Prepayment Fund until paid out, used and applied in accordance with this Agreement.

6. This Agreement shall terminate on the date on which all the Outstanding Refunded Bonds have been redeemed, paid in full and discharged. Upon termination of this Agreement, any moneys remaining in the Prepayment Fund, after payment of administrative fees of the Commission, shall be transferred to the Issuer.

7. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

8. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF BLUEFIELD

Mayor

WEST VIRGINIA MUNICIPAL
BOND COMMISSION

Executive Director

11/16/04
079810.00001

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stumpjc@steptoe-johnson.com

November 23, 2004

FAXED & MAILED

$3,175,000
The City of Bluefield
(West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

VIA FAX AND REGULAR MAIL
Sara Boardman, Executive Director
West Virginia Municipal Bond Commission
8 Capitol Street
Charleston, WV 25301

Dear Sara:

As bond counsel for The City of Bluefield (the "Issuer"), we wish to advise you that on December 1, 2004 (the "Closing Date"), the Issuer will deliver the above-captioned bonds (the "Bonds") to DTC, on behalf of Crews & Associates, Inc. (the "Purchaser"). A portion of the proceeds of the Bonds will be used to prepay and current refund a portion of the Issuer's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, consisting of the term bond maturing July 1, 2017 (the "Refunded Bonds"). On the Closing Date, the Issuer will be required to make certain deposits pursuant to the Prepayment Agreement dated the Closing Date, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), a copy of which is attached hereto.

The proceeds of the Bonds in the amount of $3,028,155.83 will be wired from the Purchaser to the Commission on the Closing Date. Bond proceeds in the amount of $2,637,570.83 shall be deposited by the Commission on the Closing Date into the Prepayment Fund created pursuant to the Prepayment Agreement. Bond proceeds in the amount of $390,585.00 shall be deposited by the Commission on the Closing Date into the Series 2004 Bonds Reserve Account.

The prepayment for the Refunded Bonds will be effected with $2,637,570.83 from the proceeds of the Bonds, the transfer of $177,012.50 from the Series 1992 Bonds Sinking Fund and the transfer of $72,916.67 from the Series 1992 Bonds Reserve Account. All such moneys shall be deposited or transferred, as applicable, into the Prepayment Fund held by the Commission. On January 1, 2005, the next available redemption date, the moneys in the Prepayment Fund shall be wired by the Commission to First Community Bank, National Association, as successor to The Flat Top National Bank of Bluefield, as Paying Agent for the Refunding Bonds (the "Paying Agent"), and applied by the Paying Agent to the payment of the entire principal and all interest accrued on the Refunded Bonds.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

John C. Stump

079810.00001

TERRALEX

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

JOINT CERTIFICATE OF THE ISSUER AND PREPAYMENT AGENT

The undersigned Mayor of THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), and the undersigned Sara Boardman, Executive Director of the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Prepayment Agent"), hereby certify as follows in connection with the above-captioned Bond issue:

1. We have executed the Prepayment Agreement between the Issuer and the Prepayment Agent, dated December 1, 2004 (the "Prepayment Agreement"), on behalf of the Issuer and the Prepayment Agent, respectively.

2. The Prepayment Agent has the authority to act as Prepayment Agent for and in connection with the Refunded Bonds (defined under the Prepayment Agreement) and has the requisite powers to carry out its duties under the Prepayment Agreement, and the Prepayment Agreement has been duly and validly authorized, executed and delivered by the Prepayment Agent, and assuming due authorization, execution and delivery thereof by the Issuer, the Prepayment Agreement constitutes a valid and legally binding obligation of the Prepayment Agent, enforceable in accordance with its terms.

3. The Issuer certifies that the moneys in the Prepayment Fund, together with a portion of the moneys in the Series 1992 Bonds Sinking Fund and the Series 1992 Bonds Reserve Account, are sufficient to fully pay the principal of and accrued interest on the Refunded Bonds on January 1, 2005, and the liens of the Refunded Bonds and the ordinance pursuant to which the Refunded Bonds were issued have been discharged.

WITNESS our signatures on this 1st day of December, 2004.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Executive Director

11/16/04
079810.00001

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy. Nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful, prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 15, 2004

NEW ISSUE-BOOK ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2004 Bonds is excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Series 2004 Bonds will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Series 2004 Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2004 Bonds, and the interest thereon are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX MATTERS" herein.

$3,160,000*
CITY OF BLUEFIELD (WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2004

Dated: December 1, 2004 Due: July 1, as shown below

The Series 2004 Bonds are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2004 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2004 Bonds will be in book-entry form only. Semiannual interest on the Series 2004 Bonds is payable July 1, 2005, and each January 1 and July 1 thereafter. So long as the Series 2004 Bonds are maintained under a book-entry system, payments of the principal of and premium, if any, and interest on the Series 2004 Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"), to DTC in accordance with the Ordinance and the Supplemental Resolutions, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2004 Bonds. See "THE SERIES 2004 BONDS - Book-Entry Only System." The Series 2004 Bonds are subject to redemption prior to maturity as described herein.

The Series 2004 Bonds are subject to redemption prior to maturity as described herein. Proceeds of the Series 2004 Bonds will be used, together with other funds available therefor, to: (i) to refund the 2017 Term Bond portion of the City's Sewer Revenue Bonds, Series 1992; (ii) provide funds in the amount of $_____, to be deposited in the Series 2004 Bonds Reserve Account, which will equal the maximum annual debt service on the Series 2004 Bonds; and (iii) pay certain costs of issuance of the Series 2004 Bonds and related costs.

The Series 2004 Bonds are payable from and further secured by the Net Revenues derived from the existing sewerage system of the City and any extensions, improvements and betterments thereto on parity with the Prior Bonds, as hereinafter defined, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance, as hereinafter defined, and the Series 2004 Bonds are also payable from funds on deposit in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. The Series 2004 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal or premium, if any, of and the interest on the Series 2004 Bonds, except from the Net Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power of the City shall be deemed to be pledged to, nor shall any tax be levied for, the payment or the principal of or the premium, if any, or interest on the Series 2004 Bonds.

The City and the Underwriter have circulated this Preliminary Official Statement in advance of the enactment of the Original Ordinance and the adoption of the Supplemental Resolution. The Series 2004 Bonds will not be available for offering and sale if the Original Ordinance is not enacted and the Supplemental Resolution is not adopted subsequent to the delivery of the Preliminary Official Statement.

The City has designated the Series 2004 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2004 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. John W. Feuchtenberger, Bluefield, West Virginia, Counsel to the City, will pass upon certain legal matters for the City. Douglas G. Campbell, Tazewell, Virginia, Counsel to the Sanitary Board, will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2004 Bonds will be available for delivery in New York, New York on or about December _, 2004.

Dated: December __, 2004

*Preliminary, subject to change.

Crews&Associates

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

$___,000* Series 2004 Serial Bonds

Maturity	Principal Amount	Interest Rate %	Price or Y %
July 1, 2005	$___,000.00		
July 1, 2006	___,000.00		
July 1, 2007	___,000.00		
July 1, 2008	___,000.00		
July 1, 2009	___,000.00		
July 1, 2010	___,000.00		
July 1, 2011	___,000.00		
July 1, 2012	___,000.00		
July 1, 2013	___,000.00		
July 1, 2014	___,000.00		
July 1, 2015	___,000.00		
July 1, 2016	___,000.00		

$___,000.00* ____% Series 2004 Term Bonds due July 1, 20__ at ____%
$___,000.00* ____% Series 2004 Term Bonds due July 1, 20__ at ____%

(Accrued interest to be added)

Dated: December __, 2004

*Preliminary, subject to change.

CITY OF BLUEFIELD, WEST VIRGINIA

MAYOR
R. E. "Bob" Perkinson, Jr.

BOARD OF DIRECTORS

Rev. Garry D. Moore, Sr. – District 1 Director
R. E. "Bob" Perkinson, Jr. - District 2 Director
Deborah Coppinger Sarver - District 3 Director
George McGonagle - At-Large Director
James F. Bailey, II - At-Large Director

CITY MANAGER
Mark Henne

CITY CLERK
Charles Cromer

FINANCE DIRECTOR
Hasan Baig

BOND COUNSEL
Steptoe & Johnson, PLLC
Charleston, West Virginia

UNDERWRITER'S COUNSEL
Goodwin & Goodwin, LLP
Charleston, West Virginia

ISSUER'S COUNSEL
John W. Feuchtenberger
Bluefield, West Virginia

SANITARY BOARD'S COUNSEL
Douglas G. Campbell
Tazewell, Virginia

AUDITORS
Sullivan, Ware & Hall, PLLC
Huntington, West Virginia

UNDERWRITER
Crews & Associates, Inc.
Charleston, West Virginia

DEPOSITORY BANK
First Century Bank, NA
Bluefield, West Virginia

REGISTRAR
United Bank, Inc.
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of a buy, nor shall there be any sale of the Series 2004 Bonds in any jurisdiction in which it is to make such offer, solicitation or sale. No dealer, broker, salesman or other person authorized by The City of Bluefield, West Virginia, or the Underwriter to give any infor to make any representations, other than as contained in this Official Statement. If given such other information or representations must not be relied upon as having been authoriz of the foregoing. The information set forth herein has been obtained from The City of and other sources, which are believed to be reliable but is not guaranteed as to ac completeness and is not to be construed as a representation by the Underwriter. The in and any expression of opinion herein are subject to change without notice, and neither th of this Official Statement nor any sale made hereunder shall under any circumstances c implication that there has been no change in the affairs of The City of Bluefield, West V it relates to the System, since the date hereof. This Official Statement is submitted in c with the sale of securities referred to herein, and may not be reproduced or used, in wl part, for any other purposes.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITE OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINT MARKET PRICE OF THE SERIES 2004 BONDS AT A LEVEL ABOVE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABIL COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$3,160,000* –
CITY OF BLUEFIELD (WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2004

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning the City of Bluefield, West Virginia (the "City"), the City's sewerage system hereinafter described and the City's $3,160,000* in aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"). The Series 2004 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act"), and an ordinance enacted by the Board of the City on November 17, 2004 (the "Original Ordinance"), as supplemented and amended by supplemental resolutions adopted by the Board of the City pursuant to the Original Ordinance (the "Supplemental Resolutions" and together with the Original Ordinance, the "Ordinance").

The proceeds of the Series 2004 Bonds, together with other funds available therefor, will be used as follows: (i) to refund the 2017 Term Bond portion of the City's Sewer Refunding Revenue Bonds, Series 1992 (the "Refunded Bonds"); (ii) to provide funds in the amount of $_____, to be deposited in the Series 2004 Bonds Reserve Account, which will equal the maximum annual debt service on the Series 2004 Bonds; and (iii) to pay certain costs of issuance of the Series 2004 Bonds and related costs.

The Series 2004 Bonds are payable from and secured by the Net Revenues, as defined in the Ordinance, derived from the existing sewerage system of the City and any extensions, improvements or betterments thereto (the "System") on parity with the Prior Bonds, as hereinafter defined, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance (the Series 2004 Bonds, the Prior Bonds and any such additional parity bonds are collectively referred to herein as the "Bonds"), and the Series 2004 Bonds are also payable from funds on deposit in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. The Series 2004 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2004 Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit. Pursuant to the Ordinance and the ordinances enacted with respect to other Bonds outstanding payable from the Net Revenues, the City has covenanted and agreed to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby as will produce for each fiscal year Net Revenues, as defined in the Ordinance, equal to at least 120% of the maximum amount required in any year to pay the principal of and interest on the Bonds and the Prior Bonds. See "ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS - Rate Covenant."

*Preliminary, subject to change.

The Series 2004 Bonds will be dated, will mature, will bear interest and will be sul redemption prior to maturity as more fully described on the cover page and under the heading SERIES 2004 BONDS" herein. The Series 2004 Bonds initially will be maintained under a entry system. So long as the Series 2004 Bonds are maintained under a book-entry syste manner of payment, the denominations, the transfer and exchange of ownership and the me providing notice of redemption to the owners of the Series 2004 Bonds shall be determ described under the "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry sy: discontinued, principal of, interest, and premium, if any, on the Series 2004 Bonds will be p by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying ag "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"). For further info describing the method of payment and other matters in the event the book-entry sy discontinued, see "THE SERIES 2004 BONDS" herein.

For a description of the exclusion of interest on the Series 2004 Bonds from gross for federal and state income tax purposes, see "TAX MATTERS" herein.

The City may issue additional bonds on a parity with the Series 2004 Bonds for the of financing the cost of the construction or acquisition of additions, improvements and bet to the System and/or refunding one or more or all series of bonds subject, in each case, t tests and conditions provided for by the Ordinance. See "ADDITIONAL SECURITY FO SERIES 2004 BONDS - Additional Parity Bonds."

The Series 2004 Bonds are offered when, as and if issued and received on beha underwriter appearing on the cover page hereof (the "Underwriter"), subject to prior withdrawal or modification of the offering without notice and to the unqualified approv legality by Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. Feuchtenberger, Bluefield, West Virginia, as counsel for the City, will pass upon cert matters for the City. Douglas G. Campbell, Tazewell, Virginia, as counsel for the Sanitar will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Ch West Virginia, as counsel to the Underwriter, will pass upon certain legal matters Underwriter.

Brief descriptions of the Series 2004 Bonds, the System, the City and certain pro the Ordinance and the Act, as defined in the Ordinance and hereinbefore, are set forl Official Statement, as well as other information contained in the appendices hereto descriptions and information do not purport to be comprehensive or definitive. All r herein to the Ordinance, provisions of the Act and other applicable laws of the State are qu their entirety by reference to each such document or law. References herein to the Se Bonds are qualified in their entirety by reference to the form thereof included in the Ordi the information with respect thereto included in the aforesaid documents. Capitalized te and not otherwise defined in this Official Statement shall have the respective meanings g in the Ordinance. Copies of the Ordinance and other applicable documents may be obta the City or, during the period of offering the Series 2004 Bonds, from the Underwriter.

FINANCING PLAN

Estimated Sources and Uses of Funds

Sources of Funds:	
Principal Amount of Bonds	$3,160,000
Less: Original Issue Discount	(_____)
Total Sources	$3,___,___
Uses of Funds:	
Prepayment Fund	$
Underwriter's Discount	
Costs of Issuance (1)	
Total Uses	$

(1) Includes legal and financing fees, printing costs and other miscellaneous expenses relating to the issuance of the Series 2004 Bonds.

THE SERIES 2004 BONDS

General

The Series 2004 Bonds shall be dated as of the date provided in a Supplemental Resolution and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2004 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2004 Bonds shall be in default, Series 2004 Bonds issued in exchange for Series 2004 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2004 Bonds surrendered. The Series 2004 Bonds will bear interest from their date, payable semiannually on each January 1 and July 1, commencing July 1, 2005, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2004 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2004 Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2004 Bonds and payments of principal or redemption price of and interest on the Series 2004 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2004 Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2004 Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

So long as the Series 2004 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2004 Bonds will be made as described herein under "BOOK--ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series

2004 Bond may be transferred upon surrender thereof to the Registrar, together with a instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or authorized attorney or legal representative. Upon any such transfer of a Series 2004 Bo will be issued another Series 2004 Bond or Series 2004 Bonds, at the option of the transfer same aggregate principal amount, series, maturity and interest rate as said Series 2004 B every exchange or transfer of Series 2004 Bonds, the Registrar may make a charge suf reimburse it for any tax or other governmental charge required to be paid with respec exchange or registration of transfer. The party requesting such transfer shall pay any servi of the Registrar and any applicable tax or other governmental charge.

Optional Redemption*

The Series 2004 Bonds maturing on or after July 1, 20__, at the option of the be subject to redemption prior to maturity, as a whole or in part at any time, at a re price (expressed as a percentage of the principal amount to be redeemed) set forth be accrued interest to the date fixed for redemption:

Period During Which Redeemed
(both dates inclusive)

Redemption Dates	**Redemption Price**
July 1, 201_ - June 30, 201_	102%
July 1, 201_ - June 30, 201_	101
July 1, 201_ and thereafter	100

If fewer than all of the Series 2004 Bonds shall be called for optional redem particular maturities of the Series 2004 Bonds to be redeemed shall be selected by the C manner as it shall determine. So long as the Series 2004 Bonds are maintained under a b system, the selection of individual ownership interests in the Series 2004 Bonds to be cre any partial redemption shall be made as described herein under "BOOK-ENTR SYSTEM."

Mandatory Redemption*

The Series 2004 Bonds maturing July 1, 20__, shall be subject to mandatory r prior to maturity in part from moneys on deposit in the Series 2004 Bonds Sinking redemption price equal to 100% of the principal amount thereof, plus accrued inte mandatory redemption date, on July 1, 20__, and on each July 1 thereafter to and includ 20__, in annual principal amounts as follows:

Year	Amount
20__	$___,000
20__	___,000
20__	___,000
20__	___,000
20__ (Maturity)	___,000

The principal amount of Series 2004 Bonds maturing July 1, 20__, delivered to o by the Trustee shall reduce pro tanto the principal amount of Series 2004 Bonds to be re

the mandatory redemption date with respect to such maturity next following such delivery or purchase.

The Series 2004 Bonds maturing July 1, 20__, shall be subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2004 Bonds Sinking Fund at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the mandatory redemption date, on July 1, 20__, and on each July 1 thereafter to and including July 1, 20__, in annual principal amounts as follows:

Year	Amount
20__	$___,000
20__	___,000
20__	___,000
20__	___,000
20__ (Maturity)	___,000

The principal amount of Series 2004 Bonds maturing July 1, 20__, delivered to or purchased by the Trustee shall reduce pro tanto the principal amount of Series 2004 Bonds to be redeemed on the mandatory redemption date with respect to such maturity next following such delivery or purchase.

Notice of Redemption

So long as the Series 2004 Bonds are maintained under a book-entry system, notice of the call for any redemption of the Series 2004 Bonds shall be given as described below under "BOOK-ENTRY ONLY SYSTEM." At any other time, notice to the registered owner of any redemption shall be given by the Registrar not less than 30 nor more than 60 days prior to the date fixed for redemption by registered or certified mail at the address appearing in the Register. Failure to receive such notice or any defect in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 2004 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any Series 2004 Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner hereinabove and in the Ordinance described and moneys necessary therefor having been deposited with the Paying Agent, the Series 2004 Bonds specified in such notice shall on the date fixed for redemption be deemed paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 2004 Bonds. The Series 2004 Bonds will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One fully registered certificate of the Series 2004 Bonds will be issued for each maturity of the Series 2004 Bonds in principal amount equal to the aggregate principal amount of the Series 2004 Bonds of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banki "banking organization" within the meaning of the New York Banking Law, a mem Federal Reserve System, a "clearing corporation" within the meaning of the New Yor Commercial Code, and a "clearing agency" registered pursuant to the provisions of Sect the Securities Exchange Act of 1934, as amended. DTC holds securities that its partic "Participants") deposit with DTC. DTC also facilitates the settlement among part securities transactions, such as transfers and pledges, in deposited securities through computerized book-entry changes in Participants' accounts, thereby eliminating the physical movement of securities certificates. Direct participants include securities b dealers, banks, trust companies, clearing corporations and certain other organizatio Participants"). DTC is owned by a number of its Direct Participants and by the New Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Dealers, Inc. Access to the DTC system is also available to others, such as securities b dealers, banks and trust companies, that clear through or maintain a custodial relation Direct Participant, either directly or indirectly (the "Indirect Participants"). The Rules a DTC and its Participants are on file with the Securities and Exchange Commission.

Ownership of Series 2004 Bonds

Purchases of the Series 2004 Bonds under the DTC system must be made by Direct Participants, which will receive a credit for the Series 2004 Bonds on DTC's re ownership interest of each actual purchaser of each Series 2004 Bond (the "Beneficial O turn to be recorded on the Participant's records. Beneficial Owners will not rece confirmation from DTC of their purchase but Beneficial Owners are expected to rec confirmations providing details of the transaction, as well as periodic statements of the from the Participants through which the Beneficial Owners entered into the transaction of ownership interests in the Series 2004 Bonds are to be accomplished by entries n books of Participants acting on behalf of the Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership the Series 2004 Bonds except in the event that use of the book-entry system for the Bonds is discontinued under the circumstances described below under "Discon Book Entry System."

To facilitate subsequent transfers, Series 2004 Bonds deposited by Participant are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change i ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2 DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participan Participants to Indirect Participants and by Participants to Beneficial Owners will be arrangements among them, subject to any statutory or regulatory requirements as may from time to time. If the consent or vote of DTC or Cede & Co. is requested, un procedures, DTC will mail an Omnibus Proxy to the City as soon as possible after the assigning Cede & Co.'s consenting or voting rights to those Direct Participants to wh

the Series 2004 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as a nominee of DTC is the registered owner of the Series 2004 Bonds, references herein to the Bondholders or the holders or owners of the Series 2004 Bonds shall mean DTC and shall not mean the Beneficial Owners of the Series 2004 Bonds. The City, the Registrar and the Paying Agent will recognize DTC or its nominee as the holder of all of the Series 2004 Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Series 2004 Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders under the Ordinance. Neither the City, the Registrar nor the Paying Agent will have any responsibility or obligation to Participants or Beneficial Owners with respect to payments or notices to Participants or Beneficial Owners.

Payments on and Redemption of Series 2004 Bonds

So long as the Series 2004 Bonds are held by DTC under a book-entry system, principal or redemption price of and interest payments on the Series 2004 Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the date on which such principal or interest is payable in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," subject to any statutory or regulatory requirements as may be in effect from time to time, and will be the responsibility of such Participants and not of DTC, the Paying Agent or the City. Payment of principal and interest to DTC is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Participants.

So long as the Series 2004 Bonds are held by DTC under a book-entry system, the Registrar will send any notice of redemption with respect to the Series 2004 Bonds only to Cede & Co. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant or any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Series 2004 Bonds or of any other action premised on such notice. If fewer than all of the Series 2004 Bonds of any maturity are selected for redemption, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Any such selection of Direct Participants to which any such partial redemption will be credited will not be governed by the Ordinance and will not be made by the City, the Registrar or the Paying Agent.

The City, the Registrar and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Series 2004 Bonds paid to DTC or its nominee as the registered owner of the Series 2004 Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

DTC may charge the Participants a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Series 2004 Bonds, and the Participants may seek reimbursement therefor from the Beneficial Owners.

Discontinuance of Book-Entry Only System

DTC may resign or may be discharged by the City as a securities depository fc 2004 Bonds and, in such event, the City may discontinue the maintenance of the Series under a book-entry system or replace DTC with another qualified securities depository. City appoints a securities depository to replace DTC, the Series 2004 Bonds held by I canceled and the City will execute and the Registrar will authenticate and deliver Series in fully certificated form to the Participants shown on the records of DTC provided to t or, to the extent requested by any Participant, to the Beneficial Owners of the Series shown on the records of such Participant provided to the Registrar.

ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS

The Series 2004 Bonds are special obligations of the City and are payable as premium, if any, and interest solely from the sources described below. The City obligation to pay the Series 2004 Bonds except from said sources.

Outstanding Prior Bonds

The City has outstanding the following bonds payable from the Net Revenues o that are on parity with the Series 2004 Bonds: The 2008 Term Bond portion of the (Refunding Revenue Bonds, Series 1992, dated June 1, 1992, issued in the origin principal amount of $2,800,000, of which $2,800,000 is currently outstanding (the " Bonds"); the City's Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SR dated August 29, 1995, issued in the original aggregate principal amount of $7,945,0(approximately $4,469,046 is currently outstanding (the "Series 1995 Bonds"); the City System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, in the original aggregate principal amount of $1,116,645, of which approximately currently outstanding; and the City's Sewerage System Revenue Bonds, Series 20 Virginia SRF Program), dated July 13, 2000, issued in the original aggregate princip $307,000, of which approximately $253,268 is currently outstanding (collectively Bonds").

Sources of Payment

The payment of the debt service on the Series 2004 Bonds shall be secured forth and ratably by a first lien on and pledge of the Net Revenues derived from the Syste with the Prior Bonds and any additional parity bonds that may hereafter be issued by permitted by the Ordinance, and the Series 2004 Bonds are also payable from the fun in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. Net Reve from the System in an amount sufficient to pay the principal of, premium, if any, and ir Bonds and to make the payments into the Series 2004 Bonds Sinking Fund and all oth provided for in the Ordinance, and the funds in the Series 2004 Bonds Sinking F Reserve Account therein are irrevocably pledged to the payment of the principal of, any, and interest on the Series 2004 Bonds as the same become due and for the ot provided in the Ordinance.

Rate Covenant

Prior to the issuance of the Series 2004 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer has covenanted and agreed that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year and all payments required into all funds and accounts of the Bonds for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the City shall not reduce the rates or charges of the System set forth in the rate ordinance enacted by the Issuer on June 10, 2003.

The City further covenanted that it will enact any rate increases as shall be required to comply with the aforementioned rate covenant, to the extent and in the manner authorized by law, immediately following a determination by the City or upon an annual audit of the City that the City is not in compliance with such rate covenant.

Series 2004 Bonds Reserve Account

$_____ of proceeds of the Series 2004 Bonds will be deposited in the Series 2004 Bonds Reserve Account.

In the event of a transfer from the Series 2004 Bonds Reserve Account to the Series 2004 Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 2004 Bonds Reserve Account in an amount up to the Series 2004 Bonds Reserve Requirement, and the City shall replenish the Series 2004 Bonds Reserve Account with the first Net Revenues available after all required payments have been made in full in the order set forth in the Ordinance.

Application of Revenues

The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the City in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The City shall first, each month, pay from the Revenue Fund the current Operating Expenses.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2004 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2004 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2004 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund and in the Series 2004 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2004 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2004 Bonds Sinking Funds shall be used only for the purposes of paying principal of and interest on the Series 2004 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2004 Bonds Reserve Accounts therein, any amounts necessary to fund such Reserve Account to maintain the Series 2004 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with the Ordinance.

The City shall not be required to make any further payments into the Series 2004 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2004 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2004 Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional deposits into the Series 2004 Bonds Reserve Account sufficient to maintain the Series 2004 Bonds Reserve Account Requirement in accordance with the provisions of the Ordinance.

The payments into the Series 2004 Bonds Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Ordinance.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) for deposit in the Series 2004 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2004 Bonds Reserve Account below the Series 2004 Bonds Reserve Requirement or any withdrawal from the Series 2004 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2004 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2004 Bonds Reserve Account is less than the Series 2004 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2004 Bonds Reserve Account for deposit into the Series 2004 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2004 Bonds Reserve Account to an amount equal to the Series 2004 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2004 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2004 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2004 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2004 Bonds Reserve Requirement.

Amounts in the Series 2004 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2004 Bonds when due, when amounts in the Series 2004 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Repair and Replacement Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. No further payments shall be required to be made into the Repair and Replacement Fund when there shall have been deposited therein, as so long as there shall remain on deposit therein, the sum of $500,000.

Withdrawals and disbursements may be made by the City from the Repair and Replacement Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board of Directors, moneys in the Repair and Replacement Fund in excess of $500,000 may be transferred by the City to the respective redemption account and used for optional redemption or for purchase of Series 2004 Bonds. In the event of purchase of Series 2004 Bonds, the Issuer may direct the purchase of Series 2004 Bonds offered for sale at the lowest price below the redemption price of such Series 2004 Bonds.

(5) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The City may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

Enforcement of Collections

The City covenants in the Ordinance to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, or otherwise by the laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, discontinue water services to all delinquent users, until such delinquent amounts, plus reasonable interest and penalty charges thereon, have been fully paid. (See "THE SYSTEM - Customer Statistics.")

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to the Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the City a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so

long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the City prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the City, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of the Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien

on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in the Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the City then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

SYSTEM BACKGROUND

The System was created in 1935 by order of the City of Bluefield, Currently, the system serves 7,962 customers and a population of approximately 25,000 in the communities of Bluefield, WV, Tazewell, VA, Bluefield, VA, and Mercer County, WV. The system was issued permit number WV0023141 by the West Virginia Department of Environmental Protection on July 31, 2004 and permit number VA0025054 by the Virginia Department of Environmental Quality on February 24, 2004.

Description of the System

The wastewater collection system is comprised of approximately 132,000 linear feet of six (6) inch diameter gravity sewer line, 79,200 linear feet of eight (8) inch diameter gravity sewer line, 42,240 linear feet of twelve (12) inch diameter gravity sewer line, 10,560 linear feet of fifteen (15) inch diameter gravity sewer line, 10,560 linear feet of twenty-four (24) inch diameter gravity sewer line, 500 manholes, 1,500 cleanouts, fifteen (15) lift stations, three (3) simplex grinder pump stations, seven (7) duplex grinder pump stations, 500 linear feet of one and one half (1.5) inch diameter force main, 29,500 linear feet of four (4) inch diameter force main, 3,200 linear feet of eight (8) inch diameter force main, and all requisite appurtenances.

These facilities provide wastewater collection service to the City of Bluefield, Brush Fork Area, Town of Bluefield, Virginia and Tazewell County, Virginia. Approximately eighty percent of the flow is directed to the Board's Westside wastewater treatment plant, which is located in Tazewell County, Virginia. Approximately twenty percent of the flow is directed to the Board's Ada wastewater treatment plant in Mercer County, West Virginia.

The Tazewell County plant is identified as the Westside Wastewater Treatment Plant and is a 5.3 MGD activated sludge tertiary facility. The Westside Wastewater Treatment Plant is comprised of two mechanical screens; a course screen in the head works building and a fines screen in the preliminary building. The preliminary building also contains a 23,500 gallon aerated grit removal system. There are three primary clarifiers, each with a capacity of 197,440 gallons and a surface area of 2,025 square feet. The plant has an aeration tank system consisting of six cells with a total volume of 2,606,520 gallons. There are four secondary clarifiers, each with a volume of 296,730 gallons and a surface area of 2,826 square feet. There are three tertiary sand filters, each with a surface area of 896 square feet. The facility uses chlorine for disinfection with five chlorine contact tanks, each with a volume of 39,428 gallons. The facility also uses sulfur dioxide for de-chlorination. There is a gravity thickener with a capacity of 144,000 gallons, grease tank with a capacity of 9,000 gallons and four stabilization tanks with a

total capacity of 360,000 gallons. The plant uses two chlorine chemical oxidizers to aid in the stabilization of the sludge and two vacuum filters for sludge dewatering. The facility also has a 10,000 gallon capacity septic sludge receiving station and an 8,000,000 gallon storm holding facility.

The Mercer County plant is identified as the Ada plant, and is comprised of a mechanical bar screen, grit removal facilities, two (2) primary clarifiers with a volume of 86,900 gallons and a surface area of 970 square feet each, four (4) aeration chambers with a volume of 76,400 gallons each, two (2) secondary clarifiers with a volume of 52,900 gallons and a surface area of 590 square feet each, ultraviolet disinfection facilities, a post aeration chamber with a volume of 8,300 gallons, a gravity sludge thickener with a volume of 21,900 gallons, sludge conditioning equipment, two (2) sludge dewatering vacuum filters, a sludge holding tank with a volume of 24,700, two (2) holding tanks with a volume of 52,900 gallons each serves as a backup secondary clarifiers, as well as an emergency spill facility, and all requisite appurtenances. This plant serves approximately 6,000 people in the City of Bluefield and discharges into the East River approximately 18.6 miles from its mouth on the New River.

Sewer Usage

Year Ended June 30	Total Gallons
2004	592,189,849
2003	597,258,100
2002	600,584,239
2001	597,767,200
2000	593,856,740
1999	590,725,128

Customer Background

Customer Count by Type

Year Ended June 30	Domestic	Industrial	Public	Total
2004	7,958	3	1	7,962
2003	8,056	3	1	8,060
2002	8,048	3	1	8,052
2001	7,977	2		7,979
2000	7,375	3		7,368
1999	7,360			7,360

Major Users

Customer	Annual Average Revenues
1. Bluefield Beverage	$ 283,608
2. ARAMARK	$ 113,232
3. BMRC Hospital	$ 81,876
4. Gemark Services	$ 79,632

5. Flowers Bakery	$ 64,032
6. Holiday Inn	$ 51,456
7. St. Lukes Hospital	$ 49,848
8. Bluefield Housing	$ 46,428
9. City of Bluefield	$ 42,216
10. The Maples	$ 38,232

Sanitary Board Personnel

The Sanitary Board of Bluefield employs a total of 36 full-time employees and 8 part-time employees.

Rates

The current schedule of rates and charges has been in place since April 1, 2004. The following table sets for the current rates and charges.

Sewer System Rates and Charges
Rates per 1,000 Gallons

All Metered Customers and Bulk Sales		Current Rate
First 10,000	gallons used per month	$6.87
Next 115,000	gallons used per month	$6.31
Next 375,000	gallons used per month	$6.13
Over 500,000	gallons used per month	$4.58

Minimum Charges

No bill will be rendered for less than the following:

Per Month	$13.74

Service to other Systems

Rates per 1,000 gallons	$3.50

Reconnection Charge

Reconnection fee for delinquent customer only: $20.00

Service Connection Charge	$350.00

Sewer System Rates and Charges
Rates per 1,000 Gallons

Public Service Commission

The tariffs, rates, joint rates, tolls and schedules of municipality utilities are not subject to the general authority of the West Virginia Public Service Commission (the "PSC") to enforce, originate, establish, change and promulgate rates and charges. However, such rates and charges shall be just, reasonable, applied without unjust discrimination or preference, and based primarily on the costs of providing such services. Municipal utility rates and charges shall become effective not sooner than forty-five (45) days after adoption. Notice of intent to effect a rate change shall be specified on the monthly bill sent to the customers. Such rates and charges shall be filed with the PSC, together with such information showing the basis of such rates and charges and such other information as the PSC considers necessary.

The PSC shall review and approve or modify such rates upon the filing of a petition, within thirty (30) days of the adoption of the ordinance changing said rates or charges, (1) by any customer aggrieved by the changed rates or charges, who presents to the PSC a petition signed by not less than twenty-five percent (25%) of the customers served by a municipal utility or (2) by any customer or group of customers who presents a petition alleging discrimination between said customer or group of customers and other customers of the municipal utility, accompanied by evidence of discrimination. Upon the filing of a petition or sufficient showing of discrimination, the PSC shall suspend the adoption of the rate change contained in the ordinance for a period of one hundred twenty (120) days from the date said rates or charges would otherwise go into effect or until an order approving, disapproving or modifying the rate change is issued.

The PSC shall have general supervision of all municipal utilities. The PSC may ascertain the quality and quantity of water and shall have power to order such improvements as will best promote the public interests.

Billing and Collections

The City renders a monthly bill to commercial and other high volume customers of the System. Residential customers are billed once every three months. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 30 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A reconnection charge of $25.00 is required to reinstate a previously delinquent account.

The Sanitary Board has a policy of writing off accounts determined to be uncollectible. Also, the Sanitary Board has made a provision with respect to operating expenses on its balance sheets pertaining to the System for doubtful accounts, as follows:

Summary of Doubtful Accounts

Year Ended June 30	Provision for Doubtful Accounts	Accounts Receivable Written Off
2003	222,050	218,668
2002	80,032	4,175
2001	123,587	112,434

2000	228,835	55,027
1999	179,571	145,360

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The City Manager, City Finance Department and Department Heads prepare draft budgets for System operations within their respective departments. The City budget is compiled from these and other draft budgets by the City Manager and Finance Director and submitted to the Board of Directors on or before March 10th of each year. The budget is required by Charter to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year, detailed by office, department and agency in terms of their respective work programs, and the method of financing such expenditures. The total of proposed expenditures may not exceed the total estimated income. Prior to March 28th of each year, but following a public hearing, Board of Directors is required to adopt the budget. Supplemental appropriations, or a reduction of appropriations, may be made by Board of Directors upon certification by the City Manager of an excess or insufficiency of revenues.

No payment may be made except in accordance with appropriations set forth in the budget. As a matter of City practice, the City Manager and the Department Head approve purchase orders and payments are approved by the City Manager prior to disbursement of funds by the City Finance Department. Separate accounting records are kept by the Finance Department for the Water and Sewer Departments.

Method of Accounting

The City maintains its accounts pertaining to the system on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the City for the fiscal years ended June 30 of each of the past three years have been audited and are available for public inspection at the City.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense
(Fiscal Year Ended June 30)

	Budgeted 2005	Unaudited 2004	Audited 2003	Audited 2002	Audited 2001	Audited 2000	Audited 1999
Total Revenues	$4,172,100	$4,332,559	$4,423,124	$3,889,176	$3,633,199	$3,564,343	$3,685,621
Total Expenses	$4,526,415	$4,702,447	$4,744,328	$4,261,123	$4,224,089	$4,090,273	$4,325,085
Net Income (Loss)	($354,315)	($369,888)	($321,204)	($371,947)	($590,890)	($525,930)	($639,464)
Cash Available for Debt Service	$1,139,934	$1,207,375	$935,089	$1,059,472	$949,419	$1,066,674	$1,038,848
Debt Service	$918,692	$921,390	$924,087	$926,788	$929,327	$846,355	$848,344
Coverage	1.24	1.31	1.01	1.14	1.02	1.26	1.22
Depreciation Expense	$1,195,650	$1,189,491	$1,184,512	$1,199,130	$1,212,655	$1,261,006	$1,284,492
Interest Expense	$262,750	$279,256	$304,699	$312,460	$305,991	$325,062	$331,404
Amortization	$35,849	$33,870	$32,019	$30,288	$25,365	$23,666	$22,623

As noted above and in the audited financial statements of The Sanitary Board of Bluefield included in Appendix B, the City was in noncompliance with the covenants set forth in the ordinance that authorized the issuance of the Series 1992 Bonds for withdrawing funds from the Repair and Replacement Fund and for failing to make all required monthly transfers into the Repair and Replacement Fund. In addition, the Net Revenues of the System were insufficient to meet the debt service coverage requirement for the three (3) fiscal years ended June 30, 2001, 2002 and 2003. The City contends that the use of the funds on deposit in the Repair and Replacement Fund were for an allowable purpose, namely, payment of principal and interest on the Series 1992 Bonds when funds on deposit in the Series 1992 Bonds Sinking Fund were insufficient to make the required principal and interest payments as a result of insufficient revenues. The City received approval for a rate increase instituted on August 1, 2003 that has allowed it to meet the debt service coverage requirement on the Series 1992 Bonds.

Retirement System

All Sanitary Board employees, with the exception of part-time temporary employees, participate in the West Virginia Public Employees Retirement System, a cost sharing, multi-employer public employees' retirement system that covers employees of the State of West Virginia and is funded by contributions from participants and employers, and state appropriations, as necessary.

The Sanitary Board contributes 9.5% of covered employees' gross wages. The employee contributes 4.5% his or her wages. The Sanitary Board's contributions are shown below:

Year Ended June 30	Sanitary Board PERS Contribution
2004	$113,553
2003	$105,550
2002	$102,455
2001	$99,055

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each year the amounts payable from Revenues as principal of and interest on the Series 2004 Bonds and the Prior Bonds.

Year	Series 1992*	Series 1995	Series 1998	Series 2000A	Series 2004**	Total Debt Service
2005	$242,050	$417,359	$61,485	$16,906		$737,800
2006	239,100	417,359	61,485	$16,906		734,850
2007	240,450	417,359	61,485	$16,906		736,200
2008	240,750	417,359	61,485	$16,906		736,500
2009	-	417,359	61,485	$16,906		495,750
2010	-	417,359	61,485	$16,906		495,750
2011	-	417,359	61,485	$16,905		495,749
2012	-	417,359	61,485	$16,902		495,746
2013	-	417,359	61,485	$16,902		495,746
2014	-	417,359	61,485	$16,902		495,746
2015	-	417,359	61,485	$16,902		495,746
2016	-	-	61,485	$16,902		78,387
2017	-	-	61,485	$16,902		78,387
2018	-	-	61,485	$16,902		78,387
2019	-	-	61,485	$16,902		78,387
2020	-	-	61,485	$16,902		78,387
2021	-	-	30,743	$4,226		34,968
2022	-	-	-	-		0
2023	-	-	-	-		0
Total	$962,350	$4,590,946	$983,760	$274,686		$6,842,485

* Composed of 2008.

** Series 2004 Bonds Refund 2017 Term Bonds.

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following is a summary of certain provisions of the Ordinance. The summary does not purport to be a comprehensive statement of the terms and provisions thereof, for which reference is made to the complete text of the Ordinance, copies of which may be obtained from the Underwriter.

Application of Series 2004 Bond Proceeds

All interest accrued on Series 2004 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2004 Bonds Sinking Fund and applied to payment of interest on the Series 2004 Bonds at the first interest payment date.

The amount of Series 2004 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the portion of the Series 1992 Bonds consisting of the 2017 Term Bond, which amount shall be set forth in the Prepayment Agreement, shall be deposited in the Prepayment Fund.

The amount of Series 2004 Bond Proceeds which, together with other moneys of the City dedicated to such purpose, is equal to the Series 2004 Bonds Reserve Account Requirement shall

be remitted to the Bond Commission for deposit in the Series 2004 Bonds Reserve Account, provided that, to the extent the Series 2004 Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 2004 Bond Proceeds shall be deposited in the Series 2004 Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2004 Bonds Reserve Account Requirement.

The balance of the proceeds of the Series 2004 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2004 Bonds and miscellaneous costs of refunding the 2017 Term Bond at the written direction of the City. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with the Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 90 days of the Closing Date, such unapplied proceeds shall be transferred by the City and deposited in the Series 2004 Bonds Sinking Fund established in Section 4.02 of the Ordinance and applied to the next ensuing payment of interest on the Series 2004 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there is created a lien upon such moneys until so applied in favor of the Holders of the Series 2004 Bonds from which such proceeds are derived.

Application of System Revenues

The Gross Revenues derived from the operation of the System and all parts thereof are to be deposited in the Revenue Fund established with the Depository Bank.

System Revenues; Flow of Funds

The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the City in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The City shall first, each month, pay from the Revenue Fund the current Operating Expenses.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2004 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2004 Bonds Sinking Fund shall be reduced by the amount of accrued

interest on the Series 2004 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund and in the Series 2004 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2004 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2004 Bonds Sinking Funds shall be used only for the purposes of paying principal of and interest on the Series 2004 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2004 Bonds Reserve Accounts therein, any amounts necessary to fund such Reserve Account to maintain the Series 2004 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with the Ordinance.

The City shall not be required to make any further payments into the Series 2004 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2004 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2004 Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional deposits into the Series 2004 Bonds Reserve Account sufficient to maintain the Series 2004 Bonds Reserve Account Requirement in accordance with the provisions of the Ordinance.

The payments into the Series 2004 Bonds Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Ordinance.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) for deposit in the Series 2004 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2004 Bonds Reserve Account below the Series 2004 Bonds Reserve Requirement or any withdrawal from the Series 2004 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2004 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2004 Bonds Reserve Account is less than the Series 2004 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2004 Bonds Reserve Account for deposit into the Series 2004 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2004

Bonds Reserve Account to an amount equal to the Series 2004 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2004 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2004 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2004 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2004 Bonds Reserve Requirement.

Amounts in the Series 2004 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2004 Bonds when due, when amounts in the Series 2004 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Repair and Replacement Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. No further payments shall be required to be made into the Repair and Replacement Fund when there shall have been deposited therein, as so long as there shall remain on deposit therein, the sum of $500,000.

Withdrawals and disbursements may be made by the City from the Repair and Replacement Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board of Directors, moneys in the Repair and Replacement Fund in excess of $500,000 may be transferred by the City to the respective redemption account and used for optional redemption or for purchase of Series 2004 Bonds. In the event of purchase of Series 2004 Bonds, the Issuer may direct the purchase of Series 2004 Bonds offered for sale at the lowest price below the redemption price of such Series 2004 Bonds.

(5) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The City may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the

System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

Investments

The City shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by the Ordinance in Qualified Investments, as defined in the Ordinance, to the fullest extent possible under applicable laws, the Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in Section 5.01 of the Ordinance.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The City may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under Section 5.01 of the Ordinance:

(A) Qualified Investments acquired for the Repair and Replacement Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The City shall, or shall cause the Bond Commission, at least annually to transfer from the Series 2004 Bonds Reserve Account and the Series 2004 Bonds Sinking Fund to the City, any earnings on the moneys deposited therein and any other funds in excess of the Series 2004 Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2004 Bonds Reserve Account an amount at least equal to the Series 2004 Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, including accrued interest. If amounts on deposit in the Series 2004 Bonds Reserve Account shall, at any time, be less than the Series 2004 Bonds Reserve Requirement, the Bond Insurer shall be notified immediately of such deficiency and such deficiency shall be made up from the first available Net Revenues after required deposits to the Series 2004 Bonds Sinking Fund and other sinking funds and payment of operating expenses and otherwise in accordance with the Ordinance.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission and pledged solely to the payment of interest on the Series 2004 Bonds.

(E) Notwithstanding the foregoing, all moneys deposited in the Series 2004 Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

General Covenants

Enforcement of Collections. The City will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Rates. Prior to the issuance of the Series 2004 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer has covenanted and agreed that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year and all payments required into all funds and accounts of the Bonds for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the City shall not reduce the rates or charges of the System set forth in the rate ordinance enacted by the Issuer on June 10, 2003.

Operation and Maintenance. The City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner,

making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in the Ordinance.

Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially ass a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by the Ordinance. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2004 Bonds Sinking Fund and the sinking funds for the Prior Bonds, and otherwise as prescribed by Section 6.06 of the Ordinance. Any balance remaining after such defeasance shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations if the City payable out of the Net Revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserve the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the City shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the City may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the City shall first, determine upon consultation with the Consulting Engineers, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, if it be so advised, by resolution duly adopted, approve and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay the Series 2004 Bonds and the Prior Bonds, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in principal amount of Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to the Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the City a written statement by the Independent Certified

Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(4) The Bonds then Outstanding;

(5) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(6) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the City prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the City, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of the Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in the Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the City then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever payable from the Net Revenues of the System, which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with, the Bonds, provided that additional Bonds on parity with the Bonds may be issued as provided in the Ordinance. See "ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS-Additional Parity Bonds." All obligations issued by the City payable from the Net Revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from Net Revenues and in all other respects, to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to pari passu additional bonds, being on parity with the lien of the Bonds and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in the Ordinance, or upon the System or any part thereof.

Insurance and Bonds. The City will carry, with a reputable insurance carrier or carriers, procure and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the City will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the City from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to

protect the City from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the City and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, betterments or improvements to the System in compliance with West Virginia Code Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the City.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the City.

F. FIDELITY BONDS will be provided as to every officer and employee of the City having custody of the Gross Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms determined to be adequate by the City. The City shall verify such insurance prior to commencement of construction. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builders' risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the construction project, such insurance to be payable to the order of the City, the prime contractor and all subcontractors, as their interests may appear, during construction of the project in the full insurable value thereof. In time of war, the City shall also carry in such amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided in the Ordinance for the Depreciation Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is deemed necessary by the City, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

The City shall require all contractors engaged in the construction project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the project covered by the particular contract as security for the faithful performance of such contract and shall verify such bonds prior to the commencement of construction.

Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail himself of the facilities or services

provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues derived from operation of the System.

No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever, for the providing of any services which would compete with services provided by the System.

Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any registered owner of the Bonds shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles to the extent allowable under and in accordance with the rules and regulations of the PSC and the Act. The City shall maintain separate control accounting records. Subsidiary records as may be required shall be kept in the manner and on the forms, books and along with other bookkeeping records as prescribed by the City. The City shall prescribe and institute the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Board of Directors shall be reported to such agent of the City as the Board of Directors shall direct.

The Board of Directors shall file with the Underwriter and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Underwriter and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System.

(B) A statement of account balances in the Sinking Fund accounts provided for in the Ordinance and status of said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be audited by independent certified public accountants (or if required by State law, by the State Tax Department) and shall mail upon request, and make available generally, the report of said independent certified public accountants (or State Tax Department), or a summary thereof, to any registered owner of the Bonds, and shall file said report with the Underwriter.

Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder, and an authorized officer of the City shall deliver his certificate, based upon this covenant, with regard thereto to the Underwriter.

Operating Budget. The Board of Directors shall annually, at least forty-five (45) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget until the Board of Directors shall have approved such expenditure by a resolution duly adopted. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Underwriter and shall make available such budgets and resolutions to the Underwriter and to any registered owner of the Bonds or anyone acting for and in behalf of such registered owner who requests the same.

Amendment. No materially adverse modification or amendment to the Ordinance or any supplemental resolution may be made without the written consents of the registered owners of sixty percent in aggregate principal amount of the Series 2004 Bonds then outstanding, provided that no modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2004 Bond without the express written consent of the registered owner thereof. No amendment or modification shall be made that would reduce the percentage of Series 2004 Bonds required for consent to any such amendment or modification. No amendment that adversely affects the security for the Series 2004 Bonds or the rights of the Insurer may be effected without the consent of the Insurer, such consent not to be unreasonably withheld.

Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the registered owners of all Series 2004 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the respective pledges of the Net Revenues and other moneys and securities pledged under the Ordinance, and all covenants, agreements and other obligations of the City on behalf of the registered owners of the Series 2004 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2004 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Series 2004 Bonds shall, prior to the maturity thereof, be deemed to have been paid if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or an escrow trustee at the same or earlier time, shall be sufficient, to pay when due the principal of and interest due and to become due on the Series 2004 Bonds on and prior to the maturity dates thereof. Neither securities nor moneys so deposited with the Bond Commission or an escrow trustee nor principal or interest payments on any such securities shall be withdrawn or

used for any purpose other than, and shall be held in trust for, the payment of the respective principal of and interest on the Series 2004 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the Series 2004 Bonds on and prior to such maturity dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. With respect to defeasance, the term securities includes only U.S. Treasury Certificates, Notes or Bonds (including U.S. Treasury Certificates, State and Local Government Series—"SLGS"), direct obligations of the U.S. Treasury that have stripped by the Treasury itself, CATS, TIGRS and similar securities and obligations issued by agencies and backed by the full faith and credit of the U.S.

Default and Remedies

Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2004 Bonds;

B. If default occurs in the City's observance of any of the covenants, agreements or conditions on its part in the Ordinance or any supplemental resolution or in the Series 2004 Bonds, and such default shall have continued for a period of thirty (30) days after the City shall have been given written notice of such default, requiring the same to be remedied, by the Bond Commission, the Depository Bank, The Registrar, the Paying Agent or any registered owner of the Bonds;

C. If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

D. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Remedies. Upon the happening and continuance of any Event of Default, any registered owner of the Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights, and, in particular (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceedings enforce all rights of the registered owners of the Bonds, including the right to require the City to perform its duties under the Act and the Ordinance; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the registered owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Ordinance or the rights of the registered owners of the Bonds, provided that all rights and remedies of the Holders of the Series 2004 Bonds shall be on parity with the Holders of the Prior Bonds.

Appointment of Receiver. If there be any Event of Default existing and continuing, any registered owner of the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, fees and other charges sufficient to provide for the payment of operating expenses of the System, the payment of the Bonds and the deposits into the funds and accounts established with respect to the Bonds and to apply such rates, fees, charges or other Gross Revenues in conformity with the provisions of the Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, maintain, manage and control such facilities and in the name of the City exercise all the rights and powers of the City with respect to said facilities as the City itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of the Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Net Revenues of the System shall have been paid and made good, and all defaults under the provisions of the Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any registered owner of the Bonds shall have the same right to secure the further appointment of a receiver.

Such receiver, in the performance of the powers conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the order and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing contained in the Ordinance shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth in the Ordinance.

Any receiver appointed as provided in the Ordinance shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and registered owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage, or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the City and registered owners of the Bonds, and the curing and making good of any default under the provisions of the Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

TAX MATTERS

In the opinion of Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2004 Bonds is excludable from gross income of the holders thereof for federal income tax purposes and will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for purposes of computing the alternative minimum tax on corporations, such interest is taken into account in determining adjusted current earnings.

The City has designated the Series 2004 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. In the opinion of Bond Counsel, the Series 2004 Bonds are "qualified tax-exempt obligations" and the provisions of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2004 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2004 Bonds is deductible for federal income tax purposes.

The Code imposes certain requirements as a condition to exclusion from gross income of the interest on the Series 2004 Bonds for federal income tax purposes, including a requirement that the City rebate to the United States Treasury certain arbitrage earnings. The City will covenant or certify that it will comply with all applicable requirements of the Code. Failure of the City to comply with such requirements could result in interest on the Series 2004 Bonds being included in gross income for federal income tax purposes from the date of issue.

Ownership of the Series 2004 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, S corporations with "excess net passive income," individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2004 Bonds.

Bond Counsel is further of the opinion that under the laws of the State of West Virginia, as presently written and applied, the Series 2004 Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2004 Bonds are subject to the unqualified approving opinion of Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. John W. Feuchtenberger, Bluefield, West Virginia, as counsel for the City, will pass upon certain legal matters for the City. Douglas G. Campbell, Tazewell, Virginia, as counsel for the Sanitary Board, will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2004 Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2004 Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2004 Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2004 BONDS - General."

UNDERWRITING

The Series 2004 Bonds are being purchased by the Underwriter named on the cover of this Official Statement. The Purchase Contract provides that the Underwriter will purchase all the Series 2004 Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriter's discount of $_____ plus accrued

interest. The obligation to make such purchase is subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The Underwriter may change the initial public offering prices from time to time. The Underwriter may offer and sell Series 2004 Bonds to certain dealers (including dealers depositing Series 2004 Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements of The Sanitary Board of Bluefield as of and for the twelve-month period ended June 30, 2003, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2003, dated December 12, 2003, of Sullivan, Ware & Hall, PLLC, certified public accountants.

CONTINUING DISCLOSURE

The City has agreed in the Ordinance to execute and deliver contemporaneously with the issuance of the Series 2004 Bonds a certificate or agreement to undertake for the benefit of the Registered Owners of the Series 2004 Bonds to provide certain financial and operating information of the System (the "Annual Information") not later than one hundred eighty (180) days following the end of the City's fiscal year, commencing in 2004, and to provide the Annual Information for delivery to each National Recognized Municipal Securities Information Repository, either directly, or if permitted, to the Central Post Office, and any State Information Depository and to provide notice of the occurrence of the enumerated events to each National Recognized Municipal Securities Information Repository, either directly, or if permitted, to the Central Post Office, and any State Information Depository or the Municipal Securities Rulemaking Board ("MSRB") and to any State Depository.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to the Central Post Office for delivery to each National Recognized Municipal Securities Information Repository, or the MSRB, and to any State Information Depository of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Series 2004 Bonds. Registered Owners may contact the City Manager of the City of Bluefield at 200 Rogers Street, Bluefield, West Virginia 24701 for more information.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2004 Bonds. The City has authorized the execution and distribution of this Official Statement.

CITY OF BLUEFIELD, WEST VIRGINIA

By: _____
Mayor

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GENERAL INFORMATION REGARDING THE CITY OF BLUEFIELD

Founded in 1889, the City of Bluefield, West Virginia (the "City") is situated within Mercer County along the southern West Virginia-Virginia boarder. Historically, coal was responsible for the area's early growth, prosperity and economic base. Today, coal, industrial parks, banking, shopping, health and services, and tourism are the key to the growth of the greater Bluefield area. Highways, bus lines, rail and air service, provide easy access to and from the Bluefield area. The intersection of I-77, which runs from Cleveland, OH to Columbia, SC, and US Route 460 are just minutes away connecting the greater Bluefield area with major routes for tourism and shipping. I-77 also provides close access to Interstates 81 and 64.

Population

The next two tables present population information for Mercer County and the City.

Mercer County, WV Population

Census	Population	% Change
July 2002	62,092	.2%

Source: US Bureau of the Census

Bluefield, WV Population Estimates

Census	Population	% Change
July 2002	11,190	-2.3%

Source: US Bureau of the Census

Bluefield, WV 2000 Census Data

Total population: 11,451

Median Age: 42.2

18 years and over: 8993
21 years and over: 8540
62 years and over: 2797
65 years and over 2463

Total Households:5038

Owner-occupied housing: 3339 (66.28%)
Renter-occupied housing: 1699 (33.72%)

Source: US Bureau of the Census, 200_ Census

Administrative Staff

The City of Bluefield's Administrative staff includes the following:

City Manager

The City Manager is chosen by the Council solely on the basis of his/her executive and administrative qualifications. The City Manager is the administrative head of the municipal government and is responsible for the efficient administration of all departments. The City Manager is appointed for an indefinite period.

City Attorney

The City Attorney is appointed by the Council and serves as the legal adviser of the City and all its officers in all matters arising and in which legal proceedings may be taken. The City Attorney prosecutes all suits, actions and proceedings instituted on behalf of the City and defends all suits and actions against the City. When requested, the City Attorney gives written opinions to the Mayor and Council regarding such legal questions that may affect the City's interest.

City Recorder

It is the duty of the City Recorder to keep a properly indexed journal of the proceeding of the Council and preserve the records of the City. In the absence of the Mayor, the City Recorder exercises the functions of the Mayor except at meetings of the Council. The City Recorder is the Chief Election Official for the City.

City Engineer/Planner

The City Engineer/Planning Department currently employs a total of 6 employees. These employees include the following: Engineer/Planner, Building Code Official, Building Inspector, Code Enforcement Officer, and two Secretaries.

Finance Director

The Finance Director performs a variety of complex administrative and technical accounting and finance functions in maintaining the fiscal records of the City. The Finance Director is responsible for accounts receivable and payable and maintains all City banking records. The Finance Director also provides leadership and direction in the development of short and long-term range plans.

Police Chief

The Police Chief has the general control, supervision and authority over all the Police Officers and civilian staff employed within the Department. The Police Chief plans and implements law enforcement programs for the City in order to carry out the policies and goals of City Management and Council. The Police Chief develops policies and procedures for the Department and ensures that laws and ordinances are enforced and that the public peace and safety are maintained.

Fire Chief

The Fire Chief performs technical, administrative, supervisory and complex fire service work in directing the full activities of the Fire Department. The Fire Chief makes recommendations for the establishment and maintenance of an adequate fire defense and responds to and takes command of fire fighting personnel at major fires. The Fire Chief is also responsible for the enforcement of the City's Fire Prevention Code.

Public Works Superintendent

The Public Works Superintendent performs complex supervisory, administrative and professional work in planning, organizing, directing, and supervising the Public Works Department, including environmental, street, solid waste, traffic control, recycling and other public works projects and programs. The Public Works Superintendent plans, organizes, coordinates, supervises and evaluates programs, plans, services, staffing, equipment and infrastructure of the Public Works Department.

Utilities Director

The Utilities Director performs a variety of skilled, technical, supervisory, and administrative work in the planning, construction, operation, repair, maintenance, and replacement of municipal water distribution and treatment systems, and wastewater collection and treatment systems. The Utilities Director plans, schedules and implements construction, maintenance, operation and construction activities designed to provide quality water distribution and wastewater collection and treatment services for the City. The Utilities Director also oversees the analysis of water, wastewater, and effluent samples to provide data for the efficient operation of the Water and Waste Water Treatment Plants.

Election of Officers

The Mayor and four City Directors are elected for four (4) year terms. The next City election will be held on the second Tuesday in June 2005. All current terms expire on July 31, 2005.

Education

There are seven (7) public schools to serve students living in the City of Bluefield. These include one high school, 1 middle school and 5 elementary schools. All of these schools are run by the Mercer County Board of Education. Besides the 7 public schools, there is one private school located in the City that serve both City and County residents. This school is the Valley View Adventist School.

Employment

The top seven employers for the City of Bluefield are:

Flowers Baking Co. of West Virginia	(Consumer; Food)
Wisdom Media Group	(Advertising)
Rish Equipment	(Equipment Dealership)
Norfolk Southern	(Transportation)
Echostar	(Satellite Communications)
Frontier	(Telecommunications)
Bluefield Regional Medical Center	(Healthcare)
Mercer County Board of Education	(County Government-Education)

Parks and Recreation

The City of Bluefield maintains 13 parks and playgrounds including the East River Mountain Scenic Overlook. The city's largest park, 40 acres, includes a 1.3 mile track, a 5.5 mile hiking/biking system, 2 softball diamonds, 2 little league fields, 3 basketball courts, 9 tennis courts, a sand volleyball court, an equestrian ring, four picnic shelters and the legendary Ridgerunner Mini train. In addition, the park houses a multipurpose complex which includes the city auditorium and youth center.

Public Safety

The Police Department currently has a total of 47 employees. These employees include: 28 sworn officers, 6 support staffers, 6 crossing guards, 5 dispatchers, 1 parking enforcement officer and 1 animal control officer.

GENERAL INFORMATION REGARDING MERCER COUNTY, WEST VIRGINIA

Mercer County is located in the southern tier of counties in West Virginia that form the border with Virginia. It was founded almost a quarter of a century before the Civil War, incorporated by an Act of the Virginia Assembly and named for General Hugh Mercer, a Revolutionary War hero.

Nestled in the heart of the Mid-Atlantic region, Mercer County is approximately 100 miles from the State Capitol in Charleston. Bluefield and Princeton are the largest cities in the county with Princeton being the county seat.

Government

Mercer County government is responsible for numerous and varied functions, these functions are administered by local elected officials. The government of Mercer County plays a very large role in delivering public services to the citizens in their county, i.e.: police protection, health services, recreation, fire protection, flood protection, ambulances, senior citizen programs and transportation.

Employment

Many businesses have found a home in Mercer County, from major global industries to small entrepreneurships. Primary and secondary wood industries, mining support industries, telecommunications and hundreds of other companies have profited from the county's abundant energy resources, skilled labor force and proximity to major markets.

Major Employers

Mercer County Board of Education
Princeton Community Hospital
Concord College
Community Action of SE West Virginia, Inc.
West Virginia Department of Highways
Princeton Hardwoods
Bluefield Regional Medical Center, Inc.
Echosphere Corporation
Wal-Mart Associates, Inc.
St. Luke's Hospital
Bluefield State College

Transportation

Mercer County is the transportation center in southern West Virginia, with the city of Princeton situated near the third busiest interstate interchange in the state. Over 50,000 vehicles pass through the county on a daily basis.

Interstate 77 is a major north-south route, which enters West Virginia at Bluefield from Virginia to the south and continues north to Princeton where it becomes the West Virginia Turnpike and continues to Charleston. To the north, I-77 provides an ideal link with such major population centers as Cleveland and via I-79 to Pittsburgh. I-77 runs from Cleveland to Columbia, South Carolina.

Interstate Highway Servicing Area: I-77
US Routes: 460,52,19
WV Routes: 290,123,112,104,102,71,20 and 10
Available Industrial Parks: 2
Airports: Mercer County Airport (Bluefield)
Bus Service: Yes
Parcel Service: Yes
River, Nearest Navigable: Kanawha River (approx. 55 from Mercer County)

Utilities and Services

Electricity: American Electric Power
Cellular Service: Yes
Telephone Service: Verizon, Citizens Telecom
Natural Gas: Bluefield Gas, Allegheny Power

Climate

Temperature (Degrees F) Mean Annual Average: 52
January Averages: *High* 39 *Low* 23
July Averages: *High* 78 *Low* 62

Long Term Precipitation (inches):
January: 2.51
July: 4.23
Annual: 38.4

Mean Annual Snowfall Range (inches): 35-45

Source: Development Authority of Mercer County

Economic Indicators

Per Capita Income (1999)	$21,256
Total Personal Income (1999)	$1,363,162,000

Employment and Wages Covered by Unemployment Compensation Programs

Employment, Annual Average 2000	22,537
Total Wages, Annual 2000	$548,586,582
Annual Wage, Annual Average 2000	$24,341
Weekly Wage, Annual Average	$468.11

Source: Bureau of Employment Programs

Mercer County Population and Age

Total population	62,980
Male	30,021
Female	32,959
Ages 14 and Below	10,888
Ages 15 to 19	4,206
Ages 20 to 24	4,345
Ages 25 to 34	7,850
Ages 35 to 44	8,651
Ages 45 to 54	9,468
Ages 55 to 64	6,603
Ages 65 and older	10,969
Median Age	40.2
White	58,295
Black or African American	3,668
American Indian or Alaska Native	122
Asian	288
Native Hawaiian and Other Pacific	8
Some other race	66
Two or more races	533

Source: US Census, 2000

Mercer County, WV Population by Decades

Year	Population	Population Change	Annual % Change
1960	68,206	-6,807	-0.9
1970	63,206	-5,000	-0.8
1980	73,942	10,736	1.6
1990	64,980	-8,962	1.3
2000	62,980	-2,000	-0.3

Source: U.S. Census, 2000

HOUSEHOLDS

Total Households	26,509
Family Households	17,943
Non-Family Households	8,566
Persons 65 and Over, Living Alone	3,598
Average Household Size	2.33

HOUSING

Total Housing Units	30,143
Occupied Housing Units	26,509
Owner Occupied Units	20,368
Renter Occupied Units	6,147

Education

The Mercer County public school system is made up of 17 elementary schools, 2 middle schools and 4 high schools (Bluefield, Princeton, Pikeview and Montcalm). In the year 2000, eleven thousand children were enrolled in the county's public schools. Only two private and parochial schools are within the county. Roughly 250 Mercer County children are enrolled in those schools. Two colleges, Bluefield State College and Concord College, make up the County's higher education institutions.

Recreation

The region that makes up Mercer County and its neighbor, Summers County, are full of leisure activities including arts and crafts, theater productions, skiing, hunting, fishing, golf and popular state parks, such as Pinnacle Rock State Park, Bluestone State Park and Pipestem Resort State Park.

Among local sporting attractions is Appalachian League baseball which includes the Bluefield Orioles and the Princeton Reds – farm clubs of the major league Baltimore Orioles and Cincinnati Reds.

Facilities

Auditoriums	15	Stadiums	3
Baseball-Softball Fields	4	Swimming Pools	6
Basketball Courts – indoor	15	Basketball Courts – outdoor	10
Tennis Courts – indoor	3	Tennis Courts – outdoor	10
County Clubs	3	Golf Courses	3
Parks	4	Playgrounds	10

Employment and Unemployment Statistics

Labor Force Statistics

	1999	2000	2001	2002	2003
Civilian Labor Force	28,650	28,560	28,810	27,720	27,060
Total Employment	27,250	27,270	27,530	26,270	25,250
Total Unemployment	1,390	1,290	1,280	1,450	1,540
Unemployment Rate	4.9	4.5	4.5	5.2	5.7

Nonfarm Payroll Employment Industry

	1999	2000	2001	2002	2003
Total Non-Farm Payroll	24,950	24,740	24,740	24,620	24,370
Goods Producing	2,870	2,790	2,790	2,470	2,280
Mining	50	50	50	50	40
Coal Mining	0	10	10		
Construction	1,060	1,010	910	850	820
Manufacturing	1,760	1,730	1,690	1,580	1,420
Durable Goods	1,410	1,380	1,310		
Nondurable Goods	350	350	380		
Service Producing	22,080	21,950	21,830	7,700 ?	8,050?
Transportation & Public Utilities	1,810	1,650	1,660	790	820
Trade, Wholesale & Retail	6,370	6,410	6,160	4,240	4,190
Finance, Insurance & Real Estate	830	820	790	840	830
Services	7,910	7,990	8,140	2,770	2,620
Government	5,160	5,080	5,070	5,060	5,140
Federal	310	330	300	300	280
State and Local	4,850	4,750	4,770	4,770	4,860

Source: Bureau of Employment Programs

Nearby Metropolitan Cities

Charleston, WV	103 miles northwest
Huntington, WV	153 miles northwest
Roanoke, VA	96 miles east
Cincinnati, OH	300 miles northwest
Washington, DC	238 miles northeast
Beckley, WV	51 miles north

FINANCIAL STATEMENTS OF THE SANITARY BOARD OF BLUEFIELD

THE SANITARY BOARD OF BLUEFIELD

FINANCIAL STATEMENTS
WITH ADDITIONAL INFORMATION

YEARS ENDED JUNE 30, 2003 AND 2002

THE SANITARY BOARD OF BLUEFIELD
BALANCE SHEETS
JUNE 30, 2003 AND 2002

ASSETS

	2003	2002
CURRENT ASSETS		
Cash and cash equivalents	$ 94,633	$ 60,089
Accounts receivable, net of an allowance for doubtful accounts of $222,050 and $80,032 in 2003 and 2002, respectively	777,213	878,390
Prepaid expenses	58,932	65,436
TOTAL CURRENT ASSETS	930,778	1,003,915
RESTRICTED ASSETS		
Sinking Fund (cash equivalents)	432,603	425,012
Reserve account (cash equivalents)	901,306	894,319
Cash - construction and repair and replacement (cash equivalent)	271,845	510,331
Cash - revolving loan fund (cash equivalent)	8,241	8,193
TOTAL RESTRICTED ASSETS	1,613,995	1,837,855
UTILITY PLANT, PROPERTY AND EQUIPMENT, AT COST:		
Construction in progress	203,645	119,928
Utility plant, property and equipment	40,250,468	39,787,220
Less: Accumulated depreciation	(24,012,247)	(22,861,446)
NET UTILITY PLANT, PROPERTY AND EQUIPMENT	16,441,866	17,045,702
OTHER ASSETS		
Deferred debt expense and unamortized bond discount, net	414,595	446,613
Deposits	9,373	8,813
TOTAL OTHER ASSETS	423,968	455,426
TOTAL ASSETS	$ 19,410,607	$ 20,342,898

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

THE SANITARY BOARD OF BLUEFIELD
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN RETAINED (DEFICIT)
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
OPERATING REVENUE		
Charges for sewer and penalties	$ 3,883,127	$ 3,735,921
OPERATING EXPENSES		
Personal services	1,172,371	1,084,486
Fringe benefits	412,608	372,585
Regulatory commission expense	11,275	7,973
Supplies	502,143	489,660
Billing, collecting and accounting	87,437	73,031
General expenses	5,049	24,282
Maintenance	281,158	258,742
Insurance	93,124	81,888
Pensions	105,550	102,454
Rent	11,748	11,748
Bad debt expense	218,668	4,175
Depreciation	1,184,512	1,199,130
Professional services	214,924	132,099
Transportation	104,043	76,122
TOTAL OPERATING EXPENSES	4,404,610	3,918,375
OPERATING (LOSS)	(521,483)	(182,454)
NON-OPERATING REVENUES (EXPENSES)		
Grant revenue	449,748	58,551
Investment income	26,708	54,357
Interest and administrative fees on bonds	(304,699)	(312,460)
Amortization	(32,019)	(30,288)
Other revenues	63,541	40,347
NET NON-OPERATING REVENUES (EXPENSE)	203,279	(189,493)
NET (LOSS)	(318,204)	(371,947)
RETAINED (DEFICIT), BEGINNING	(10,984,621)	(10,612,674)
RETAINED (DEFICIT), ENDING	$ (11,302,825)	$ (10,984,621)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

NOTE 4 - BONDS PAYABLE

Bonds payable at June 30, 2003 and 2002, respectively consist of the following:

	2003	2002
Sewer Revenue Bonds, Series 2000	$ 272,458	$ 287,810
Sewer Revenue Bonds, Series 1998	1,004,976	1,060,809
Sewer Refunding Revenue Bonds, Series 1995	4,965,625	5,362,875
Less: Unamortized deferred loss	(52,317)	(56,617)
Sewer Refunding Revenue Bonds, Series 1992	3,945,000	4,095,000
TOTAL BONDS PAYABLE	10,135,742	10,749,877
LESS: CURRENT PORTION	(628,434)	(618,435)
LONG-TERM PORTION	$ 9,507,308	$ 10,131,442

On July 13, 2000, the Sanitary Board issued Sewerage Revenue Bonds, Series 2000. The Series 2000 Bond issue totaled $307,000 (par value) with a stated interest rate of 0% (1% administrative fee). The Series 2000 Bond issue proceeds were used for inflow and infiltration repairs to the sewerage system.

Issue costs of the Series 2000 Bond issue totaled $21,500 and are being amortized over the life of the bonds.

The Series 2000 Bonds are payable solely from and secured by the net revenues derived from the operation of the Sanitary Board's sewerage system and from moneys in the Sinking Fund and Reserve Account.

On April 28, 1999, the Sanitary Board issued Sewerage Revenue Bonds, Series 1998. The Series 1998 Bond issue totaled $1,116,645 (par value) with a stated interest rate of 0% (1% administrative fee). The Series 1998 Bond issue proceeds were used to acquire a portion of Bluewell Public Service District sewer system, and construct certain lines, pump stations and other facilities to connect with the sewer system acquired.

Issue costs of the Series 1998 bond issue totaled $44,604 and are being amortized over the life of the bonds.

The Series 1998 Bonds are payable solely from and secured by the net revenues derived from the operation of the Sanitary Board's sewage system and from moneys in the Sinking Fund and Reserve Account.

NOTE 4 - BONDS PAYABLE (CONTINUED)

The annual debt service requirements to maturity for bonded debt, as of June 30, 2003 are as follows:

Year Ending June 30	Revenue Bonds Principal	Revenue Bonds Interest and Administrative Fee
2004	$ 628,434	$ 291,740
2005	638,434	277,843
2006	653,434	263,245
2007	663,434	247,596
2008	678,434	231,248
2009 - 2013	3,627,170	885,209
2014 - 2018	3,089,045	365,598
2019 - 2023	209,674	3,355
2024 - 2028	-0-	-0-
Totals	$ 10,188,059	$ 2,565,834

NOTE 5 - UNAMORTIZED BOND DISCOUNT AND ISSUANCE COSTS

Unamortized bond discount and issuance costs represent the following on the issuance of the $4,985,000 Sewer Refunding Revenue Bonds, Series 1992, the $7,945,000 Sewer Revenue Bonds, Series 1995, the $1,116,645 Sewer Revenue Bonds, Series 1998, and the $307,000 Sewer Revenue Bonds, Series 2000.

	Series 2000	Series 1998	Series 1995	Series 1992	Total
Original discount and issuance costs	$ 21,500	$ 44,604	$ 40,577	$ 545,119	$ 651,800
Less: Accumulated amortization at June 30, 2003	(2,150)	(4,460)	(15,893)	(214,702)	(237,205)
Balance at June 30, 2003	$ 19,350	$ 40,144	$ 24,684	$ 330,417	$ 414,595

Unamortized bond discount and issuance costs are being amortized on the interest method, or straight line method if not materially different, over the terms of the bonds. Amortization expense charged to operations in 2003 and 2002 was $32,019 and $30,288, respectively.

NOTE 6 - INCOME TAXES

The Sanitary Board is a non-profit Organization and is exempt under the Internal Revenue Service Code (501). Therefore, a provision for income tax has not been provided for in the accompanying financial statements.

NOTE 7 - RETIREMENT PLAN (CONTINUED)

Contributions required by State statute (Sanitary Board's):

Fiscal Year	Required Contribution	Percentage Contributed
2001	$ 99,055	100%
2002	102,455	100%
2003	105,550	100%

Trend information showing the progress of the system in accumulating sufficient assets to pay benefits when due is presented in their annual financial report. Copies can be obtained from the State.

NOTE 8 - UTILITY PLANT, PROPERTY AND EQUIPMENT

The following is a summary of utility plant, property and equipment at cost, less accumulated depreciation:

	2003		2002	
	Cost	Book Value	Cost	Book Value
Construction in progress		$ 203,645		$ 119,928
Land		482,166		482,166
Utility plant	$ 19,534,625		$ 19,479,030	
Accumulated depreciation	(8,031,025)	11,503,600	(7,453,412)	12,025,618
Equipment	19,234,158		18,877,889	
Accumulated depreciation	(15,123,918)	4,110,240	(14,588,163)	4,289,726
Transportation equipment	620,420		545,535	
Accumulated depreciation	(491,531)	128,889	(459,830)	85,705
Office equipment	379,099		402,600	
Accumulated depreciation	(365,773)	13,326	(360,041)	42,559
NET UTILITY PLANT, PROPERTY AND EQUIPMENT		$ 16,441,866		$ 17,045,702

Depreciation expense charged to operations was $1,184,512 and $1,199,130 in 2003 and 2002, respectively.

NOTE 14 - NOTE PAYABLE

The Sanitary Board had the following note payable as of June 30, 2003 and 2002:

	2003	2002
8.5% note payable to Bluefield Municipal Employees Federal Credit Union, payable in monthly installments of $548, inclusive of interest, secured by a vehicle with a book value of $23,317 as of June 30, 2003, due April, 2007.	$ 21,447	$ -0-
Less current maturities included in current liabilities	(4,944)	-0-
Long-term portion	$ 16,503	$ -0-

Following are maturities of the note payable as of June 30, 2003:

June 30,	Amount
2004	$ 4,944
2005	5,381
2006	5,857
2007	5,265
Total	$ 21,447

NOTE 15 - RECLASSIFICATIONS

Certain amounts in the 2002 financial statements have been reclassified for comparative purposes.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization and the West Virginia State Tax Department and is not intended to be and should not be used by anyone other than these specified parties.

Suttonan, Ware & Hall PLLC

Huntington, West Virginia
December 12, 2003

SCHEDULE OF FINDINGS

THE SANITARY BOARD OF BLUEFIELD
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

COMPLIANCE

03-1 Repair and Replacement Account - 1992 Sewer Refunding Revenue Bond

Condition: The Sanitary Board withdrew $272,000 from the repair and replacement fund during the year. Invoices totaling $125,129 were presented during the audit representing allowable disbursements from the fund. In addition, the Sanitary Board did not make all of the required monthly transfers to the repair and replacement account during the year.

Criteria: The bond resolution for the 1992 Sewer Refunding Revenue Bonds requires the Sanitary Board to establish a repair and replacement fund. The use of the fund is limited to making up deficiency balances in the bond sinking and reserve funds, and to pay the reasonable costs of land, easements and depreciable renewals, repairs, extensions, improvements, modifications and additions to the system and related expenses. In addition, on the first day of each month, the Sanitary Board is required to transfer to the repair and replacement fund a sum equal to not less than 2 ½ % of the revenues for the month until the balance in the fund reaches $500,000.

Effect: At the end of the fiscal year 2003, the Sanitary Board was in noncompliance with the covenants of the 1992 Sewer Refunding Revenue Bonds bond resolution.

Recommendation: Review the bond resolution and comply with the provisions set forth therein.

03-2 Rate Covenants - 1992 Sewer Refunding Revenue Bond

Condition: The Sanitary Board's net revenues were insufficient to cover 120% of the maximum annual debt service.

Criteria: The bond resolution for the 1992 Sewer Refunding Revenue Bonds requires that the Sanitary Board maintain rates and charges at all times sufficient to produce net revenues at least equivalent to 120% of the maximum annual debt service on the outstanding bonds of all series.

Effect: At the end of the fiscal year 2003, the Sanitary Board was in noncompliance with the covenants of the 1992 Sewer Refunding Revenue Bonds bond resolution.

Recommendation: Review the bond resolution and comply with the provisions set forth therein.

This finding was also noted in the prior year audit.

CORRECTIVE ACTION PLAN

THE SANITARY BOARD OF BLUEFIELD

OFFICE NUMBER
304-325-3681

P.O. BOX 998
BLUEFIELD, WEST VIRGINIA 24701

FA)
30-

January 12, 2004

Mr. Bruce Sullivan
Sullivan, Ware & Hall
P.O. Box 2745
Huntington, WV 25727

RE: Corrective Action Plane Financial Statement Ending 06/30/03

Dear: Mr. Sullivan:

The Following is in response to the compliance Note 03-1 and 03-2:

03-1 Repair and replacement account - 1992 Sewer Refunding Revenue Bond

The balance of the $272,000.00 paid from the Repair and Replacement Account was paid and applied to principal and interest due under the terms of the bonded indebtedness of the Bluefield Sanitary Board. This was made necessary because there were not, at the time of payment, sufficient funds in the Sinking fund, which situation developed because of insufficient revenues which are discussed in Compliance Note 03-2 below. This payment from the Repair and Replacement Account and application of funds is allowable pursuant to 4.05 (4) (b) of the Bond Ordinance for the Sewer Refunding Revenue Bonds, Series 1992.

03-02 Rate Covenants – 1992 Sewer Refunding Revenue Bond

Since the date of the audit, the Bluefield Sanitary Board has instituted a rate increase sufficient to produce net revenues equaling or exceeding 120% of the maximum annual debt service on the outstanding bonds of all series. This increase was instituted August 1, 2003 and compliance with this covenant was achieved for the calendar month September 2003 and compliance has been achieved every consecutive month since.

R. Terry Honaker, Executive Director

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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[LETTERHEAD OF STEPTOE & JOHNSON PLLC, BOND COUNSEL]

_____, 2004

$_____
The City of Bluefield
(West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Bluefield (the "Issuer") and have examined a record of proceedings relating to the issuance by the Issuer of its $_____ aggregate principal amount Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted and adopted by the Issuer on November 17, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 17, 2004 (collectively, the "Ordinance") and are subject to all the terms and conditions of the Ordinance. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

The Bonds are issued in fully registered form, are dated December 1, 2004, upon original issuance, mature on _____ 1 in years and amounts and bear interest payable each _____ 1 and _____ 1, commencing _____ 1, 2005, as follows:

Maturity	Amount	Interest Rate

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Ordinance.

The Ordinance provides that the issue is for the purposes of providing funds to currently refund a portion of the Issuer's outstanding Sewer Refunding Revenue Bonds, Series 1992, dated June 1,

6. Under the Act, the Bonds and the interest thereon, are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

7. The 2017 Term Bond has been paid within the meaning and with the effect expressed in the Series 1992 Bonds Ordinance pursuant to which it was issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such 2017 Term Bond have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the certificate of the West Virginia Municipal Bond Commission relating to the sufficiency of the moneys on deposit in the Prepayment Fund to provide for the payment on January 1, 2005 of the principal on the 2017 Term Bond.

8. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Acts.

9. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Ordinance and secured by a lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Outstanding Prior Bonds, all in accordance with the terms of the Bonds and the Ordinance.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance, the Prepayment Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

10/28/04
079810.00001

APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by the City of Bluefield, a political subdivision of the State of West Virginia (the "Issuer"), in connection with the issuance of $3,160,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on November 17, 2004, and its Supplemental Resolution adopted on November __, 2004 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November __, 2004, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Central Post Office" shall mean the MAC, which shall receive Annual Reports and Listed Events and then electronically transmit them to the National Repositories and the State Repository.

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Central Post Office for delivery to each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 12 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2004 Fiscal Year, provide to the Central Post Office for delivery to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Central Post Office for delivery to each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred eighty (180) days after the end of its 2004 fiscal year and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2004 fiscal year-end, and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository

and any State Repository, core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of the Issuer":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board, the Central Post Office for delivery to the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in

quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: December __, 2004

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Bluefield

Name of Issue: $3,160,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004

Date of Issuance: December __, 2004

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of December 1, 2004

Central Post Office
Website: http://www.disclosureusa.org

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

NEW ISSUE-BOOK ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2004 Bonds is excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Series 2004 Bonds will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Series 2004 Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2004 Bonds, and the interest thereon are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX MATTERS" herein.

$3,175,000
THE CITY OF BLUEFIELD (WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2004

Dated: December 1, 2004 Due: July 1, as shown below

The Series 2004 Bonds are issuable only as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. All of the Series 2004 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2004 Bonds will be in book-entry form only. Semiannual interest on the Series 2004 Bonds is payable July 1, 2005, and each January 1 and July 1 thereafter. So long as the Series 2004 Bonds are maintained under a book-entry system, payments of the principal of and premium, if any, and interest on the Series 2004 Bonds will be made when due by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent (the "Paying Agent"), to DTC in accordance with the Ordinance and the Supplemental Resolution, and the Paying Agent will have no obligation to make any payments to any beneficial owner of any Series 2004 Bonds. See "THE SERIES 2004 BONDS - Book-Entry Only System." The Series 2004 Bonds are subject to redemption prior to maturity as described herein.

Proceeds of the Series 2004 Bonds will be used, together with other funds available therefor, to: (i) refund the 2017 Term Bond portion of the City's Sewer Revenue Bonds, Series 1992; (ii) provide funds in the amount of $390,585.00 to be deposited in the Series 2004 Bonds Reserve Account, which will equal the maximum annual debt service on the Series 2004 Bonds; and (iii) pay certain costs of issuance of the Series 2004 Bonds and related costs.

The Series 2004 Bonds are payable from and further secured by the Net Revenues derived from the existing sewerage system of the City and any extensions, improvements and betterments thereto on parity with the Prior Bonds, as hereinafter defined, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance, as hereinafter defined, and the Series 2004 Bonds are also payable from funds on deposit in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. The Series 2004 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the principal or premium, if any, of and the interest on the Series 2004 Bonds, except from the Net Revenues and such funds on deposit. Neither the full faith and credit nor the taxing power of the City shall be deemed to be pledged to, nor shall any tax be levied for, the payment or the principal of or the premium, if any, or interest on the Series 2004 Bonds.

The City has designated the Series 2004 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. The Series 2004 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice and to the unqualified approval of legality by Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. John W. Feuchtenberger, Bluefield, West Virginia, Counsel to the City, will pass upon certain legal matters for the City. Douglas G. Campbell, Tazewell, Virginia, Counsel to the Sanitary Board, will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter. It is expected that the Series 2004 Bonds will be available for delivery in New York, New York on or about December 1, 2004.

Dated: November 17, 2004

Crews&Associates

First Security Bancorp

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

Maturity	Type of Bond	Coupon	Maturity Value	Price
07/01/2008	Term 1 Coupon	3.250%	300,000.00	100.000%
07/01/2009	Serial Coupon	3.500%	275,000.00	100.000%
07/01/2010	Serial Coupon	3.700%	280,000.00	100.000%
07/01/2011	Serial Coupon	3.800%	295,000.00	100.000%
07/01/2012	Serial Coupon	3.900%	305,000.00	100.000%
07/01/2013	Serial Coupon	4.000%	320,000.00	100.000%
07/01/2014	Serial Coupon	4.050%	330,000.00	100.000%
07/01/2015	Serial Coupon	4.100%	340,000.00	100.000%
07/01/2016	Serial Coupon	4.150%	360,000.00	100.000%
07/01/2017	Serial Coupon	4.200%	370,000.00	100.000%
Total	-	-	**$3,175,000.00**	-

THE CITY OF BLUEFIELD, WEST VIRGINIA

MAYOR
R. E. "Bob" Perkinson, Jr.

BOARD OF DIRECTORS

Rev. Garry D. Moore, Sr. – District 1 Director
R. E. "Bob" Perkinson, Jr. - District 2 Director
Deborah Coppinger Sarver - District 3 Director
George McGonagle - At-Large Director
James F. Bailey, II - At-Large Director

CITY MANAGER
Mark Henne

CITY CLERK
Drema Shireman

BOND COUNSEL
Steptoe & Johnson, PLLC
Charleston, West Virginia

UNDERWRITER'S COUNSEL
Goodwin & Goodwin, LLP
Charleston, West Virginia

ISSUER'S COUNSEL
John W. Feuchtenberger
Bluefield, West Virginia

SANITARY BOARD'S COUNSEL
Douglas G. Campbell
Tazewell, Virginia

AUDITORS
Sullivan, Ware & Hall, PLLC
Huntington, West Virginia

UNDERWRITER
Crews & Associates, Inc.
Charleston, West Virginia

DEPOSITORY BANK
First Century Bank, National Association
Bluefield, West Virginia

REGISTRAR
United Bank, Inc.
Charleston, West Virginia

This Official Statement does not constitute an offer to sell or the solicitation of an ofl buy, nor shall there be any sale of the Series 2004 Bonds in any jurisdiction in which it is unl to make such offer, solicitation or sale. No dealer, broker, salesman or other person has authorized by The City of Bluefield, West Virginia, or the Underwriter to give any informati to make any representations, other than as contained in this Official Statement. If given or r such other information or representations must not be relied upon as having been authorized b of the foregoing. The information set forth herein has been obtained from The City of Blu and other sources, which are believed to be reliable but is not guaranteed as to accura completeness and is not to be construed as a representation by the Underwriter. The inform and any expression of opinion herein are subject to change without notice, and neither the del of this Official Statement nor any sale made hereunder shall under any circumstances creat implication that there has been no change in the affairs of The City of Bluefield, West Virgin it relates to the System, since the date hereof. This Official Statement is submitted in conn with the sale of securities referred to herein, and may not be reproduced or used, in whole part, for any other purposes.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICE OF THE SERIES 2004 BONDS AT A LEVEL ABOVE THAT WI MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZIN COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$3,175,000
THE CITY OF BLUEFIELD (WEST VIRGINIA)
SEWER REFUNDING REVENUE BONDS, SERIES 2004

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of setting forth certain information concerning The City of Bluefield, West Virginia (the "City"), the City's sewerage system hereinafter described and the City's $3,175,000 in aggregate principal amount of Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"). The Series 2004 Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), specifically Chapter 16, Article 13 of the Code of West Virginia of 1931, as amended (the "Act"), and an ordinance enacted by the Board of the City on November 17, 2004 (the "Original Ordinance"), as supplemented and amended by supplemental resolutions adopted by the Board of the City pursuant to the Original Ordinance (the "Supplemental Resolutions" and together with the Original Ordinance, the "Ordinance").

The proceeds of the Series 2004 Bonds, together with other funds available therefor, will be used as follows: (i) to refund the 2017 Term Bond portion of the City's Sewer Refunding Revenue Bonds, Series 1992 (the "Refunded Bonds"); (ii) to provide funds in the amount of $390,585.00 to be deposited in the Series 2004 Bonds Reserve Account, which will equal the maximum annual debt service on the Series 2004 Bonds; and (iii) to pay certain costs of issuance of the Series 2004 Bonds and related costs.

The Series 2004 Bonds are payable from and secured by the Net Revenues, as defined in the Ordinance, derived from the existing sewerage system of the City and any extensions, improvements or betterments thereto (the "System") on parity with the Prior Bonds, as hereinafter defined, and any additional parity bonds that may hereafter be issued by the City as permitted by the Ordinance (the Series 2004 Bonds, the Prior Bonds and any such additional parity bonds are collectively referred to herein as the "Bonds"), and the Series 2004 Bonds are also payable from funds on deposit in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. The Series 2004 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Series 2004 Bonds or premium, if any, or the interest thereon except from such Net Revenues and such funds on deposit. Pursuant to the Ordinance and the ordinances enacted with respect to other Bonds outstanding payable from the Net Revenues, the City has covenanted and agreed to establish and collect just and equitable rates and charges for the use of the System and the services rendered thereby as will produce for each fiscal year Net Revenues, as defined in the Ordinance, equal to at least 120% of the maximum amount required in any year to pay the principal of and interest on the Bonds and the Prior Bonds. See "ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS - Rate Covenant."

The Series 2004 Bonds will be dated, will mature, will bear interest and will be subject to redemption prior to maturity as more fully described on the cover page and under the heading "THE SERIES 2004 BONDS" herein. The Series 2004 Bonds initially will be maintained under a book-entry system. So long as the Series 2004 Bonds are maintained under a book-entry system, the manner of payment, the denominations, the transfer and exchange of ownership and the method of providing notice of redemption to the owners of the Series 2004 Bonds shall be determined as

described under the "BOOK-ENTRY ONLY SYSTEM" herein. If the book-entry sys discontinued, principal of, interest, and premium, if any, on the Series 2004 Bonds will be p by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying age "Paying Agent"), to the owners thereof at the addresses appearing in the books kept by Bank, Inc., Charleston, West Virginia, as registrar (the "Registrar"). For further infor describing the method of payment and other matters in the event the book-entry sys discontinued, see "THE SERIES 2004 BONDS" herein.

For a description of the exclusion of interest on the Series 2004 Bonds from gross i for federal and state income tax purposes, see "TAX MATTERS" herein.

The City may issue additional bonds on a parity with the Series 2004 Bonds for the p of financing the cost of the construction or acquisition of additions, improvements and bette to the System and/or refunding one or more or all series of bonds subject, in each case, to tests and conditions provided for by the Ordinance. See "ADDITIONAL SECURITY FO SERIES 2004 BONDS - Additional Parity Bonds."

The Series 2004 Bonds are offered when, as and if issued and received on behalf underwriter appearing on the cover page hereof (the "Underwriter"), subject to prior s withdrawal or modification of the offering without notice and to the unqualified approval legality by Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. Jc Feuchtenberger, Bluefield, West Virginia, as counsel for the City, will pass upon certai matters for the City. Douglas G. Campbell, Tazewell, Virginia, as counsel for the Sanitary will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Cha West Virginia, as counsel to the Underwriter, will pass upon certain legal matters Underwriter.

Brief descriptions of the Series 2004 Bonds, the System, the City and certain provis the Ordinance and the Act, as defined in the Ordinance and hereinbefore, are set forth Official Statement, as well as other information contained in the appendices hereto. descriptions and information do not purport to be comprehensive or definitive. All ref herein to the Ordinance, provisions of the Act and other applicable laws of the State are qual their entirety by reference to each such document or law. References herein to the Serie Bonds are qualified in their entirety by reference to the form thereof included in the Ordinai the information with respect thereto included in the aforesaid documents. Capitalized tern and not otherwise defined in this Official Statement shall have the respective meanings give in the Ordinance. Copies of the Ordinance and other applicable documents may be obtaine the City or, during the period of offering the Series 2004 Bonds, from the Underwriter.

FINANCING PLAN

Sources and Uses of Funds

Sources of Funds:

Principal Amount of Bonds	$3,175,000.00
Transfer from Prior Issue Debt Service Fund	72,916.67
Transfer from Prior Issue Debt Service Fund	177,012.50
Total Sources	$3,424,929.17

Uses of Funds:	
Prepayment Fund	$2,887,500.00
Debt Service Reserve Fund	390,585.00
Underwriter's Discount	95,250.00
Costs of Issuance (1)	51,594.17
Total Uses	$3,424,929.17

(1) Includes legal and financing fees, printing costs and other miscellaneous expenses relating to the issuance of the Series 2004 Bonds.

THE SERIES 2004 BONDS

General

The Series 2004 Bonds shall be dated as of the date provided in a Supplemental Resolution and shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2004 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2004 Bonds shall be in default, Series 2004 Bonds issued in exchange for Series 2004 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2004 Bonds surrendered. The Series 2004 Bonds will bear interest from their date, payable semiannually on each January 1 and July 1, commencing July 1, 2005, upon original issuance, at the rates per annum and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Series 2004 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity. The Series 2004 Bonds initially shall be maintained under a book-entry system; Beneficial Owners shall have no right to receive physical possession of the Series 2004 Bonds and payments of principal or redemption price of and interest on the Series 2004 Bonds will be made as described herein under "BOOK-ENTRY ONLY SYSTEM." If the book-entry system is discontinued, interest on the Series 2004 Bonds will be payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date"). If the book-entry system is discontinued, principal of and premium, if any, on the Series 2004 Bonds will be payable to the owner thereof upon surrender thereof at the office of the Paying Agent.

So long as the Series 2004 Bonds are maintained under a book-entry system, transfers of ownership interests in the Series 2004 Bonds will be made as described herein under "BOOK--ENTRY ONLY SYSTEM." If the book-entry system is discontinued, ownership of any Series 2004 Bond may be transferred upon surrender thereof to the Registrar, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney or legal representative. Upon any such transfer of a Series 2004 Bond, there will be issued another Series 2004 Bond or Series 2004 Bonds, at the option of the transferee, of the same aggregate principal amount, series, maturity and interest rate as said Series 2004 Bond. For every exchange or transfer of Series 2004 Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such

exchange or registration of transfer. The party requesting such transfer shall pay any servic of the Registrar and any applicable tax or other governmental charge.

Optional Redemption

The Series 2004 Bonds maturing on and after July 1, 2010, are subject to redempti to maturity, at the option of the City, in whole or in part at any time, from amounts d with the Trustee by the City or from other funds available therefore at a redemption pric to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Series 2004 Bonds shall be called for optional redempt particular maturities of the Series 2004 Bonds to be redeemed shall be selected by the City manner as it shall determine. So long as the Series 2004 Bonds are maintained under a bo system, the selection of individual ownership interests in the Series 2004 Bonds to be credi any partial redemption shall be made as described herein under "BOOK-ENTRY SYSTEM."

Mandatory Redemption

The Series 2004 Bonds maturing July 1, 2008, shall be subject to mandatory red prior to maturity in part from moneys on deposit in the Series 2004 Bonds Sinking Fu redemption price equal to 100% of the principal amount thereof, plus accrued interes mandatory redemption date, on July 1, 2006, and on each July 1 thereafter to and including 2008, in annual principal amounts as follows:

Year	Amount
2006	$ 25,000
2007	25,000
2008 (Maturity)	250,000

The principal amount of Series 2004 Bonds maturing July 1, 2008, delivered to or pu by the Trustee shall reduce pro tanto the principal amount of Series 2004 Bonds to be redee the mandatory redemption date with respect to such maturity next following such deli purchase.

Notice of Redemption

So long as the Series 2004 Bonds are maintained under a book-entry system, notic call for any redemption of the Series 2004 Bonds shall be given as described below under " ENTRY ONLY SYSTEM." At any other time, notice to the registered owner of any red shall be given by the Registrar not less than 30 nor more than 60 days prior to the date f redemption by registered or certified mail at the address appearing in the Register. Fa receive such notice or any defect in the mailing thereof shall not affect the validity proceedings for the redemption of the Series 2004 Bonds; and failure to mail such notice s affect the validity of any such proceedings for any Series 2004 Bond with respect to which failure has occurred. Notice of redemption having been given in the manner hereinabove ar Ordinance described and moneys necessary therefor having been deposited with the Paying the Series 2004 Bonds specified in such notice shall on the date fixed for redemption be paid, and interest thereon shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from sources that the City and the Underwriter believe to be reliable, but neither the City nor the Underwriter takes any responsibility for the accuracy thereof.

The Depository Trust Company

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 2004 Bonds. The Series 2004 Bonds will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee. One fully registered certificate of the Series 2004 Bonds will be issued for each maturity of the Series 2004 Bonds in principal amount equal to the aggregate principal amount of the Series 2004 Bonds of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as securities brokers and dealers, banks and trust companies, that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission (the "SEC").

Ownership of Series 2004 Bonds

Purchases of the Series 2004 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2004 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2004 Bond (the "Beneficial Owner") is in turn to be recorded on the Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2004 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of the Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in the Series 2004 Bonds except in the event that use of the book-entry system for the Series 2004 Bonds is discontinued under the circumstances described below under "Discontinuance of Book Entry System."

To facilitate subsequent transfers, Series 2004 Bonds deposited by Participants v are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Se Bonds with DTC and their registration in the name of Cede & Co. effect no change in ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 20(DTC's records reflect only the identity of the Direct Participants to whose accounts such Se Bonds are credited, which may or may not be the Beneficial Owners. The Participants w responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, Participants to Indirect Participants and by Participants to Beneficial Owners will be go arrangements among them, subject to any statutory or regulatory requirements as may be from time to time. If the consent or vote of DTC or Cede & Co. is requested, under procedures, DTC will mail an Omnibus Proxy to the City as soon as possible after the re assigning Cede & Co.'s consenting or voting rights to those Direct Participants to whose the Series 2004 Bonds are credited on the record date (identified in a listing attached to the Proxy).

So long as a nominee of DTC is the registered owner of the Series 200 references herein to the Bondholders or the holders or owners of the Series 2004 Bo mean DTC and shall not mean the Beneficial Owners of the Series 2004 Bonds. The Registrar and the Paying Agent will recognize DTC or its nominee as the holder of Series 2004 Bonds for all purposes, including the payment of the principal or re price of and interest on the Series 2004 Bonds, as well as the giving of notices and an or direction required or permitted to be given to or on behalf of the Bondholders u Ordinance. Neither the City, the Registrar nor the Paying Agent will have any resp or obligation to Participants or Beneficial Owners with respect to payments or n Participants or Beneficial Owners.

Payments on and Redemption of Series 2004 Bonds

So long as the Series 2004 Bonds are held by DTC under a book-entry system, pr redemption price of and interest payments on the Series 2004 Bonds will be made to DT practice is to credit Direct Participants' accounts on the date on which such principal or payable in accordance with their respective holdings shown on DTC's records unless reason to believe that it will not receive payment on such date. Payments by Partic Beneficial Owners will be governed by standing instructions and customary practices, as i with securities held for the accounts of customers in bearer form or registered in "stre subject to any statutory or regulatory requirements as may be in effect from time to time, a the responsibility of such Participants and not of DTC, the Paying Agent or the City. Pa principal and interest to DTC is the responsibility of the City or Paying Agent, disburseme payments to Direct Participants shall be the responsibility of DTC and disbursemen payments to the Beneficial Owners shall be the responsibility of Participants.

So long as the Series 2004 Bonds are held by DTC under a book-entry system, the will send any notice of redemption with respect to the Series 2004 Bonds only to Cede & failure of DTC to advise any Direct Participant, or of any Direct Participant to notify an Participant or any Beneficial Owner, of any such notice and its content or effect will not validity of the proceedings for the redemption of the Series 2004 Bonds or of any oth premised on such notice. If fewer than all of the Series 2004 Bonds of any maturity are se redemption, DTC's practice is to determine by lot the amount of the interest of ea

Participant in such maturity to be redeemed. Any such selection of Direct Participants to which any such partial redemption will be credited will not be governed by the Ordinance and will not be made by the City, the Registrar or the Paying Agent.

The City, the Registrar and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Series 2004 Bonds paid to DTC or its nominee as the registered owner of the Series 2004 Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

DTC may charge the Participants a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Series 2004 Bonds, and the Participants may seek reimbursement therefor from the Beneficial Owners.

Discontinuance of Book-Entry Only System

DTC may resign or may be discharged by the City as a securities depository for the Series 2004 Bonds and, in such event, the City may discontinue the maintenance of the Series 2004 Bonds under a book-entry system or replace DTC with another qualified securities depository. Unless the City appoints a securities depository to replace DTC, the Series 2004 Bonds held by DTC will be canceled and the City will execute and the Registrar will authenticate and deliver Series 2004 Bonds in fully certificated form to the Participants shown on the records of DTC provided to the Registrar or, to the extent requested by any Participant, to the Beneficial Owners of the Series 2004 Bonds shown on the records of such Participant provided to the Registrar.

ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS

The Series 2004 Bonds are special obligations of the City and are payable as to principal, premium, if any, and interest solely from the sources described below. The City is under no obligation to pay the Series 2004 Bonds except from said sources.

Outstanding Prior Bonds

The City has outstanding the following bonds payable from the Net Revenues of the System that are on parity with the Series 2004 Bonds: The 2008 Term Bond portion of the City's Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992, issued in the original aggregate principal amount of $2,800,000, of which $2,800,000 is currently outstanding (the "Series 1992 Bonds"); the City's Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995, issued in the original aggregate principal amount of $7,945,000, of which approximately $4,469,046 is currently outstanding (the "Series 1995 Bonds"); the City's Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645, of which approximately $935,186 is currently outstanding; and the City's Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000, issued in the original aggregate principal amount of $307,000, of which approximately $253,268 is currently outstanding (collectively, the "Prior Bonds").

Sources of Payment

The payment of the debt service on the Series 2004 Bonds shall be secured forthw and ratably by a first lien on and pledge of the Net Revenues derived from the System with the Prior Bonds and any additional parity bonds that may hereafter be issued by t permitted by the Ordinance, and the Series 2004 Bonds are also payable from the funds in the Series 2004 Bonds Sinking Fund and the Reserve Account therein. Net Revenu from the System in an amount sufficient to pay the principal of, premium, if any, and inte Bonds and to make the payments into the Series 2004 Bonds Sinking Fund and all other provided for in the Ordinance, and the funds in the Series 2004 Bonds Sinking Fur Reserve Account therein are irrevocably pledged to the payment of the principal of, p any, and interest on the Series 2004 Bonds as the same become due and for the othe provided in the Ordinance.

Rate Covenant

Prior to the issuance of the Series 2004 Bonds, rates or charges for the u services and facilities of the System will be fixed and established, all in the manner required by law, and a copy of such rates and charges so fixed and established shall a be kept on file in the office of the Clerk of the Issuer, which copy will be open to insp all interested parties. The schedule or schedules of rates and charges shall at all adequate to produce Gross Revenues from the System sufficient to pay Operating Exp to make the prescribed payments into the funds and accounts created hereunder. Such or schedules of rates and charges shall be revised from time to time, whenever necessa the aggregate of the rates and charges will be sufficient for such purposes. In order full and continuous performance of this covenant with a margin for contingencies and t unanticipated reduction in income and revenues, the Issuer has covenanted and agree schedule or schedules of rates or charges from time to time in effect shall be sut produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Serv Bonds in any Fiscal Year and all payments required into all funds and accounts of the I as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the M Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if when due, shall constitute a lien upon the premises served by the System. For purpos test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds fron of capital assets. In any event, the City shall not reduce the rates or charges of the Sy forth in the rate ordinance enacted by the Issuer on June 10, 2003.

The City further covenanted that it will enact any rate increases as shall be re comply with the aforementioned rate covenant, to the extent and in the manner authorize immediately following a determination by the City or upon an annual audit of the City tha is not in compliance with such rate covenant.

Series 2004 Bonds Reserve Account

$390,585.00 of proceeds of the Series 2004 Bonds will be deposited in the Ser Bonds Reserve Account.

In the event of a transfer from the Series 2004 Bonds Reserve Account to the Ser Bonds Sinking Fund as aforesaid, the City shall restore the balance to the Series 200 Reserve Account in an amount up to the Series 2004 Bonds Reserve Requirement, and

shall replenish the Series 2004 Bonds Reserve Account with the first Net Revenues available after all required payments have been made in full in the order set forth in the Ordinance.

Application of Revenues

The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the City in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The City shall first, each month, pay from the Revenue Fund the current Operating Expenses.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2004 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2004 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2004 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund and in the Series 2004 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2004 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2004 Bonds Sinking Funds shall be used only for the purposes of paying principal of and interest on the Series 2004 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2004 Bonds Reserve Accounts therein, any amounts necessary to fund such Reserve Account to maintain the Series 2004 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with the Ordinance.

The City shall not be required to make any further payments into the Series 2004 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2004 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2004

Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional deposits into the Series 2004 Bonds Reserve Account sufficient to maintain the Series 2004 Bonds Reserve Account Requirement in accordance with the provisions of the Ordinance.

The payments into the Series 2004 Bonds Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Ordinance.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) for deposit in the Series 2004 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2004 Bonds Reserve Account below the Series 2004 Bonds Reserve Requirement or any withdrawal from the Series 2004 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2004 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2004 Bonds Reserve Account is less than the Series 2004 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2004 Bonds Reserve Account for deposit into the Series 2004 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2004 Bonds Reserve Account to an amount equal to the Series 2004 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2004 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2004 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2004 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2004 Bonds Reserve Requirement.

Amounts in the Series 2004 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2004 Bonds when due, when amounts in the Series 2004 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Repair and Replacement Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. No further payments shall be required to be made into the Repair and Replacement Fund when there shall have been deposited therein, as so long as there shall remain on deposit therein, the sum of $500,000.

Withdrawals and disbursements may be made by the City from the Repair and Replacement Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board of Directors, moneys in the Repair and Replacement Fund in excess of $500,000 may be transferred by the City to the respective redemption account and used for optional redemption or for purchase of Series 2004 Bonds. In the event of purchase of Series 2004 Bonds, the Issuer may direct the purchase of Series 2004 Bonds offered for sale at the lowest price below the redemption price of such Series 2004 Bonds.

(5) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The City may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

Enforcement of Collections

The City covenants in the Ordinance to diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals and other charges that shall become delinquent to the full extent permitted or authorized by the Act, or otherwise by the laws of the State. The City further covenants and agrees in the Ordinance that it will, subject to applicable State law and regulations, and under such reasonable rules and regulations as may be prescribed by the City, discontinue water services to all delinquent users, until such delinquent amounts, plus reasonable interest and penalty charges thereon, have been fully paid. (See "THE SYSTEM - Customer Statistics.")

Additional Parity Bonds

So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to the Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the City a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the City prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the City, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of the Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in

compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in the Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the City then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

SYSTEM BACKGROUND

The System was created in 1935 by order of The City of Bluefield. Currently, the system serves 7,962 customers and a population of approximately 25,000 in the communities of Bluefield, WV, Tazewell, VA, Bluefield, VA, and Mercer County, WV. The system was issued permit number WV0023141 by the West Virginia Department of Environmental Protection on July 31, 2004 and permit number VA0025054 by the Virginia Department of Environmental Quality on February 24, 2004.

Description of the System

The wastewater collection system is comprised of approximately 132,000 linear feet of six (6) inch diameter gravity sewer line, 79,200 linear feet of eight (8) inch diameter gravity sewer line, 42,240 linear feet of twelve (12) inch diameter gravity sewer line, 10,560 linear feet of fifteen (15) inch diameter gravity sewer line, 10,560 linear feet of twenty-four (24) inch diameter gravity sewer line, 500 manholes, 1,500 cleanouts, fifteen (15) lift stations, three (3) simplex grinder pump stations, seven (7) duplex grinder pump stations, 500 linear feet of one and one half (1.5) inch diameter force main, 29,500 linear feet of four (4) inch diameter force main, 3,200 linear feet of eight (8) inch diameter force main, and all requisite appurtenances.

These facilities provide wastewater collection service to The City of Bluefield, Brush Fork Area, Town of Bluefield, Virginia, and Tazewell County, Virginia. Approximately eighty percent of the flow is directed to the Board's Westside wastewater treatment plant, which is located in Tazewell County, Virginia. Approximately twenty percent of the flow is directed to

the Board's Ada wastewater treatment plant in Mercer County, West Virginia.

The Tazewell County plant is identified as the Westside Wastewater Treatment Plant and is a 5.3 MGD activated sludge tertiary facility. The Westside Wastewater Treatment Plant is comprised of two mechanical screens; a course screen in the head works building and a fines screen in the preliminary building. The preliminary building also contains a 23,500 gallon aerated grit removal system. There are three primary clarifiers, each with a capacity of 197,440 gallons and a surface area of 2,025 square feet. The plant has an aeration tank system consisting of six cells with a total volume of 2,606,520 gallons. There are four secondary clarifiers, each with a volume of 296,730 gallons and a surface area of 2,826 square feet. There are three tertiary sand filters, each with a surface area of 896 square feet. The facility uses chlorine for disinfection with five chlorine contact tanks, each with a volume of 39,428 gallons. The facility also uses sulfur dioxide for de-chlorination. There is a gravity thickener with a capacity of 144,000 gallons, grease tank with a capacity of 9,000 gallons and four stabilization tanks with a total capacity of 360,000 gallons. The plant uses two chlorine chemical oxidizers to aid in the stabilization of the sludge and two vacuum filters for sludge dewatering. The facility also has a 10,000 gallon capacity septic sludge receiving station and an 8,000,000 gallon storm holding facility.

The Mercer County plant is identified as the Ada plant, and is comprised of a mechanical bar screen, grit removal facilities, two (2) primary clarifiers with a volume of 86,900 gallons and a surface area of 970 square feet each, four (4) aeration chambers with a volume of 76,400 gallons each, two (2) secondary clarifiers with a volume of 52,900 gallons and a surface area of 590 square feet each, ultraviolet disinfection facilities, a post aeration chamber with a volume of 8,300 gallons, a gravity sludge thickener with a volume of 21,900 gallons, sludge conditioning equipment, two (2) sludge dewatering vacuum filters, a sludge holding tank with a volume of 24,700, two (2) holding tanks with a volume of 52,900 gallons each serves as a backup secondary clarifiers, as well as an emergency spill facility, and all requisite appurtenances. This plant serves approximately 6,000 people in The City of Bluefield and discharges into the East River approximately 18.6 miles from its mouth on the New River.

Sewer Usage

Year Ended June 30	Total Gallons
2004	592,189,849
2003	597,258,100
2002	600,584,239
2001	597,767,200
2000	593,856,740
1999	590,725,128

Customer Background

Customer Count by Type

Year Ended June 30	Domestic	Industrial	Public	Total
2004	7,958	3	1	7,962
2003	8,056	3	1	8,060
2002	8,048	3	1	8,052
2001	7,977	2		7,979
2000	7,375	3		7,368
1999	7,360			7,360

Major Users

Customer	Annual Average Revenues
1. Bluefield Beverage	$ 283,608
2. ARAMARK	$ 113,232
3. BMRC Hospital	$ 81,876
4. Gemark Services	$ 79,632
5. Flowers Bakery	$ 64,032
6. Holiday Inn	$ 51,456
7. St. Lukes Hospital	$ 49,848
8. Bluefield Housing	$ 46,428
9. City of Bluefield	$ 42,216
10. The Maples	$ 38,232

Sanitary Board Personnel

The Sanitary Board of Bluefield employs a total of 36 full-time employees and 8 part-time employees.

Rates

The current schedule of rates and charges has been in place since April 1, 2004. The following table sets for the current rates and charges.

Sewer System Rates and Charges
Rates per 1,000 Gallons

All Metered Customers and Bulk Sales			Current Rate
First	10,000	gallons used per month	$6.87
Next	115,000	gallons used per month	$6.31
Next	375,000	gallons used per month	$6.13

Over 500,000 gallons used per month $4.58

Minimum Charges

No bill will be rendered for less than the following:

Per Month $13.74

Service to other Systems

Rates per 1,000 gallons $3.50

Reconnection Charge

Reconnection fee for delinquent customer only: $20.00

Service Connection Charge $350.00

Sewer System Rates and Charges
Rates per 1,000 Gallons

Public Service Commission

The tariffs, rates, joint rates, tolls and schedules of municipality utilities are not subject to the general authority of the West Virginia Public Service Commission (the "PSC") to enforce, originate, establish, change and promulgate rates and charges. However, such rates and charges shall be just, reasonable, applied without unjust discrimination or preference, and based primarily on the costs of providing such services. Municipal utility rates and charges shall become effective not sooner than forty-five (45) days after adoption. Notice of intent to effect a rate change shall be specified on the monthly bill sent to the customers. Such rates and charges shall be filed with the PSC, together with such information showing the basis of such rates and charges and such other information as the PSC considers necessary.

The PSC shall review and approve or modify such rates upon the filing of a petition, within thirty (30) days of the adoption of the ordinance changing said rates or charges, (1) by any customer aggrieved by the changed rates or charges, who presents to the PSC a petition signed by not less than twenty-five percent (25%) of the customers served by a municipal utility or (2) by any customer or group of customers who presents a petition alleging discrimination between said customer or group of customers and other customers of the municipal utility, accompanied by evidence of discrimination. Upon the filing of a petition or sufficient showing of discrimination, the PSC shall suspend the adoption of the rate change contained in the ordinance for a period of one hundred twenty (120) days from the date said rates or charges would otherwise go into effect or until an order approving, disapproving or modifying the rate change is issued.

The PSC shall have general supervision of all municipal utilities. The PSC may ascertain the quality and quantity of water and shall have power to order such improvements as will best promote the public interests.

Billing and Collections

The City renders a monthly bill to commercial and other high volume customers of the System. Residential customers are billed once every three months. Payments are due 20 days after the billing date. If a bill remains unpaid beyond the due date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the mailing of termination notices and termination of service 30 days after the initial due date. Service on a delinquent account remains terminated until payment of the account is made. A reconnection charge of $25.00 is required to reinstate a previously delinquent account.

The Sanitary Board has a policy of writing off accounts determined to be uncollectible. Also, the Sanitary Board has made a provision with respect to operating expenses on its balance sheets pertaining to the System for doubtful accounts, as follows:

Summary of Doubtful Accounts

Year Ended June 30	Provision for Doubtful Accounts	Accounts Receivable Written Off
2003	$222,050	$218,668
2002	$ 80,032	$ 4,175
2001	$123,587	$112,434
2000	$228,835	$ 55,027
1999	$179,571	$145,360

Deferred payment plans are available for any residential customer who can demonstrate inability to pay a System bill in full and that service termination would be dangerous to such customer's health or safety.

System Budget and Expenditures

The City Manager, City Finance Department and Department Heads prepare draft budgets for System operations within their respective departments. The City budget is compiled from these and other draft budgets by the City Manager and Finance Director and submitted to the Board of Directors on or before March 10th of each year. The budget is required by Charter to indicate operating expenditures and capital expenditures proposed for the ensuing fiscal year, detailed by office, department and agency in terms of their respective work programs, and the method of financing such expenditures. The total of proposed expenditures may not exceed the total estimated income. Prior to March 28th of each year, but following a public hearing, Board of Directors is required to adopt the budget. Supplemental appropriations, or a reduction of appropriations, may be made by Board of Directors upon certification by the City Manager of an excess or insufficiency of revenues.

No payment may be made except in accordance with appropriations set forth in the budget. As a matter of City practice, the City Manager and the Department Head approve purchase orders and payments are approved by the City Manager prior to disbursement of funds by the City Finance Department. Separate accounting records are kept by the Finance Department for the Water and Sewer Departments.

Method of Accounting

The City maintains its accounts pertaining to the system on an accrual basis and in accordance with the guidelines of the West Virginia Public Service Commission. The records of the City for the fiscal years ended June 30 of each of the past three years have been audited and are available for public inspection at the City.

Summary of Historical Revenues and Expenses

Summary Statement of Income and Expense
(Fiscal Year Ended June 30)

	Budgeted 2005	Unaudited 2004	Audited 2003	Audited 2002	Audited 2001	Audited 2000	Audited 1999
Total Revenues	$4,172,100	$4,332,559	$4,423,124	$3,889,176	$3,633,199	$3,564,343	$3,685,621
Total Expenses	$4,526,415	$4,702,447	$4,744,328	$4,261,123	$4,224,089	$4,090,273	$4,325,085
Net Income (Loss)	($354,315)	($369,888)	($321,204)	($371,947)	($590,890)	($525,930)	($639,464)
Cash Available for Debt Service	$1,139,934	$1,207,375	$935,089	$1,059,472	$949,419	$1,066,674	$1,038,848
Debt Service	$918,692	$921,390	$924,087	$926,788	$929,327	$846,355	$848,344
Coverage	1.24	1.31	1.01	1.14	1.02	1.26	1.22
Depreciation Expense	$1,195,650	$1,189,491	$1,184,512	$1,199,130	$1,212,655	$1,261,006	$1,284,492
Interest Expense	$262,750	$279,256	$304,699	$312,460	$305,991	$325,062	$331,404
Amortization	$35,849	$33,870	$32,019	$30,288	$25,365	$23,666	$22,623

As noted above and in the audited financial statements of The Sanitary Board of Bluefield included in Appendix B, the City was in noncompliance with the covenants set forth in the ordinance that authorized the issuance of the Series 1992 Bonds for withdrawing funds from the Repair and Replacement Fund and for failing to make all required monthly transfers into the Repair and Replacement Fund. In addition, the Net Revenues of the System were insufficient to meet the debt service coverage requirement for the three (3) fiscal years ended June 30, 2001, 2002 and 2003. The City contends that the use of the funds on deposit in the Repair and Replacement Fund were for an allowable purpose, namely, payment of principal and interest on the Series 1992 Bonds when funds on deposit in the Series 1992 Bonds Sinking Fund were insufficient to make the required principal and interest payments as a result of insufficient revenues. The City received approval for a rate increase instituted on August 1, 2003 that has allowed it to meet the debt service coverage requirement on the Series 1992 Bonds.

Retirement System

All Sanitary Board employees, with the exception of part-time temporary employees, participate in the West Virginia Public Employees Retirement System, a cost sharing, multi-employer public employees' retirement system that covers employees of the State of West Virginia and is funded by contributions from participants and employers, and state appropriations, as necessary.

The Sanitary Board contributes 9.5% of covered employees' gross wages. The employee contributes 4.5% his or her wages. The Sanitary Board's contributions are shown below:

Year Ended June 30	Sanitary Board PERS Contribution
2004	$113,553
2003	$105,550
2002	$102,455
2001	$99,055

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each year the amounts payable from Revenues as principal of and interest on the Series 2004 Bonds and the Prior Bonds.

Year	Series 1992*	Series 1995	Series 1998	Series 2000A	Series 2004	Total Debt Service
2005	$242,050	$417,359	$61,485	$16,906	$71,998	$809,798
2006	239,100	417,359	61,485	16,906	148,425	883,275
2007	240,450	417,359	61,485	16,906	147,613	883,812
2008	240,750	417,359	61,485	16,906	371,800	1,108,300
2009	-	417,359	61,485	16,906	388,675	884,425
2010	-	417,359	61,485	16,906	384,050	879,800
2011	-	417,359	61,485	16,905	388,690	884,439
2012	-	417,359	61,485	16,902	387,480	883,226
2013	-	417,359	61,485	16,902	390,585	886,331
2014	-	417,359	61,485	16,902	387,785	883,531
2015	-	417,359	61,485	16,902	384,420	880,166
2016	-	-	61,485	16,902	390,480	468,867
2017	-	-	61,485	16,902	385,540	463,927
2018	-	-	61,485	16,902	-	78,387
2019	-	-	61,485	16,902	-	78,387
2020	-	-	61,485	16,902	-	78,387
2021	-	-	30,743	4,226	-	34,968
2022	-	-	-	-	-	0
2023	-	-	-	-	-	0
Total	$962,350	$4,590,946	$1,014,503	$274,686	$4,227,540	$11,070,025

* Composed of 2008 Term Bond.

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following is a summary of certain provisions of the Ordinance. The summary does not purport to be a comprehensive statement of the terms and provisions thereof, for which reference is made to the complete text of the Ordinance, copies of which may be obtained from the Underwriter.

Application of Series 2004 Bond Proceeds

All interest accrued on Series 2004 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2004 Bonds Sinking Fund and applied to payment of interest on the Series 2004 Bonds at the first interest payment date.

The amount of Series 2004 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the portion of the Series 1992 Bonds consisting of the 2017 Term Bond, which amount shall be set forth in the Prepayment Agreement, shall be deposited in the Prepayment Fund.

The amount of Series 2004 Bond Proceeds which, together with other moneys of the City dedicated to such purpose, is equal to the Series 2004 Bonds Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Series 2004 Bonds Reserve Account, provided that, to the extent the Series 2004 Bonds Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinances for the applicable series of Bonds, Series 2004 Bond Proceeds shall be deposited in the Series 2004 Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2004 Bonds Reserve Account Requirement.

The balance of the proceeds of the Series 2004 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the City solely to pay costs of issuance of the Series 2004 Bonds and miscellaneous costs of refunding the 2017 Term Bond at the written direction of the City. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with the Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 90 days of the Closing Date, such unapplied proceeds shall be transferred by the City and deposited in the Series 2004 Bonds Sinking Fund established in Section 4.02 of the Ordinance and applied to the next ensuing payment of interest on the Series 2004 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there is created a lien upon such moneys until so applied in favor of the Holders of the Series 2004 Bonds from which such proceeds are derived.

Application of System Revenues

The Gross Revenues derived from the operation of the System and all parts thereof are to be deposited in the Revenue Fund established with the Depository Bank.

System Revenues; Flow of Funds

The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the City in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The City shall first, each month, pay from the Revenue Fund the current Operating Expenses.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds of the Prior Bonds, the amounts required by the Prior Ordinances to pay the interest on and principal of the Prior Bonds; (ii) commencing 7 months prior to the first interest payment date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2004 Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing semiannual interest payment date is more or less than 7 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2004 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2004 Bonds deposited therein; and (iii) commencing 13 months prior to the first principal payment date or mandatory Redemption Date of the Series 2004 Bonds, for deposit in the Series 2004 Bonds Sinking Fund and in the Series 2004 Bonds Redemption Account therein in the case of the Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2004 Bonds on the next ensuing annual principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is more or less than 13 months, then such monthly payments shall be decreased or increased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date.

Moneys in the Series 2004 Bonds Sinking Funds shall be used only for the purposes of paying principal of and interest on the Series 2004 Bonds, whether by maturity or redemption prior to maturity and, with respect to the Series 2004 Bonds Reserve Accounts therein, any amounts necessary to fund such Reserve Account to maintain the Series 2004 Bonds Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with the Ordinance.

The City shall not be required to make any further payments into the Series 2004 Bonds Sinking Fund when the aggregate amount of funds therein, including the Series 2004 Bonds Reserve Account therein, is at least equal to the aggregate principal amount of Series 2004 Bonds then Outstanding, plus the amount of interest due or thereafter to become due on such Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2004 Bonds are issued, provision shall be made for additional deposits into the Series 2004 Bonds Reserve Account sufficient to maintain the Series 2004 Bonds Reserve Account Requirement in accordance with the provisions of the Ordinance.

The payments into the Series 2004 Bonds Sinking Funds shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of the Ordinance.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Reserve Accounts of the Prior Bonds, the amount required by the Prior Ordinances; and (ii) for deposit in the Series 2004 Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2004 Bonds Reserve Account below the Series 2004 Bonds Reserve Requirement or any withdrawal from the Series 2004 Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2004 Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2004 Bonds Reserve Account is less than the Series 2004 Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2004 Bonds Reserve Account for deposit into the Series 2004 Bonds Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2004 Bonds Reserve Account to an amount equal to the Series 2004 Bonds Reserve Requirement to the full extent that such Gross Revenues are available; provided however, that if the shortfall in the Series 2004 Bonds Reserve Account is due to a decrease in value of investments therein, such shortfall shall be replenished by not less than 6 equal monthly payments, and if such shortfall is due to a withdrawal from the Series 2004 Bonds Reserve Account, such shortfall shall be replenished by not less than 12 equal monthly payments, and provided further, that no payments shall be required to be made into the Series 2004 Bonds Reserve Account whenever and as long as the amount on deposit therein shall be equal to the Series 2004 Bonds Reserve Requirement.

Amounts in the Series 2004 Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2004 Bonds when due, when amounts in the Series 2004 Bonds Sinking Fund are insufficient therefor and for no other purpose.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Repair and Replacement Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. No further payments shall be required to be made into the Repair and Replacement Fund when there shall

have been deposited therein, as so long as there shall remain on deposit therein, the sum of $500,000.

Withdrawals and disbursements may be made by the City from the Repair and Replacement Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in any Reserve Account (so that the amount on deposit therein is at least equal to the applicable Reserve Account Requirement);

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (including the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board of Directors, moneys in the Repair and Replacement Fund in excess of $500,000 may be transferred by the City to the respective redemption account and used for optional redemption or for purchase of Series 2004 Bonds. In the event of purchase of Series 2004 Bonds, the Issuer may direct the purchase of Series 2004 Bonds offered for sale at the lowest price below the redemption price of such Series 2004 Bonds.

(5) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The City may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

Investments

The City shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by the Ordinance in Qualified Investments, as defined in the Ordinance, to the fullest extent possible under applicable laws, the Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in Section 5.01 of the Ordinance.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The City may make any and all investments permitted by this section through the bond department of the Depository Bank. The

Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under Section 5.01 of the Ordinance:

(A) Qualified Investments acquired for the Repair and Replacement Fund or any Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The City shall, or shall cause the Bond Commission, at least annually to transfer from the Series 2004 Bonds Reserve Account and the Series 2004 Bonds Sinking Fund to the City, any earnings on the moneys deposited therein and any other funds in excess of the Series 2004 Bonds Reserve Requirement; provided, however, that there shall at all times remain on deposit in the Series 2004 Bonds Reserve Account an amount at least equal to the Series 2004 Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, including accrued interest. If amounts on deposit in the Series 2004 Bonds Reserve Account shall, at any time, be less than the Series 2004 Bonds Reserve Requirement, the Bond Insurer shall be notified immediately of such deficiency and such deficiency shall be made up from the first available Net Revenues after required deposits to the Series 2004 Bonds Sinking Fund and other sinking funds and payment of operating expenses and otherwise in accordance with the Ordinance.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission and pledged solely to the payment of interest on the Series 2004 Bonds.

(E) Notwithstanding the foregoing, all moneys deposited in the Series 2004 Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

General Covenants

Enforcement of Collections. The City will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized

by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The City further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Rates. Prior to the issuance of the Series 2004 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer has covenanted and agreed that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year and all payments required into all funds and accounts of the Bonds for as long as the Series 1992 Bonds are Outstanding, and thereafter, 115% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets. In any event, the City shall not reduce the rates or charges of the System set forth in the rate ordinance enacted by the Issuer on June 10, 2003.

Operation and Maintenance. The City will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Net Revenues of said System in the manner provided in the Ordinance.

Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially ass a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by the Ordinance. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Series 2004 Bonds Sinking Fund and the sinking funds for the Prior Bonds, and otherwise as prescribed by Section 6.06 of the Ordinance. Any balance remaining after such defeasance shall be remitted to the City by the Bond Commission unless necessary for the payment of other obligations if the City payable out of the Net Revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserve the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the City shall, by resolution, determine that such

property comprising a part of the System is no longer necessary, useful or profitable in the operatio thereof, and the City may then provide for the sale of such property. The proceeds of any such sal shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or othe disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the City sha first, determine upon consultation with the Consulting Engineers, that such property comprising part of the System is no longer necessary, useful or profitable in the operation thereof, and ma then, if it be so advised, by resolution duly adopted, approve and authorize such sale, lease or othe disposition of such property in accordance with the laws of the State. The proceeds of any such sal shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay the Series 2004 Bonds and the Prior Bonds, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in principal amount of Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Additional Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations and requirements on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. No additional Parity Bonds, payable out of the Net Revenues of the System shall be issued after the issuance of any Bonds pursuant to the Ordinance, except under the conditions and in the manner herein provided.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Clerk of the City a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during 12 consecutive months in the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall, so long as any of the Series 1992 Bonds are Outstanding, not be less than 120%, and thereafter shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(4) The Bonds then Outstanding;

(5) Any Parity Bonds theretofore issued pursuant to the provisions contained in the Ordinance then Outstanding; and

(6) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of Consulting Engineers, which shall be filed in the office of the Clerk of the City prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the preceding Fiscal Year hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Certified Public Accountants, and filed with the Clerk of the City, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section and the Prior Ordinance, payable from the Net Revenues of the System on a parity with the Series 2004 Bonds, and all the covenants and other provisions of the Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2004 Bonds and the Holders of any additional Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinance. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "Parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The City shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional Parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinance with respect to the Bonds then Outstanding (excluding the Repair and Replacement Fund), and any other payments provided for in the Ordinance and the Prior Ordinance, shall have been made in full as required to the date of issuance of the Parity Bonds, and the City then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinance and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever payable from the Net Revenues of the System, which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with, the Bonds, provided that additional Bonds on parity with the Bonds may be issued as provided in the Ordinance. See "ADDITIONAL SECURITY FOR THE SERIES 2004 BONDS-Additional Parity Bonds." All obligations issued by the City payable from the Net Revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from Net Revenues and in all other respects, to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to pari passu additional bonds, being on parity with the lien of the Bonds and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in the Ordinance, or upon the System or any part thereof.

Insurance and Bonds. The City will carry, with a reputable insurance carrier or carriers, procure and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the City will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the City from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the City from claims arising out of operation or ownership of motor vehicles of or for the System.

C. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the City and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, betterments or improvements to the System in compliance with West Virginia Code Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the City.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the City.

F. FIDELITY BONDS will be provided as to every officer and employee of the City having custody of the Gross Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms determined to be adequate by the City. The City shall verify such insurance prior to commencement of construction. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builders' risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the construction project, such insurance to be payable to the order of the City, the prime contractor and all subcontractors, as their interests may appear, during construction of the project in the full insurable value thereof. In time of war, the City shall also carry in such amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided in the Ordinance for the Depreciation Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is deemed necessary by the City, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

The City shall require all contractors engaged in the construction project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the project covered by the particular contract as security for the faithful performance of such contract and shall verify such bonds prior to the commencement of construction.

Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues derived from operation of the System.

No Competing Franchise. To the extent legally allowable, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever, for the providing of any services which would compete with services provided by the System.

Books and Records. The City will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the System, and any registered owner of

the Bonds shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the City relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles to the extent allowable under and in accordance with the rules and regulations of the PSC and the Act. The City shall maintain separate control accounting records. Subsidiary records as may be required shall be kept in the manner and on the forms, books and along with other bookkeeping records as prescribed by the City. The City shall prescribe and institute the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Board of Directors shall be reported to such agent of the City as the Board of Directors shall direct.

The Board of Directors shall file with the Underwriter and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The City shall also file with the Underwriter and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System.

(B) A statement of account balances in the Sinking Fund accounts provided for in the Ordinance and status of said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be audited by independent certified public accountants (or if required by State law, by the State Tax Department) and shall mail upon request, and make available generally, the report of said independent certified public accountants (or State Tax Department), or a summary thereof, to any registered owner of the Bonds, and shall file said report with the Underwriter.

Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder, and an authorized officer of the City shall deliver his certificate, based upon this covenant, with regard thereto to the Underwriter.

Operating Budget. The Board of Directors shall annually, at least forty-five (45) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget until the Board of Directors shall have approved such expenditure by a resolution duly adopted. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Underwriter and shall make available such budgets and resolutions to the Underwriter and to

any registered owner of the Bonds or anyone acting for and in behalf of such registered owner who requests the same.

Amendment. No materially adverse modification or amendment to the Ordinance or any supplemental resolution may be made without the written consents of the registered owners of sixty percent in aggregate principal amount of the Series 2004 Bonds then outstanding, provided that no modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2004 Bond without the express written consent of the registered owner thereof. No amendment or modification shall be made that would reduce the percentage of Series 2004 Bonds required for consent to any such amendment or modification. No amendment that adversely affects the security for the Series 2004 Bonds or the rights of the Insurer may be effected without the consent of the Insurer, such consent not to be unreasonably withheld.

Defeasance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the registered owners of all Series 2004 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the respective pledges of the Net Revenues and other moneys and securities pledged under the Ordinance, and all covenants, agreements and other obligations of the City on behalf of the registered owners of the Series 2004 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2004 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Series 2004 Bonds shall, prior to the maturity thereof, be deemed to have been paid if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or an escrow trustee at the same or earlier time, shall be sufficient, to pay when due the principal of and interest due and to become due on the Series 2004 Bonds on and prior to the maturity dates thereof. Neither securities nor moneys so deposited with the Bond Commission or an escrow trustee nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the respective principal of and interest on the Series 2004 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the Series 2004 Bonds on and prior to such maturity dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. With respect to defeasance, the term securities includes only U.S. Treasury Certificates, Notes or Bonds (including U.S. Treasury Certificates, State and Local Government Series—"SLGS"), direct obligations of the U.S. Treasury that have stripped by the Treasury itself, CATS, TIGRS and similar securities and obligations issued by agencies and backed by the full faith and credit of the U.S.

Default and Remedies

Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2004 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2004 Bonds;

B. If default occurs in the City's observance of any of the covenants, agreements or conditions on its part in the Ordinance or any supplemental resolution or in the Series 2004 Bonds, and such default shall have continued for a period of thirty (30) days after the City shall have been given written notice of such default, requiring the same to be remedied, by the Bond Commission, the Depository Bank, The Registrar, the Paying Agent or any registered owner of the Bonds;

C. If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

D. If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Remedies. Upon the happening and continuance of any Event of Default, any registered owner of the Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights, and, in particular (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceedings enforce all rights of the registered owners of the Bonds, including the right to require the City to perform its duties under the Act and the Ordinance; (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the registered owners of the Bonds; and (v) by action or bill in equity enjoin any acts in violation of the Ordinance or the rights of the registered owners of the Bonds, provided that all rights and remedies of the Holders of the Series 2004 Bonds shall be on parity with the Holders of the Prior Bonds.

Appointment of Receiver. If there be any Event of Default existing and continuing, any registered owner of the Bonds shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, fees and other charges sufficient to provide for the payment of operating expenses of the System, the payment of the Bonds and the deposits into the funds and accounts established with respect to the Bonds and to apply such rates, fees, charges or other Gross Revenues in conformity with the provisions of the Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, maintain, manage and control such facilities and in the name of the City exercise all the rights and powers of the City with respect to said facilities as the City itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of the Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Net Revenues of the System shall have been paid and made good, and all defaults under the provisions of the Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any registered owner of the Bonds shall have the same right to secure the further appointment of a receiver.

Such receiver, in the performance of the powers conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the order and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing contained in the Ordinance shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth in the Ordinance.

Any receiver appointed as provided in the Ordinance shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and registered owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage, or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the City and registered owners of the Bonds, and the curing and making good of any default under the provisions of the Ordinance, and the title to and ownership of the System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

TAX MATTERS

In the opinion of Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2004 Bonds is excludable from gross income of the holders thereof for federal income tax purposes and will not be treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for purposes of computing the alternative minimum tax on corporations, such interest is taken into account in determining adjusted current earnings.

The City has designated the Series 2004 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. In the opinion of Bond Counsel, the Series 2004 Bonds are "qualified tax-exempt obligations" and the provisions of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or continued to carry most tax-exempt obligations does not apply to the Series 2004 Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Series 2004 Bonds is deductible for federal income tax purposes.

The Code imposes certain requirements as a condition to exclusion from gross income of the interest on the Series 2004 Bonds for federal income tax purposes, including a requirement that the City rebate to the United States Treasury certain arbitrage earnings. The City will covenant or certify that it will comply with all applicable requirements of the Code. Failure of the City to comply with such requirements could result in interest on the Series 2004 Bonds being included in gross income for federal income tax purposes from the date of issue.

Ownership of the Series 2004 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, S corporations with "excess net passive income," individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2004 Bonds.

Bond Counsel is further of the opinion that under the laws of the State of West Virginia, a presently written and applied, the Series 2004 Bonds and the interest thereon are exempt from direc taxation by the State of West Virginia or any county, municipality, political subdivision, or agency thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, sale and issuance of the Series 2004 Bonds are subject to the unqualified approving opinion of Steptoe & Johnson, PLLC, Charleston, West Virginia, Bond Counsel. John W. Feuchtenberger, Bluefield, West Virginia, as counsel for the City, will pass upon certain legal matters for the City. Douglas G. Campbell, Tazewell, Virginia, as counsel for the Sanitary Board, will pass upon certain legal matters for the Sanitary Board. Goodwin & Goodwin, LLP, Charleston, West Virginia, as counsel to the Underwriter, will pass upon certain legal matters for the Underwriter.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the City's financial position or on the validity of the Series 2004 Bonds, the Ordinance or any agreement to which the City is a party and which is a part of the issuance of the Series 2004 Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to State law, the Series 2004 Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia. See "THE SERIES 2004 BONDS - General."

UNDERWRITING

The Series 2004 Bonds are being purchased by the Underwriter named on the cover of this Official Statement. The Purchase Contract provides that the Underwriter will purchase all the Series 2004 Bonds, if any are purchased, at a purchase price equal to the initial public offering prices set forth on the cover page hereof less an Underwriter's discount of $95,250 plus accrued interest. The obligation to make such purchase is subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The Underwriter may change the initial public offering prices from time to time. The Underwriter may offer and sell Series 2004 Bonds to certain dealers (including dealers depositing Series 2004 Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

FINANCIAL STATEMENTS

Included herein as Appendix B are the audited financial statements of The Sanitary Board of Bluefield as of and for the twelve-month period ended June 30, 2003, and the report with respect to the audited financial statements as of and for the twelve-month period ended June 30, 2003, dated December 12, 2003, of Sullivan, Ware & Hall, PLLC, certified public accountants.

CONTINUING DISCLOSURE

The City has agreed in the Ordinance to execute and deliver contemporaneously with the issuance of the Series 2004 Bonds a certificate or agreement to undertake for the benefit of the Registered Owners of the Series 2004 Bonds to provide certain financial and operating information of the System (the "Annual Information") not later than one hundred eighty (180) days following the end of the City's fiscal year, commencing in 2004, and to provide the Annual Information for delivery to each National Recognized Municipal Securities Information Repository, either directly, or if permitted, to the Central Post Office ("CPO"), and any State Information Depository and to provide notice of the occurrence of the enumerated events to each National Repository, either directly, or if permitted, to the Central Post Office, or the Municipal Securities Rulemaking Board ("MSRB"), and to any State Depository.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c2-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to the CPO for delivery to each National Recognized Municipal Securities Information Repository, or if the CPO is no longer authorized under the SEC's Interpretative Letter dated September 7, 2004, to each National Recognized Municipal Securities Information Repository, or the MSRB, and to any State Information Depository, of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Series 2004 Bonds. Registered Owners may contact the City Manager of The City of Bluefield at 200 Rogers Street, Bluefield, West Virginia 24701, for more information.

MISCELLANEOUS

The foregoing summaries, explanations and quotations do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Purchasers are referred to the Act and the Ordinance for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2004 Bonds. The City has authorized the execution and distribution of this Official Statement.

CITY OF BLUEFIELD, WEST VIRGINIA

By: _/s/ R. E. "Bob" Perkinson, Jr._
Mayor

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GENERAL INFORMATION REGARDING THE CITY OF BLUEFIELD

Founded in 1889, the City of Bluefield, West Virginia (the "City") is situated within Mercer County along the southern West Virginia-Virginia boarder. Historically, coal was responsible for the area's early growth, prosperity and economic base. Today, coal, industrial parks, banking, shopping, health and services, and tourism are the key to the growth of the greater Bluefield area. Highways, bus lines, rail and air service, provide easy access to and from the Bluefield area. The intersection of I-77, which runs from Cleveland, OH to Columbia, SC, and US Route 460 are just minutes away connecting the greater Bluefield area with major routes for tourism and shipping. I-77 also provides close access to Interstates 81 and 64.

Population

The next two tables present population information for Mercer County and the City.

Mercer County, WV Population

Census	Population	% Change
July 2002	62,092	.2%

Source: US Bureau of the Census

Bluefield, WV Population Estimates

Census	Population	% Change
July 2002	11,190	-2.3%

Source: US Bureau of the Census

Bluefield, WV 2000 Census Data

Total population: 11,451

Median Age: 42.2

18 years and over: 8993
21 years and over: 8540
62 years and over: 2797
65 years and over 2463

Total Households:5038

Owner-occupied housing: 3339 (66.28%)
Renter-occupied housing: 1699 (33.72%)

Source: US Bureau of the Census, 200_ Census

Administrative Staff

The City of Bluefield's Administrative staff includes the following:

City Manager

The City Manager is chosen by the Council solely on the basis of his/her executive and administrative qualifications. The City Manager is the administrative head of the municipal government and is responsible for the efficient administration of all departments. The City Manager is appointed for an indefinite period.

City Attorney

The City Attorney is appointed by the Council and serves as the legal adviser of the City and all its officers in all matters arising and in which legal proceedings may be taken. The City Attorney prosecutes all suits, actions and proceedings instituted on behalf of the City and defends all suits and actions against the City. When requested, the City Attorney gives written opinions to the Mayor and Council regarding such legal questions that may affect the City's interest.

City Recorder

It is the duty of the City Recorder to keep a properly indexed journal of the proceeding of the Council and preserve the records of the City. In the absence of the Mayor, the City Recorder exercises the functions of the Mayor except at meetings of the Council. The City Recorder is the Chief Election Official for the City.

City Engineer/Planner

The City Engineer/Planning Department currently employs a total of 6 employees. These employees include the following: Engineer/Planner, Building Code Official, Building Inspector, Code Enforcement Officer, and two Secretaries.

Finance Director

The Finance Director performs a variety of complex administrative and technical accounting and finance functions in maintaining the fiscal records of the City. The Finance Director is responsible for accounts receivable and payable and maintains all City banking records. The Finance Director also provides leadership and direction in the development of short and long-term range plans.

Police Chief

The Police Chief has the general control, supervision and authority over all the Police Officers and civilian staff employed within the Department. The Police Chief plans and implements law enforcement programs for the City in order to carry out the policies and goals of City Management and Council. The Police Chief develops policies and procedures for the Department and ensures that laws and ordinances are enforced and that the public peace and safety are maintained.

Fire Chief

The Fire Chief performs technical, administrative, supervisory and complex fire service work in directing the full activities of the Fire Department. The Fire Chief makes recommendations for the establishment and maintenance of an adequate fire defense and responds to and takes command of fire fighting personnel at major fires. The Fire Chief is also responsible for the enforcement of the City's Fire Prevention Code.

Public Works Superintendent

The Public Works Superintendent performs complex supervisory, administrative and professional work in planning, organizing, directing, and supervising the Public Works Department, including environmental, street, solid waste, traffic control, recycling and other public works projects and programs. The Public Works Superintendent plans, organizes, coordinates, supervises and evaluates programs, plans, services, staffing, equipment and infrastructure of the Public Works Department.

Utilities Director

The Utilities Director performs a variety of skilled, technical, supervisory, and administrative work in the planning, construction, operation, repair, maintenance, and replacement of municipal water distribution and treatment systems, and wastewater collection and treatment systems. The Utilities Director plans, schedules and implements construction, maintenance, operation and construction activities designed to provide quality water distribution and wastewater collection and treatment services for the City. The Utilities Director also oversees the analysis of water, wastewater, and effluent samples to provide data for the efficient operation of the Water and Waste Water Treatment Plants.

Election of Officers

The Mayor and four City Directors are elected for four (4) year terms. The next City election will be held on the second Tuesday in June 2005. All current terms expire on July 31, 2005.

Education

There are seven (7) public schools to serve students living in the City of Bluefield. These include one high school, 1 middle school and 5 elementary schools. All of these schools are run by the Mercer County Board of Education. Besides the 7 public schools, there is one private school located in the City that serve both City and County residents. This school is the Valley View Adventist School.

Employment

The top seven employers for the City of Bluefield are:

Flowers Baking Co. of West Virginia	(Consumer; Food)
Wisdom Media Group	(Advertising)
Rish Equipment	(Equipment Dealership)
Norfolk Southern	(Transportation)
Echostar	(Satellite Communications)
Frontier	(Telecommunications)
Bluefield Regional Medical Center	(Healthcare)
Mercer County Board of Education	(County Government-Education)

Parks and Recreation

The City of Bluefield maintains 13 parks and playgrounds including the East Rive Mountain Scenic Overlook. The city's largest park, 40 acres, includes a 1.3 mile track, a 5.5 mil hiking/biking system, 2 softball diamonds, 2 little league fields, 3 basketball courts, 9 tenni courts, a sand volleyball court, an equestrian ring, four picnic shelters and the legendar Ridgerunner Mini train. In addition, the park houses a multipurpose complex which includes th city auditorium and youth center.

Public Safety

The Police Department currently has a total of 47 employees. These employees include: 28 sworn officers, 6 support staffers, 6 crossing guards, 5 dispatchers, 1 parking enforcement officer and 1 animal control officer.

GENERAL INFORMATION REGARDING MERCER COUNTY, WEST VIRGINIA

Mercer County is located in the southern tier of counties in West Virginia that form the border with Virginia. It was founded almost a quarter of a century before the Civil War, incorporated by an Act of the Virginia Assembly and named for General Hugh Mercer, a Revolutionary War hero.

Nestled in the heart of the Mid-Atlantic region, Mercer County is approximately 100 miles from the State Capitol in Charleston. Bluefield and Princeton are the largest cities in the county with Princeton being the county seat.

Government

Mercer County government is responsible for numerous and varied functions, these functions are administered by local elected officials. The government of Mercer County plays a very large role in delivering public services to the citizens in their county, i.e.: police protection, health services, recreation, fire protection, flood protection, ambulances, senior citizen programs and transportation.

Employment

Many businesses have found a home in Mercer County, from major global industries to small entrepreneurships. Primary and secondary wood industries, mining support industries, telecommunications and hundreds of other companies have profited from the county's abundant energy resources, skilled labor force and proximity to major markets.

Major Employers

Mercer County Board of Education
Princeton Community Hospital
Concord College
Community Action of SE West Virginia, Inc.
West Virginia Department of Highways
Princeton Hardwoods
Bluefield Regional Medical Center, Inc.
Echosphere Corporation
Wal-Mart Associates, Inc.
St. Luke's Hospital
Bluefield State College

Transportation

Mercer County is the transportation center in southern West Virginia, with the city of Princeton situated near the third busiest interstate interchange in the state. Over 50,000 vehicles pass through the county on a daily basis.

Interstate 77 is a major north-south route, which enters West Virginia at Bluefield from Virginia to the south and continues north to Princeton where it becomes the West Virginia Turnpike and continues to Charleston. To the north, I-77 provides an ideal link with such major population centers as Cleveland and via I-79 to Pittsburgh. I-77 runs from Cleveland to Columbia, South Carolina.

Interstate Highway Servicing Area: I-77
US Routes: 460,52,19
WV Routes: 290,123,112,104,102,71,20 and 10
Available Industrial Parks: 2
Airports: Mercer County Airport (Bluefield)
Bus Service: Yes
Parcel Service: Yes
River, Nearest Navigable: Kanawha River (approx. 55 from Mercer County)

Utilities and Services

Electricity: American Electric Power
Cellular Service: Yes
Telephone Service: Verizon, Citizens Telecom
Natural Gas: Bluefield Gas, Allegheny Power

Climate

Temperature (Degrees F) Mean Annual Average: 52
January Averages: *High* 39 *Low* 23
July Averages: *High* 78 *Low* 62

Long Term Precipitation (inches):
January: 2.51
July: 4.23
Annual: 38.4

Mean Annual Snowfall Range (inches): 35-45

Source: Development Authority of Mercer County

Economic Indicators

Per Capita Income (1999)	$21,256
Total Personal Income (1999)	$1,363,162,000

Employment and Wages Covered by Unemployment Compensation Programs

Employment, Annual Average 2000	22,537
Total Wages, Annual 2000	$548,586,582
Annual Wage, Annual Average 2000	$24,341
Weekly Wage, Annual Average	$468.11

Source: Bureau of Employment Programs

Mercer County Population and Age

Total population	62,980
Male	30,021
Female	32,959
Ages 14 and Below	10,888
Ages 15 to 19	4,206
Ages 20 to 24	4,345
Ages 25 to 34	7,850
Ages 35 to 44	8,651
Ages 45 to 54	9,468
Ages 55 to 64	6,603
Ages 65 and older	10,969
Median Age	40.2
White	58,295
Black or African American	3,668
American Indian or Alaska Native	122
Asian	288
Native Hawaiian and Other Pacific	8
Some other race	66
Two or more races	533

Source: US Census, 2000

Mercer County, WV Population by Decades

Year	Population	Population Change	Annual % Change
1960	68,206	-6,807	-0.9
1970	63,206	-5,000	-0.8
1980	73,942	10,736	1.6
1990	64,980	-8,962	1.3
2000	62,980	-2,000	-0.3

Source: U.S. Census, 2000

HOUSEHOLDS

Total Households	26,509
Family Households	17,943
Non-Family Households	8,566
Persons 65 and Over, Living Alone	3,598
Average Household Size	2.33

HOUSING

Total Housing Units	30,143
Occupied Housing Units	26,509
Owner Occupied Units	20,368
Renter Occupied Units	6,147

Education

The Mercer County public school system is made up of 17 elementary schools, 2 middle schools and 4 high schools (Bluefield, Princeton, Pikeview and Montcalm). In the year 2000, eleven thousand children were enrolled in the county's public schools. Only two private and parochial schools are within the county. Roughly 250 Mercer County children are enrolled in those schools. Two colleges, Bluefield State College and Concord College, make up the County's higher education institutions.

Recreation

The region that makes up Mercer County and its neighbor, Summers County, are full of leisure activities including arts and crafts, theater productions, skiing, hunting, fishing, golf and popular state parks, such as Pinnacle Rock State Park, Bluestone State Park and Pipestem Resort State Park.

Among local sporting attractions is Appalachian League baseball which includes the Bluefield Orioles and the Princeton Reds – farm clubs of the major league Baltimore Orioles and Cincinnati Reds.

Facilities

Auditoriums	15	Stadiums	3
Baseball-Softball Fields	4	Swimming Pools	6
Basketball Courts – indoor	15	Basketball Courts – outdoor	10
Tennis Courts – indoor	3	Tennis Courts – outdoor	10
County Clubs	3	Golf Courses	3
Parks	4	Playgrounds	10

Employment and Unemployment Statistics

Labor Force Statistics

	1999	2000	2001	2002	2003
Civilian Labor Force	28,650	28,560	28,810	27,720	27,060
Total Employment	27,250	27,270	27,530	26,270	25,250
Total Unemployment	1,390	1,290	1,280	1,450	1,540
Unemployment Rate	4.9	4.5	4.5	5.2	5.7

Nonfarm Payroll Employment Industry

	1999	2000	2001	2002	2003
Total Non-Farm Payroll	24,950	24,740	24,740	24,620	24,370
Goods Producing	2,870	2,790	2,790	2,470	2,280
Mining	50	50	50	50	40
Coal Mining	0	10	10		
Construction	1,060	1,010	910	850	820
Manufacturing	1,760	1,730	1,690	1,580	1,420
Durable Goods	1,410	1,380	1,310		
Nondurable Goods	350	350	380		
Service Producing	22,080	21,950	21,830	7,700 ?	8,050?
Transportation & Public Utilities	1,810	1,650	1,660	790	820
Trade, Wholesale & Retail	6,370	6,410	6,160	4,240	4,190
Finance, Insurance & Real Estate	830	820	790	840	830
Services	7,910	7,990	8,140	2,770	2,620
Government	5,160	5,080	5,070	5,060	5,140
Federal	310	330	300	300	280
State and Local	4,850	4,750	4,770	4,770	4,860

Source: Bureau of Employment Programs

Nearby Metropolitan Cities

Charleston, WV	103 miles northwest
Huntington, WV	153 miles northwest
Roanoke, VA	96 miles east
Cincinnati, OH	300 miles northwest
Washington, DC	238 miles northeast
Beckley, WV	51 miles north

APPENDIX B

FINANCIAL STATEMENTS OF THE SANITARY BOARD OF BLUEFIELD

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THE SANITARY BOARD OF BLUEFIELD

FINANCIAL STATEMENTS
WITH ADDITIONAL INFORMATION

YEARS ENDED JUNE 30, 2003 AND 2002

THE SANITARY BOARD OF BLUEFIELD
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Sanitary Board of Bluefield
Bluefield, West Virginia

We have audited the accompanying financial statements of The Sanitary Board of Bluefield as of and for the years ended June 30, 2003 and 2002, as listed in the table of contents. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Sanitary Board of Bluefield as of June 30, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2003 on our consideration of The Sanitary Board of Bluefield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sullivan, Ware & Hall PLLC

Huntington, West Virginia
December 12, 2003

THE SANITARY BOARD OF BLUEFIELD
BALANCE SHEETS
JUNE 30, 2003 AND 2002

ASSETS

	2003	2002
CURRENT ASSETS		
Cash and cash equivalents	$ 94,633	$ 60,089
Accounts receivable, net of an allowance for doubtful accounts of $222,050 and $80,032 in 2003 and 2002, respectively	777,213	878,390
Prepaid expenses	58,932	65,436
TOTAL CURRENT ASSETS	930,778	1,003,915
RESTRICTED ASSETS		
Sinking Fund (cash equivalents)	432,603	425,012
Reserve account (cash equivalents)	901,306	894,319
Cash - construction and repair and replacement (cash equivalent)	271,845	510,331
Cash - revolving loan fund (cash equivalent)	8,241	8,193
TOTAL RESTRICTED ASSETS	1,613,995	1,837,855
UTILITY PLANT, PROPERTY AND EQUIPMENT, AT COST:		
Construction in progress	203,645	119,928
Utility plant, property and equipment	40,250,468	39,787,220
Less: Accumulated depreciation	(24,012,247)	(22,861,446)
NET UTILITY PLANT, PROPERTY AND EQUIPMENT	16,441,866	17,045,702
OTHER ASSETS		
Deferred debt expense and unamortized bond discount, net	414,595	446,613
Deposits	9,373	8,813
TOTAL OTHER ASSETS	423,968	455,426
TOTAL ASSETS	$ 19,410,607	$ 20,342,898

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

THE SANITARY BOARD OF BLUEFIELD
BALANCE SHEETS
JUNE 30, 2003 AND 2002

LIABILITIES AND FUND EQUITY

	2003	2002
CURRENT LIABILITIES		
Payable from current assets:		
Current portion of note payable	$ 4,944	$ -0
Accounts payable	115,206	158,98
Accrued payroll	20,288	15,60
Taxes withheld and accrued	92,389	92,79
Compensated absences	66,255	66,91
Customer deposits	24,240	-0-
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	323,322	334,303
Payable from restricted assets:		
Current portion of revenue bonds payable	628,434	618,435
Revenue bond interest payable	130,709	136,183
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	759,143	754,618
LONG-TERM LIABILITIES		
Note payable, less current portion included above	16,503	-0-
Revenue bonds payable, less current portion included above, net of unamortized deferred loss from an advance refunding of $52,317 and $56,617 at June 30, 2003 and 2002, respectively	9,507,308	10,131,442
TOTAL LONG-TERM LIABILITIES	9,523,811	10,131,442
TOTAL LIABILITIES	10,606,276	11,220,363
FUND EQUITY		
Contribution in aid of construction	20,107,156	20,107,156
Retained (deficit)	(11,302,825)	(10,984,621)
TOTAL FUND EQUITY	8,804,331	9,122,535
TOTAL LIABILITIES AND FUND EQUITY	$ 19,410,607	$ 20,342,898

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

THE SANITARY BOARD OF BLUEFIELD
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN RETAINED (DEFICIT)
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
OPERATING REVENUE		
Charges for sewer and penalties	$ 3,883,127	$ 3,735,921
OPERATING EXPENSES		
Personal services	1,172,371	1,084,486
Fringe benefits	412,608	372,585
Regulatory commission expense	11,275	7,973
Supplies	502,143	489,660
Billing, collecting and accounting	87,437	73,031
General expenses	5,049	24,282
Maintenance	281,158	258,742
Insurance	93,124	81,888
Pensions	105,550	102,454
Rent	11,748	11,748
Bad debt expense	218,668	4,175
Depreciation	1,184,512	1,199,130
Professional services	214,924	132,099
Transportation	104,043	76,122
TOTAL OPERATING EXPENSES	4,404,610	3,918,375
OPERATING (LOSS)	(521,483)	(182,454)
NON-OPERATING REVENUES (EXPENSES)		
Grant revenue	449,748	58,551
Investment income	26,708	54,357
Interest and administrative fees on bonds	(304,699)	(312,460)
Amortization	(32,019)	(30,288)
Other revenues	63,541	40,347
NET NON-OPERATING REVENUES (EXPENSE)	203,279	(189,493)
NET (LOSS)	(318,204)	(371,947)
RETAINED (DEFICIT), BEGINNING	(10,984,621)	(10,612,674)
RETAINED (DEFICIT), ENDING	$ (11,302,825)	$ (10,984,621)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

THE SANITARY BOARD OF BLUEFIELD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating (loss)	$ (521,483)	$ (182,454)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Provision for depreciation	1,184,512	1,199,130
Provision for losses on accounts receivable	218,668	4,175
Loss on fix asset dispositions	6,750	-0-
Other revenues	63,541	40,347
Change in assets and liabilities which provided (used) cash exclusive of changes shown separately:		
Accounts receivable	(117,491)	(24,002)
Prepaid expenses	6,504	(11,877)
Deposits	(560)	(983)
Accounts payable	(43,782)	34,685
Accrued payroll	4,682	2,587
Taxes withheld and accrued	(407)	12,799
Compensated absences	(658)	8,927
Customer deposits	24,240	-0-
NET CASH PROVIDED BY OPERATING ACTIVITIES	824,516	1,141,885
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(587,426)	(300,198)
Capital grants	449,748	58,551
Principal paid on revenue bonds	(618,435)	(608,438)
Interest paid on bonds	(305,217)	(312,236)
Proceeds from bond issue	-0-	142,487
Principal paid on note payable	(1,536)	-0-
Interest paid on note payable	(657)	-0-
Proceed from note payable	22,983	-0-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(1,040,540)	(1,019,834)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Investment income	26,708	54,357
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(189,316)	117,857
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,897,944	1,780,087
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,708,628	$ 1,897,944

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

THE SANITARY BOARD OF BLUEFIELD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	$ 305,217	$ 312,236

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

In 2003 and 2002, the Organization amortized deferred bond discounts and issuance costs from the Series 1995 and Series 1992 bond issues in the amount of $32,019 and $30,288, respectively.

In 2003 and 2002, the Organization amortized a portion of the deferred loss from an advance refunding of the Series 1993 bond issue in the amount of $4,300 each year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of The Sanitary Board of Bluefield ("Sanitar Board") conform to generally accepted accounting principles applicable to state and loca governments.

The following significant accounting policies were applied in the preparation of th accompanying financial statements:

Reporting Entity
The financial statements of the Sanitary Board are not included in the financial statement of the City of Bluefield, West Virginia.

In accordance with the criteria established by the Governmental Accounting Standards Board for defining a reporting entity, these two organizations are considered separate reporting entities.

The West Virginia State Tax Department will schedule the audit of the City of Bluefield, West Virginia's financial statements through the current fiscal year as soon as possible, either by assigning the work to a staff auditor or appointing a public accounting firm.

Basis of Accounting
The Sanitary Board is a local governmental enterprise fund operated to provide sewer services to Bluefield, West Virginia and Bluefield, Virginia. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Enterprise funds use the accrual basis of accounting, whereby revenues are recognized when earned as opposed to when received and expenses are recognized when incurred as opposed to when paid. The Sanitary Board applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Sanitary Board does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Cash
All bank balances of deposits are entirely secured by FDIC insurance or by securities pledged by the financial institutions.

Cash Equivalents
For purposes of the Statement of Cash Flows, the Sanitary Board considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Sanitary Board uses the allowance method of accounting for bad debts. Accounts receivable are recorded net of an allowance for bad debts of $222,050 and $80,032 at June 30, 2003 and 2002, respectively.

Inventories

The Sanitary Board purchases materials and supplies for consumption. Inventories are considered immaterial and, therefore, are not recorded in the accompanying financial statements.

Utility Plant, Property and Equipment and Depreciation

Utility plant, property and equipment are stated at historical cost. Major expenditures and those which substantially increase useful lives are capitalized. Maintenance, repairs and minor renewals are charged to operations when incurred. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Depreciation of utility plant, property and equipment is provided for using annual rates which are sufficient to amortize the cost of the depreciable assets over their estimated useful lives using the straight-line method as follows:

Utility plant and equipment	5-50 years
Transportation equipment	3-5 years
Office equipment	5-15 years

Interest Capitalization

The Sanitary Board follows the policy of capitalizing interest as a component of the cost of utility plant constructed for its own use. During the year ended June 30, 2003 and 2002, total interest incurred amounted to $304,699 and $312,460, respectively. Interest expense charged to operations totaled $304,699 and $312,460 during the years ended June 30, 2003 and 2002, respectively. Interest expense capitalized during the years ended June 30, 2003 and 2002 totaled $-0- and $-0-, respectively.

Deferred Debt Expense and Bond Discount

Bond issuance costs and bond discounts are capitalized and reported together net on the balance sheet and amortized over the terms of the respective bonds using a method which approximates the effective interest method, or the straight line method if not materially different.

Compensated Absences

All full-time permanent employees are granted vacation benefits in varying amounts based upon job classification and tenure. Vacation benefits accrue and are payable upon termination of employment up to a maximum of vacation time earned and not used in the current and previous calendar year. Sick leave is not payable upon termination. The liability for accumulated vacation totaling $66,255 and $66,913 at June 30, 2003 and 2002 respectively, has been recorded in the accompanying financial statements.

NOTE 2 - DEFICIT RETAINED EARNINGS

The Sanitary Board's deficit balance in retained earnings totaling $11,302,825 and $10,984,621 at June 30, 2003 and 2002 respectively, is the result of revenues inadequate to cover expenses, including depreciation.

NOTE 3 - RESTRICTED ASSETS

The Sanitary Board is required to maintain and make deposits into various sinking fund accounts, repair and replacement accounts and reserve accounts as outlined below.

The Sanitary Board is required to deposit into the Sinking Fund accounts on a monthly basis in an amount sufficient to cover all principal, interest, and administrative fees which will next mature or become due on the bonds. Balances in the Sinking Fund accounts totaled $432,603 and $425,012 at June 30, 2003 and 2002, respectively.

The reserve accounts, which were created from a portion of the proceeds of the Series 1992 Bonds, Series 1995 Bonds, Series 1998 Bonds and Series 2000 Bonds, were established for the maximum amount of principal and interest which will come due on the bonds in any succeeding fiscal year. Moneys in the reserve accounts shall be used only to pay principal of or interest on the Series 1992 Bonds, Series 1995 Bonds, Series 1998 Bonds and Series 2000 Bonds, as due when other moneys in the sinking funds are insufficient. Since inception, interest earned has been added to these accounts. The balance in the Reserve accounts totaled $901,306 and $894,319 at June 30, 2003 and 2002, respectively.

The Sanitary Board has also established a repair and replacement account as required by the indenture of trust and a construction account. The balances in these accounts totaled $271,845 and $510,331 at June 30, 2003 and 2002, respectively.

The Sanitary Board is required on the first day of each month, to transfer to the repair and replacement fund a sum equal to not less than 2 ½ % of the revenues each month until the balance in such account totals $500,000. These funds are to be used to pay the reasonable cost of land, easements and depreciable renewals, repairs, extensions, improvements, modifications and additions to the system and related expenses. The Sanitary Board did not make all of the required monthly transfers to the repair and replacement account during the year ended June 30, 2003 and, therefore, was not in compliance with their bond covenants.

The Sanitary Board has also established a restricted account amounting to $8,241 and $8,193 at June 30, 2003 and 2002, respectively to accumulate amounts that will be required to be deposited into the sinking funds and reserve accounts.

NOTE 4 - BONDS PAYABLE

Bonds payable at June 30, 2003 and 2002, respectively consist of the following:

	2003	2002
Sewer Revenue Bonds, Series 2000	$ 272,458	$ 287,810
Sewer Revenue Bonds, Series 1998	1,004,976	1,060,809
Sewer Refunding Revenue Bonds, Series 1995	4,965,625	5,362,875
Less: Unamortized deferred loss	(52,317)	(56,617)
Sewer Refunding Revenue Bonds, Series 1992	3,945,000	4,095,000
TOTAL BONDS PAYABLE	10,135,742	10,749,877
LESS: CURRENT PORTION	(628,434)	(618,435)
LONG-TERM PORTION	$ 9,507,308	$ 10,131,442

On July 13, 2000, the Sanitary Board issued Sewerage Revenue Bonds, Series 2000. The Series 2000 Bond issue totaled $307,000 (par value) with a stated interest rate of 0% (1% administrative fee). The Series 2000 Bond issue proceeds were used for inflow and infiltration repairs to the sewerage system.

Issue costs of the Series 2000 Bond issue totaled $21,500 and are being amortized over the life of the bonds.

The Series 2000 Bonds are payable solely from and secured by the net revenues derived from the operation of the Sanitary Board's sewerage system and from moneys in the Sinking Fund and Reserve Account.

On April 28, 1999, the Sanitary Board issued Sewerage Revenue Bonds, Series 1998. The Series 1998 Bond issue totaled $1,116,645 (par value) with a stated interest rate of 0% (1% administrative fee). The Series 1998 Bond issue proceeds were used to acquire a portion of Bluewell Public Service District sewer system, and construct certain lines, pump stations and other facilities to connect with the sewer system acquired.

Issue costs of the Series 1998 bond issue totaled $44,604 and are being amortized over the life of the bonds.

The Series 1998 Bonds are payable solely from and secured by the net revenues derived from the operation of the Sanitary Board's sewage system and from moneys in the Sinking Fund and Reserve Account.

NOTE 4 - BONDS PAYABLE (CONTINUED)

On August 29, 1995, the Sanitary Board issued Sewer Refunding Revenue Bonds, Seri 1995. The Series 1995 bond issue totaled $7,945,000 (par value) with a stated interest ra of 0% (.5% administrative fee). The Series 1995 bond issue proceeds were used to refur the Sewer Revenue Bond, Series 1993 issue.

Issue costs of the Series 1995 bond issue totaled $40,577 and are being amortized over th life of the bonds. At the time of refinancing, the Series 1993 issue had a net carryin amount of $7,214,925. The reacquisition price of the Series 1993 bond issue totale $7,300,925. The difference between the reacquisition price of the Series 1993 issue an its net carrying amount totaled $86,000. This difference has been deferred and is bein recognized as interest expense over the life of the Series 1995 issue.

The Series 1995 bonds are payable solely from and secured by the net revenues derivec from the operation of the Sanitary Board's sewage system and from moneys in the Sinking Fund and Reserve Account.

The Sewer Revenue Bond, Series 1993 was issued to help finance the upgrade and expansion at the Westside Wastewater Treatment Plant. It was issued in September 1993 and consisted of one bond which was purchased by the Virginia Water Facilities Revolving Loan Fund at the issue price of $7,775,925, bearing an interest rate of 1.5%.

In June, 1992, the Sanitary Board issued Sewer Refunding Revenue Bonds, Series 1992 of $4,985,000 (Par Value) with interest rates of 7% on $2,185,000 (Par Value) and 6.25% on $2,800,000 (Par Value) to advance refund the Series 1966, 1977 and 1985 Sewage System Revenue Bonds.

The advanced refunding met the requirements of an in-substance debt defeasance and the Series 1966, 1977 and 1985 Bonds were removed from The Sanitary Board's balance sheet. As of June 30, 2003 and 2002, the amount of defeased debt outstanding but removed from the balance sheet amounted to $2,555,000 and $2,780,000, respectively.

The Series 1992 Bonds are dated June 1, 1992 and bear interest payable semiannually on each January 1 and July 1, commencing January 1, 1993. The Bonds were issued in denominations of $5,000.

Bond discount and issue costs of the Series 1992 Bond issue totaled $545,119 and are being amortized over the life of the Bonds.

The Series 1992 Bonds are payable from and secured by the net revenues derived from the existing public sewage system as well as any extensions, improvements, betterments thereto and the funds on deposit in the Sinking Fund and Reserve Account. In addition, the payment of principal and interest on the Series 1992 Bonds maturing July 1, 2017 ($2,800,000) is secured by a municipal bond guaranty insurance policy.

NOTE 4 - BONDS PAYABLE (CONTINUED)

The annual debt service requirements to maturity for bonded debt, as of June 30, 2003 are as follows:

Year Ending June 30	Revenue Bonds Principal	Revenue Bonds Interest and Administrative Fee
2004	$ 628,434	$ 291,740
2005	638,434	277,843
2006	653,434	263,245
2007	663,434	247,596
2008	678,434	231,248
2009 - 2013	3,627,170	885,209
2014 - 2018	3,089,045	365,598
2019 - 2023	209,674	3,355
2024 - 2028	-0-	-0-
Totals	$ 10,188,059	$ 2,565,834

NOTE 5 - UNAMORTIZED BOND DISCOUNT AND ISSUANCE COSTS

Unamortized bond discount and issuance costs represent the following on the issuance of the $4,985,000 Sewer Refunding Revenue Bonds, Series 1992, the $7,945,000 Sewer Revenue Bonds, Series 1995, the $1,116,645 Sewer Revenue Bonds, Series 1998, and the $307,000 Sewer Revenue Bonds, Series 2000.

	Series 2000	Series 1998	Series 1995	Series 1992	Total
Original discount and issuance costs	$ 21,500	$ 44,604	$ 40,577	$ 545,119	$ 651,800
Less: Accumulated amortization at June 30, 2003	(2,150)	(4,460)	(15,893)	(214,702)	(237,205)
Balance at June 30, 2003	$ 19,350	$ 40,144	$ 24,684	$ 330,417	$ 414,595

Unamortized bond discount and issuance costs are being amortized on the interest method, or straight line method if not materially different, over the terms of the bonds. Amortization expense charged to operations in 2003 and 2002 was $32,019 and $30,288, respectively.

NOTE 6 - INCOME TAXES

The Sanitary Board is a non-profit Organization and is exempt under the Internal Revenue Service Code (501). Therefore, a provision for income tax has not been provided for in the accompanying financial statements.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Sanitary Board is a supplier of sewer services. The Organization grants credit t customers, substantially all of whom are located in Bluefield, West Virginia and Bluefield Virginia, on open account without requiring collateral or any other security. Account receivable are recorded net of an allowance for bad debts in 2003 and 2002 of $222,05C and $80,032, respectively.

NOTE 10 - RATE COVENANT

The Sewer Revenue Bonds, Series 2000; Sewer Revenue Bonds, Series 1998 Sewer Refunding Revenue Bonds, Series 1995 and the Sewer Refunding Revenue Bonds, Series 1992 Bond Ordinances require The Sanitary Board to fix and collect such rates, fees, rentals, penalties and other charges for the services and facilities of the system so that in each fiscal year, the net revenues will be equal to not less than 120% of the maximum annual debt service on all outstanding bonds and parity bonds. The Sanitary Board is not in compliance with the rate covenant for the fiscal years ended June 30, 2003 and June 30, 2002.

NOTE 11 - LINE OF CREDIT

As of June 30, 2002, the Sanitary Board had a $350,000 unused line of credit with a local bank to be drawn upon as needed with an interest rate based on the highest rate on corporate loans posted by the Wall Street Journal.

NOTE 12 - OPERATING LEASE

The Sanitary Board leases office space from the City of Bluefield on a monthly basis. Lease expense charged to operations in 2003 and 2002 was $11,748 and $11,748, respectively.

NOTE 13 - RISK MANAGEMENT

The Sanitary Board is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In order to manage its risk of loss, the Sanitary Board purchases commercial insurance for liability, property and casualty losses as well as for employee health and basic life coverage. In addition, the Sanitary Board participates in the West Virginia Workers' Compensation fund for coverage against injuries to employees. The West Virginia Workers' Compensation Fund risk pool retains the risk of loss under the program.

NOTE 14 - NOTE PAYABLE

The Sanitary Board had the following note payable as of June 30, 2003 and 2002:

	2003	2002
8.5% note payable to Bluefield Municipal Employees Federal Credit Union, payable in monthly installments of $548, inclusive of interest, secured by a vehicle with a book value of $23,317 as of June 30, 2003, due April, 2007.	$ 21,447	$ -0-
Less current maturities included in current liabilities	(4,944)	-0-
Long-term portion	$ 16,503	$ -0-

Following are maturities of the note payable as of June 30, 2003:

June 30,	Amount
2004	$ 4,944
2005	5,381
2006	5,857
2007	5,265
Total	$ 21,447

NOTE 15 - RECLASSIFICATIONS

Certain amounts in the 2002 financial statements have been reclassified for comparative purposes.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
The Sanitary Board of Bluefield
Bluefield, West Virginia

We have audited the financial statements of The Sanitary Board of Bluefield as of and for the year ended June 30, 2003, and have issued our report thereon dated December 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Sanitary Board of Bluefield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 03-1. We also noted one immaterial instance of noncompliance which is described in the accompanying schedule of findings as item 03-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Sanitary Board of Bluefield's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization and the West Virginia State Tax Department and is not intended to be and should not be used by anyone other than these specified parties.

Suttle, Law, Ware & Hall PLLC

Huntington, West Virginia
December 12, 2003

SCHEDULE OF FINDINGS

CORRECTIVE ACTION PLAN

THE SANITARY BOARD OF BLUEFIELD

OFFICE NUMBER
304-325-3681

P.O. BOX 998
BLUEFIELD, WEST VIRGINIA 24701

FAX NUM
304-325-6

January 12, 2004

Mr. Bruce Sullivan
Sullivan, Ware & Hall
P.O. Box 2745
Huntington, WV 25727

RE: Corrective Action Plane Financial Statement Ending 06/30/03

Dear: Mr. Sullivan:

The Following is in response to the compliance Note 03-1 and 03-2:

03-1 Repair and replacement account - 1992 Sewer Refunding Revenue Bond

The balance of the $272,000.00 paid from the Repair and Replacement Account was paid and applied to principal and interest due under the terms of the bonded indebtedness of the Bluefield Sanitary Board. This was made necessary because there were not, at the time of payment, sufficient funds in the Sinking fund, which situation developed because of insufficient revenues which are discussed in Compliance Note 03-2 below. This payment from the Repair and Replacement Account and application of funds is allowable pursuant to 4.05 (4) (b) of the Bond Ordinance for the Sewer Refunding Revenue Bonds, Series 1992.

03-02 Rate Covenants – 1992 Sewer Refunding Revenue Bond

Since the date of the audit, the Bluefield Sanitary Board has instituted a rate increase sufficient to produce net revenues equaling or exceeding 120% of the maximum annual debt service on the outstanding bonds of all series. This increase was instituted August 1, 2003 and compliance with this covenant was achieved for the calendar month September 2003 and compliance has been achieved every consecutive month since.

R. Terry Honaker, Executive Director

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[LETTERHEAD OF STEPTOE & JOHNSON PLLC, BOND COUNSEL]
(Form of Approving Opinion of Bond Counsel)

December 1, 2004

$3,175,000
The City of Bluefield
(West Virginia)
Sewer Refunding Revenue Bonds, Series 2004

The City of Bluefield
Bluefield, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The City of Bluefield (the "Issuer") and have examined a record of proceedings relating to the issuance by the Issuer of its $3,175,000 aggregate principal amount Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Ordinance duly enacted and adopted by the Issuer on November 17, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 17, 2004 (collectively, the "Ordinance") and are subject to all the terms and conditions of the Ordinance. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Ordinance.

The Bonds are issued in fully registered form, are dated December 1, 2004, upon original issuance, mature on July 1 in years and amounts and bear interest payable each January 1 and July 1, commencing July 1, 2005, as follows:

Maturity	Amount	Interest Rate
2008	$300,000	3.250%
2009	$275,000	3.500%
2010	$280,000	3.700%
2011	$295,000	3.800%
2012	$305,000	3.900%
2013	$320,000	4.000%
2014	$330,000	4.050%
2015	$340,000	4.100%
2016	$360,000	4.150%
2017	$370,000	4.200%

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Ordinance.

The Ordinance provides that the issue is for the purposes of providing funds to currently refund a portion of the Issuer's outstanding Sewer Refunding Revenue Bonds, Series 1992, dated June 1, 1992 (the "Series 1992 Bonds"), originally issued in the aggregate principal amount of $4,985,000, consisting of a term bond maturing July 1, 2017 outstanding in the aggregate principal amount of $2,800,000 (the "2017 Term Bond"), to fund a reserve account for the Bonds and to pay costs of issuance of the Bonds and other costs in connection with such refunding. The portion of the Series 1992 Bonds constituting the term bond maturing July 1, 2008, currently outstanding as of the date hereof in the aggregate principal amount of $815,000, will not be refunded, but will remain outstanding, on a parity with the Bonds. The Bonds are also issued on a parity with the Issuer's (i) Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program), dated August 29, 1995, issued in the original aggregate principal amount of $7,945,000 (the "Series 1995 Bonds"), (ii) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated May 20, 1999, issued in the original aggregate principal amount of $1,116,645 (the "Series 1998 A Bonds"), and (iii) Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated July 13, 2000, issued in the original aggregate principal amount of $307,000 (the "Series 2000 A Bonds"). The Series 2008 Term Bond, the Series 1995 Bonds, the Series 1998 A Bonds and the Series 2000 A Bonds are herein collectively called the "Outstanding Prior Bonds."

The Bonds have been sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchase Agreement dated November 17, 2004, and accepted by the Issuer (the "Bond Purchase Agreement").

The 2017 Term Bond will be defeased pursuant to a Prepayment Agreement (the "Prepayment Agreement") dated December 1, 2004, by and between the Issuer and the West Virginia Municipal Bond Commission, as prepayment agent (the "Prepayment Agent").

Except as specifically set forth in our opinion of even date herewith rendered to Crews & Associates, Inc., as Underwriter, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated November 17, 2004 (the "Official Statement"), or other offering materials relating to the Bonds and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Issuer, the Original Purchaser, the Prepayment Agent, and others, contained in the Ordinance, the Prepayment Agreement, the Tax and Non-Arbitrage Certificate and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants, representations and certifications of the Issuer, the Original Purchaser, the Prepayment Agent, and others, pertaining to tax matters set forth in the Ordinance, the Prepayment Agreement, the Tax and Non-Arbitrage Certificate and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to refund a portion of the Series 1992 Bonds consisting of the 2017 Term Bond, enact the Ordinance, enter into the Prepayment Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively enacted the Ordinance, has authorized, executed and delivered the Prepayment Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Original Purchaser pursuant to the Bond Purchase Agreement. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Prepayment Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable from the Net Revenues and issued on a parity with respect to liens, pledge and sources of and security for payment with the Outstanding Prior Bonds, and enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

4. Under the laws, regulations, published rulings and judicial decisions of the United States of America existing on the date hereof, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraph 5.

5. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than

$10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2004. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. Under the Act, the Bonds and the interest thereon, are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

7. The 2017 Term Bond has been paid within the meaning and with the effect expressed in the Series 1992 Bonds Ordinance pursuant to which it was issued, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such 2017 Term Bond have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the certificate of the West Virginia Municipal Bond Commission relating to the sufficiency of the moneys on deposit in the Prepayment Fund to provide for the payment on January 1, 2005 of the principal on the 2017 Term Bond.

8. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Acts.

9. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Ordinance and secured by a lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Outstanding Prior Bonds, all in accordance with the terms of the Bonds and the Ordinance.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance, the Prepayment Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

11/19/04
079810.00001

APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by The City of Bluefield, a political subdivision of the State of West Virginia (the "Issuer"), in connection with the issuance of $3,175,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on November 17, 2004, and its Supplemental Resolution adopted on November 17, 2004 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November 17, 2004, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Central Post Office" shall mean the MAC, which shall receive Annual Reports and Listed Events and then electronically transmit them to the National Repositories and the State Repository.

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Central Post Office for delivery to each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 12 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2004 Fiscal Year, provide to the Central Post Office for delivery to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of The Sanitary Board of Bluefield may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Central Post Office for delivery to each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred twenty (120) days after the end of its 2004 fiscal year and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository and any State Depository, unaudited general purpose financial statements of The Sanitary Board of Bluefield, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2004 fiscal year-end, and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository and any State Repository, core financial information and operating data of The Sanitary Board of Bluefield for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of The Sanitary Board of Bluefield":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board, the Central Post Office for delivery to the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by The Sanitary Board of Bluefield. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the

Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: December 1, 2004

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Bluefield

Name of Issue: $3,175,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004

Date of Issuance: December 1, 2004

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of December 1, 2004

Central Post Office
Website: http://www.disclosureusa.org

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

$3,175,000
CITY OF BLUEFIELD
SEWER REFUNDING REVENUE BONDS
SERIES 2004

BOND PURCHASE AGREEMENT

November 17, 2004

City of Bluefield
P.O. Box 4100
Bluefield, WV 24701

Ladies and Gentlemen:

Crews & Associates, Inc. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement with the City of Bluefield (the "Issuer") for the sale by the Issuer and the purchase by the Underwriter of the Series 2004 Bonds in the aggregate principal amount of $3,175,000 (the "Bonds") described herein and in the Official Statement (defined herein), which are being issued by the Issuer. Upon your acceptance of this offer and your execution and delivery of this Bond Purchase Agreement (hereinafter referred to as the "Bond Purchase Agreement"), this Bond Purchase Agreement will be binding upon you and the Underwriter. This offer is made subject to your acceptance, evidenced by your execution and delivery of this Bond Purchase Agreement to the Underwriter, at or prior to 11:30 p.m., New York, New York time, on the date hereof, and will expire if not so accepted at or prior to such time (or such later time as the Underwriter may agree to in writing).

1. Definitions. The capitalized terms used in this Bond Purchase Agreement shall have the meanings assigned to them herein or, if not defined herein, shall have the meanings set forth in the Bond Ordinance enacted by the Issuer and effective on November 17, 2004 (the "Ordinance"). This Bond Purchase Agreement, the Official Statement, the Preliminary Official Statement, the Ordinance, the Tax Regulatory Agreement (or Tax Certificate) and the Continuing Disclosure Certificate are sometimes herein referred to as the "Bond Documents."

2. Closing. Delivery and acceptance of the Bonds and payment therefor (the "Closing") will take place in Charleston, West Virginia, at the offices of Steptoe & Johnson PLLC, Bank One Center, on December 1, 2004 (the "Closing Date") by 1:00 p.m. or at such other place or time as may be mutually agreed upon by you and the Underwriter. The Bonds will be available in definitive form at the offices of The Depository Trust Company (or the Registrar, if "DTC-Fast" delivery is used) not less than twenty-four hours prior to the Closing Date.

3. Purchase and Sale.

3.1 Subject to the terms and conditions set forth in this Bond Purchase Agreement, and upon the basis of the representations hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter when, as and if issued, all

(but not less than all) of the Bonds identified in Exhibit A attached hereto for a total purchase price equal to the Net Purchase Price set forth in Exhibit A, in immediately available funds.

3.2 The Bonds will (i) be issued pursuant to the Ordinance, and (ii) have the payment related terms (that is, dated dates, principal or issuance amounts, maturity dates, interest rates and yield to maturity) set forth in Exhibit A attached hereto, and will otherwise correspond to the description thereof contained in the Official Statement referred to in Section 3.3.

3.3 Within seven business days of its acceptance hereof, the Issuer shall deliver to the Underwriter a reasonable number of copies of a final Official Statement of the Issuer of even date herewith, executed by the Issuer (the "Official Statement"). The Official Statement shall be in substantially the same form as that of the Preliminary Official Statement of the Issuer dated November 15, 2004 (the "Preliminary Official Statement"), previously distributed with respect to the Bonds.

4. Concurrent Matters.

4.1 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute your acknowledgment that the Underwriter (a) proposes to make a public offering of the Bonds at the initial offering prices or yields set forth in the Official Statement (which such initial offering prices or yields may be changed by the Underwriter, in its sole discretion), (b) may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and may discontinue such stabilizing, if commenced, at any time and (c) may change the offering prices of the Bonds from time to time and may offer the Bonds to certain dealers and others at prices lower than the public offering prices shown on the front cover (or inside front cover) of the Official Statement.

4.2 Your acceptance, execution and delivery of this Bond Purchase Agreement will constitute (i) your consent and authorization to the use by the Underwriter, in connection with the public offering and sale of the Bonds, of copies of the Official Statement and the information, contained therein, and (ii) your ratification of the use by the Underwriter, in connection with such offering and sale, of the Preliminary Official Statement and the information contained therein.

5. Representations and Warranties.

5.1 The Issuer hereby makes the following representations and warranties to the Underwriter:

(a) The Issuer is a municipality of the State of West Virginia (the "State") and authorized to issue the Bonds pursuant to Chapter 13, Article 2E and Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act").

(b) On November 17, 2004, the Issuer enacted the Ordinance, and since that time the Ordinance has not been rescinded, amended or modified, except as disclosed in writing to the Underwriter.

(c) When delivered to the Underwriter against payment therefor in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered.

(d) The execution and delivery by the Issuer of the Bond Documents and the consummation by the Issuer of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in the breach of or default under the Act, or, to its knowledge, any applicable law, rule, regulation, judgment, decree, order or other requirement, or any material contract, indenture, agreement or commitment to which the Issuer is a party or by which it is bound.

(e) The Issuer is not in breach of or in default under any existing law, court or administrative regulation, judgment, decree, order, agreement, mortgage, lease, loan agreement or other instrument to which it is a party or by which it is bound, that would have a material adverse effect on the Bonds or transaction contemplated by this Agreement. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Bond Documents or any other agreement or instrument to which the Issuer is a party, or by which it may be bound or to which any of its property is or may be subject, that would have a material adverse effect on the Bonds or transaction contemplated by this Agreement.

(f) The Issuer has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Ordinance and the approval of the Official Statement, the Ordinance and the Bonds, and (ii) the execution, delivery and receipt of the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated in the Bond Documents or will have taken such actions by the date of delivery of the Bonds.

(g) The information contained in the Preliminary Official Statement and the Official Statement relating to the Issuer and its properties, operations and financial and other affairs, including Appendices A and B, and the projects to be financed with proceeds of the Bonds, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(h) Except as may be described in the Preliminary Official Statement and the Official Statement, there is no legal action, or other proceeding, or any investigation or inquiry (before or by any court, agency, arbitrator or other entity or person) pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or any of its officials, in their respective capacities as such, which would restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Net Revenues pledged under the Ordinance or in any way would contest or affect the organization or existence of the Issuer or the entitlement of any officers of the Issuer to their respective offices or which may reasonably be expected to have a material and adverse effect upon (A) the due performance by the Issuer of the transactions contemplated by the Bond Documents, (B) the validity or enforceability of the Bonds, the Ordinance, the Bond Documents, or any other agreement or

instrument to which the Issuer is a party and that is used or contemplated for use in consummation of the transactions contemplated hereby and thereby or (C) the exclusion of the interest on the Bonds from gross income for federal income tax purposes and the exemption from State income taxation of the Bonds and interest thereon as set forth in the Official Statement. The Issuer is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that may reasonably be expected to have such an effect.

(i) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer whose arbitrage certifications may not be relied upon.

(j) The Bond Documents, when executed and delivered by, the Issuer, will be, and this Bond Purchase Agreement constitutes, the legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and as to the availability of equitable remedies.

(k) When the Bonds are issued, sold and delivered to the Underwriter, the representations and certifications of the Issuer herein and in the other Bond Documents will be true, accurate and complete.

(l) The audited financial statements for The Sanitary Board of Bluefield for the year ended June 30, 2003, contained in the Preliminary Official Statement and the Official Statement as Appendix B presents fairly the financial position of the Issuer at the date indicated and the results of operations for the period specified, and such financial statements; have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise stated in the notes thereto.

(m) Since June 30, 2003, there has been no material adverse change in the financial position or results of operations of the Issuer, nor has the Issuer incurred any material liabilities except as set forth in the Preliminary Official Statement and the Official Statement or disclosed to the Underwriter in writing.

(n) The Issuer deems the Preliminary Official Statement to be final as of its date in accordance with subsection (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Issuer deems the Official Statement to be final and complete as of its date for purposes of subsection (b)(3) of such Rule.

(o) Except as described in the Official Statement and Preliminary Official Statement, the Issuer is in compliance with all continuing disclosure agreements or certificates heretofore delivered by the Issuer in connection with the issuance of any Prior Bonds.

6. Covenants.

6.1 The Issuer hereby makes the following covenants with the Underwriter:

(a) The Issuer will not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter.

(b) Prior to the Closing Date, the Issuer will not amend, terminate or rescind, and will not agree to any amendment, termination or rescission of, the Ordinance or the Bond Documents without the prior written consent of the Underwriter.

(c) Prior to the Closing Date, the Issuer will not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds or interest which will be pledged pursuant to the Ordinance or the Bond Documents.

(d) The Issuer will promptly advise the Underwriter of any matter arising or occurring or discovered before Closing or within 90 days after the end of the underwriting period for the Bonds (within the meaning of Rule 15c2-12 under the Exchange Act) that if existing or known at the date hereof would render any of the representations or warranties set forth herein to be untrue or misleading or might adversely affect the correctness or completeness of any statement of a material fact contained in the Official Statement.

(e) If as the result of any matters described in paragraph (d) of this Section it becomes necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement to make the statements contained therein, in light of the circumstances under which they were made, not misleading, the Issuer will, upon notice thereof, promptly prepare and furnish to the Underwriter (at the expense of the Issuer) a reasonable number of copies of an amendment of, or a supplement to, the Official Statement (in form and substance satisfactory to the Underwriter) so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) Except as disclosed in the Official Statement, prior to the Closing Date, the Issuer will obtain or cause to be obtained all governmental consents, approvals, orders or authorizations (other than state securities law clearances) of any governmental authority or agency that would constitute a condition precedent to the performance by Issuer of its obligations under the Ordinance, the Bond Documents or the Bonds.

(g) The Issuer will not voluntarily undertake any course of action inconsistent with the satisfaction of the requirements applicable to it as set forth in the Bond Documents.

(h) The Issuer will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter might designate, the cost of which will be borne by the Underwriter, as provided in Section 10.2(iii) below; provided that the Issuer shall not be required to subject itself to general service of process in any jurisdiction other than the State

(i) The Issuer will not, except as required by law, take or omit to take any action which, under existing law, adversely affects the exemption from federal income taxation of the interest on

the Bonds, or adversely affects the West Virginia state tax exemptions with respect to the Bonds and the interest thereon, as set forth in the Official Statement.

(j) The Issuer agrees to comply with all provisions of the Continuing Disclosure Certificate.

7. Conditions of Closing.

7.1 The obligations of the Underwriter to consummate the transactions contemplated hereby are subject to receipt by the Underwriter of the items described in Section 7.2 hereof and to the satisfaction (unless waived by the Underwriter in its sole discretion) of the following conditions:

(a) The representations and warranties made by the Issuer in this Bond Purchase Agreement shall be true and correct as of the Closing Date as if made on such date.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with prior to closing.

(c) The Bond Documents each shall have been executed and delivered by each of the parties thereto, shall be in full force and effect on and as of the Closing Date and shall not have been amended, modified or supplemented prior to the Closing Date except as may have been agreed to in writing by the Underwriter.

(d) The proceeds of the sale of the Bonds shall be applied as described in the Official Statement.

(e) The Issuer shall refund and defease the 2017 Term Bond portion of the Issuer's Sewer Refunding Revenue Bonds, Series 1992.

7.2 In addition to the conditions set forth in Section 7.1, the obligations of the Underwriter to consummate the transactions on the Closing Date contemplated hereby are subject to receipt by the Underwriter of the following items:

(a) An approving opinion of Steptoe & Johnson PLLC, Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date with respect to the validity and tax-exempt nature of the Bonds, and a supplementary opinion of Bond Counsel, dated the date of Closing, addressed to the Underwriter, to the effect that: (i) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer, (ii) the Official Statement has been duly approved, signed and delivered by the Issuer, (iii) assuming due authorization, execution and delivery by the other parties thereto, the Bond Documents have been duly authorized, executed, acknowledged and delivered by the Issuer, and are legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms (except as enforcement of remedies may be limited by bankruptcy, insolvency or other laws and equitable principles affecting the right of creditors), (iv) the statements contained in the Official Statement under the captions "Introduction," "The Series 2004 Bonds," "Additional Security for the Series 2004 Bonds," "Tax Matters," and "Appendix C - Form of Opinion of Bond Counsel" do not contain any untrue statement of a material

fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, and (v) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended.

(b) An opinion of Steptoe & Johnson PLLC, Counsel to the Issuer, addressed to, among others, Bond Counsel and the Underwriter, in form and substance satisfactory to Bond Counsel and the Underwriter, dated the Closing Date, to the effect that: (i) no litigation is pending or, to his knowledge, threatened (a) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Net Revenues pledged under the Ordinance, (b) in any way contesting the power or the authority of the Issuer for the issuance of the Bonds or the validity of the Bonds, or the Bond Documents, (c) in any way contesting the existence or powers of the Issuer relating to the issuance of the Bonds, (ii) to the best of his knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer not misleading in any material respect, (iii) the Issuer is a municipality (constituting a political subdivision of the State and existing under the provisions of the Act), pursuant to which the Issuer has full legal right, power and authority to enter into the Bond Documents and each constitutes the legal, valid and binding agreement of the Issuer enforceable in accordance with its respective terms (subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and to general principles of equity), and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or any court order or decree or any agreement, contract or other instrument, to which the Issuer is party or otherwise subject or bound, (v) the Official Statement has been duly approved, executed and delivered by the Issuer, and (vi) the statements contained in the Official Statement under the captions "Financing Plan," "Absence of Material Litigation," and "Continuing Disclosure" (as such information pertains to the Issuer) (do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(c) An opinion of Goodwin & Goodwin, LLP, Counsel to the Underwriter, in form and substance satisfactory to the Underwriter.

(d) A certificate of the Issuer, dated the Closing Date, signed by an officer of the Issuer to the effect that (i) the representations and warranties made by the Issuer in this Bond Purchase Agreement are true and correct as of the Closing Date with the same effect as if made on the Closing Date; (ii) the Issuer has performed and complied with all agreements and conditions required by this Bond Purchase Agreement to be performed or complied with by it at or prior to the Closing Date; (iii) since the respective dates as of which information is given in the Official Statement, and except as set forth therein, there has not been any material or adverse change in the Issuer's condition, financial or otherwise; (iv) the Official Statement, insofar as it relates to the Issuer, does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) that subsequent to June 30, 2003, the date of the most recent audited financial statements of The Sanitary Board of Bluefield included as Appendix B of the Official Statement, there has been no material adverse change in the financial

position or results of operations of the Issuer, (vi) that no litigation is pending or, to the knowledge of the Issuer, threatened against the Issuer or its respective officers (A) to restrain or enjoin issuance or delivery of any of the Bonds or the collection of Net Revenues pledged under the Ordinance, (B) in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, or the Bond Documents, (C) in any way contesting or affecting the existence or powers of the Issuer or its ability to perform its obligations under the Bond Documents, or (D) that may materially adversely affect the financial condition or operations of the Issuer, (vii) that the Issuer has satisfied all conditions pertaining to the issuance of the Bonds pursuant to the Ordinance and all other applicable provisions, and (viii) that no event affecting the Issuer or the transactions contemplated by the Official Statement or the Bond Documents has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used, or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading.

(e) A Certificate dated as of the Closing Date signed by an authorized officer of the Issuer, sufficient in form and substance to show to the satisfaction of Bond Counsel and the Underwriter that the Bonds will not be arbitrage bonds under Section 148 of the Code and the regulations thereunder, which certificate shall conform to the requirements of said regulations.

(f) A certified copy of the Ordinance authorizing the execution and delivery by the Issuer of the Bond Documents, certified by its Recorder.

(g) One executed original of each of the Bond Documents.

(h) The executed IRS Form 8038-G to be filed with the Internal Revenue Service.

(i) Such additional legal opinions, certificates and other documents as the Underwriter or Bond Counsel reasonably may deem necessary to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Issuer herein contained and of the Official Statement, and to evidence compliance by the Issuer with this Bond Purchase Agreement and all applicable legal requirements, and the due performance and satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by either of them.

7.3 If any of the conditions set forth in Section 7.1 or 7.2 has not been met on the Closing Date, the Underwriter may, in its sole discretion, terminate this Bond Purchase Agreement or proceed to Closing upon waiving any rights under this Bond Purchase Agreement with respect to any such condition. If this Bond Purchase Agreement is terminated pursuant to this Section, neither party will have any rights or obligations to the other, except as provided in Sections 10 and 11 herein.

8. Actions and Events at the Closing. The following events will lake place at closing:

(a) The Issuer will direct the Registrar to authenticate and deliver the Bonds to the Underwriter, at the place established pursuant to Section 2 herein. Each of the Bonds so delivered will be in definitive form or, with the consent of the Underwriter, in temporary form, duly executed

on behalf of the Issuer, in denominations or maturity amounts of five thousand dollars ($5,000) or any integral multiple thereof, and will be fully registered in such names and amounts as the Underwriter will request at least four (4) business days prior to the Closing Date. In the event the Bonds are delivered in temporary form, the Issuer shall deliver the Bonds in definitive form on such date as the Underwriter may reasonably require.

(b) The Issuer will deliver or cause to be delivered at Closing to the Underwriter the documents described in Section 7.2 hereof.

(c) The Underwriter will deliver to the Depository Bank and the Paying Agent, for the account of the Issuer, immediately available funds in amounts equal to the purchase price of the Bonds set forth as the Net Purchase Price in Exhibit A hereto.

9. Termination of Bond Purchase Agreement. The Underwriter may terminate this Bond Purchase Agreement without liability therefor (except as provided under Section 10) by notice to the Issuer at any time at or prior to the Closing if:

(a) Any legislation is introduced in, or enacted by, the United States Congress, or shall have been reported out of committee, or any decision is rendered by any court of competent jurisdiction or any ruling or regulation, temporary regulation, release or announcement shall have been issued or proposed by the Treasury Department of the United States, the Internal Revenue Service, or any other agency of the government of the United States that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting interest on the Bonds to inclusion in gross income for federal income tax purposes or has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(b) Any legislation, ordinance, rule or regulation is introduced in, or enacted by, any governmental body, department or agency of the State of West Virginia, or shall have been reported out of committee, or a decision by any court of competent jurisdiction within the State of West Virginia is rendered, that, in the reasonable opinion of the Underwriter, has the purpose or effect of subjecting the Bonds or the interest thereon to West Virginia state income taxation or otherwise has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(c) Any other action or event shall exist or have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal or West Virginia income tax consequences of the transactions contemplated by the Official Statement, and in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale at the contemplated offering prices by the Underwriter of the Bonds;

(d) Any fact exists or any event occurs that, in the reasonable opinion of the Underwriter, makes untrue or incorrect in any material respect any statement or information in the Official Statement or causes the Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading for the purposes for which the Official Statement is to be used;

(e) Any amendment of or supplement to the Official Statement is distributed (whether or not such amendment or supplement was approved by the Underwriter prior to its distribution) which, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(f) There shall have occurred any outbreak, continuation or resumption of hostilities, whether declared or undeclared, or other national or international calamity or crisis, which, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(g) Any legislation is introduced in, or enacted by the United States Congress, or any action is taken by, or on behalf of, the Securities and Exchange Commission, that in the opinion of the Underwriter has the effect of requiring (i) the registration of a security under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended, in connection with the offering and sale of the Bonds or (ii) any governmental consents, approvals, orders or authorizations for the consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, or the other Bond Documents, which cannot, without undue expense, be obtained prior to the Closing Date;

(h) There shall have occurred a general suspension of trading on the New York Stock Exchange, or a general banking moratorium is declared by the United States or by the State of West Virginia authorities, that, in the reasonable opinion of the Underwriter, has a material and adverse effect upon the ability of the Underwriter to sell the Bonds at the contemplated offering prices;

(i) Any fact exists or any event occurs that is not disclosed in the Preliminary Official Statement which after disclosure in the Official Statement affects the ability of the Underwriter to sell the Bonds at the contemplated offering prices; or

10. Expenses.

10.1 The Issuer will pay or cause to be paid from proceeds of the Bonds or otherwise (i) fees and expenses of bond counsel, counsel to the Issuer, and Underwriter's counsel; (ii) costs in connection with credit enhancement for the Bonds; (iii) initial fees of the Registrar and Paying Agent; (iv) costs of preparing, printing, mailing and delivering the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto; and (v) any other costs and expenses of the issue not set forth in Section 10.2 below.

10.2 The Underwriter will pay (i) sales commissions associated with marketing the Bonds; (ii) costs of qualification of the Bonds for sale under the securities or "Blue Sky" laws of various jurisdictions; (iii) initial fees relating to The Depository Trust Company; (iv) costs and expenses incurred by the Underwriter in connection with the preparation, offering and distribution of the Bonds, including but not limited to advertising, local and long distance telephone, and travel expenses, as well as management fees in connection with such offering; and (v) fee for obtaining "CUSIP Numbers" for the Bonds.

10.3 In the event that the Issuer or the Underwriter shall have temporarily paid obligations of the other as set forth in this Section, appropriate adjustments will promptly be made.

10.4 Nothing herein will limit the rights of the Issuer to take action against the Underwriter for default of its responsibilities hereunder or for its actions or inactions regarding the matters contemplated herein.

11. Indemnification.

11.1 To the extent permitted by the laws of the State, the Issuer agrees to indemnify and hold harmless the Underwriter, each director, officer, attorney, agent or employee of the Underwriter, and each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended, or within the meaning as determined by the Office of the Comptroller of the Currency (each hereafter, an "Indemnified Party"), from and against all losses, claims, damages, liabilities, settlements and expenses, joint or several, to which each Indemnified Party may become subject, under federal laws or regulations or otherwise, insofar as such losses, claims, damages, liabilities, settlements and expenses, or actions in respect thereof (i) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact pertaining to the Issuer as set forth in the Official Statement, or any amendment or supplement thereto, or the Preliminary Official Statement, or arise out of or are based upon the omission or alleged omission to state therein a material fact pertaining to the Issuer required to be stated therein or necessary to make the statements therein not misleading, or (ii) arise out of or are based upon any claim that the issuance of the Bonds violated any requirements contained in pre-existing bond documents, and the Issuer will assume the defense of any action against any Indemnified Party based upon allegations of any such loss, claim, damage, liability or action, including the retaining of counsel approved by the Indemnified Party (which approval shall not be unreasonably withheld) and the payment of reasonable counsel fees and all other expenses relating to such defense, provided, however, that each Indemnified Party may retain separate counsel in any such action and may participate in the defense thereof (at its expenses, unless the retention of such counsel has been specifically authorized by the Issuer); and provided further, that the Issuer will not be liable to the Underwriter or any Indemnified Party related to it, in any such case to the extent that any such loss, claim, damage, liability and expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any such documents under the caption "Underwriting."

11.2 Promptly after receipt by an Indemnified Party under this Bond Purchase Agreement of notice of the commencement of any action, such Indemnified Party will, if a claim in respect thereof is to be made against the Issuer under this Bond Purchase Agreement, notify the Issuer of the commencement thereof, but failure to give such notice shall not relieve the Issuer of its indemnification obligations under this Bond Purchase Agreement unless and to the extent that such failure causes actual harm or prejudice to the Issuer. In case any such action is brought against any Indemnified Party, and it notifies the Issuer of the commencement thereof, the Issuer (i) will assume the defense thereof if and as required under this Bond Purchase Agreement, with counsel satisfactory to the Indemnified Party or (ii) if not required to assume the defense, will be entitled to participate in, and, to the extent that it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party. After

notice from the Issuer to such Indemnified Party of its assumption of the defense, the Issuer will not be liable to such Indemnified Party in connection with the defense thereof other than for reasonable expenses incurred by the Indemnified Party and its counsel, reimbursement of out-of-pocket expenses and other reasonable costs of investigation or participation in the defense of the claim.

12. Miscellaneous.

12.1 All notices, demands and formal actions hereunder will be written and mailed, faxed or e-mailed or delivered to the following address or such other address, as either of the parties shall specify:

IF TO THE ISSUER:

City of Bluefield
P.O. Box 4100
Bluefield, WV 24701

IF TO THE REGISTRAR:

United Bank, Inc.
Corporate Trust Services
P.O. Box 393
500 Virginia Street, East
Charleston, WV 25392-0393

IF TO THE UNDERWRITER:

Crews & Associates, Inc.
2004 Union National Plaza
124 West Capitol
Little Rock, AR 72201

12.2 This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and will not confer any rights upon any other person. The term "successor" will not include any purchaser of any of the Bonds from the Underwriter merely because of such purchase. All representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement including, but not limited to, the indemnity agreements contained in Section 11 and the continuing disclosure certificate contained in Section 6.1.

12.3 This Bond Purchase Agreement may not be assigned by any of the parties hereto.

12.4 If any provision of this Bond Purchase Agreement is held or deemed to be or is, in fact, inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy, or any other reason, such circumstances will not have the effect of

rendering the provision in question inoperable or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

12.5 The payment for, acceptance of, and delivery and execution of any receipt for the Bonds and any other instruments upon or in connection with the closing by the Underwriter will be valid and sufficient for all purposes and binding upon the Underwriter. No such action by the Underwriter will impose any obligation or liability upon the Underwriter, other than as may arise as expressly set forth in this Bond Purchase Agreement.

12.6 Whenever any action contemplated by this Bond Purchase Agreement requires the consent or approval of the Underwriter, it is acknowledged that the Underwriter may not unreasonably withhold such approval.

12.7 This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia applicable to agreements to be performed wholly therein. The parties hereto intend to be legally bound hereby.

12.8 This Bond Purchase Agreement may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same document.

12.9 No personal recourse shall be had for any claim based on this Bond Purchase Agreement or the Bonds against any member, officer, agent or employee, past, present or future, of the Issuer or any successor body or entity as such, either directly or through the Issuer or any such successor body or entity, under any constitutional provision, statute, or rule of law or by the enforcement of an assessment or penalty or otherwise.

CREWS & ASSOCIATES, INC.

By: _____
Vice President

Accepted as of the date first above written:

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT A

$3,175,000
CITY OF BLUEFIELD
SEWER REFUNDING REVENUE BONDS
SERIES 2004

Dated Date: December 1, 2004

Closing Date: December 1, 2004

Maturities, Interest Rates and Prices

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
07/01/2008	Term	3.250%	3.249%	300,000.00	100.000%	300,000.00
07/01/2009	Serial	3.500%	3.499%	275,000.00	100.000%	275,000.00
07/01/2010	Serial	3.700%	3.700%	280,000.00	100.000%	280,000.00
07/01/2011	Serial	3.800%	3.800%	295,000.00	100.000%	295,000.00
07/01/2012	Serial	3.900%	3.900%	305,000.00	100.000%	305,000.00
07/01/2013	Serial	4.000%	4.000%	320,000.00	100.000%	320,000.00
07/01/2014	Serial	4.050%	4.050%	330,000.00	100.000%	330,000.00
07/01/2015	Serial	4.100%	4.100%	340,000.00	100.000%	340,000.00
07/01/2016	Serial	4.150%	4.150%	360,000.00	100.000%	360,000.00
07/01/2017	Serial	4.200%	4.200%	370,000.00	100.000%	370,000.00
Total	-	-	-	**$3,175,000.00**	-	**$3,175,000.00**

Redemption Provisions

Mandatory Redemption

The Bond maturing July 1, 2008 (the "Term Bond"), is subject to mandatory redemption prior to maturity in part from moneys on deposit in the Series 2004 Bonds Sinking Fund at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Mandatory Redemption Date, beginning July 1, 2005, in the years and in the annual principal amounts as follows:

Bond Maturing July 1, 2008

Year (July 1)	Principal Amount
2006	$ 25,000
2007	25,000
2008 (Maturity)	250,000

Optional Redemption

The Bonds maturing on and after July 1, 2010, are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part at any time from amounts deposited with the Trustee by the Issuer or from other funds available therefore at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

If fewer than all of the Bonds shall be called for optional redemption, the particular maturities of the Bonds to be redeemed shall be selected by the Issuer in such manner as it shall determine. So long as the Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Bonds to be credited with any partial redemption shall be made as described in the Ordinance.

Net Purchase Price:

Par Amount	$3,175,000.00
Less: Underwriters' Discount	(95,250.00)
Net Bond Proceeds	$3,079,250.00
Net Purchase Price	$3,079,250.00

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by the City of Bluefield, a political subdivision of the State of West Virginia (the "Issuer"), in connection with the issuance of $3,175,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on November 17, 2004, and its Supplemental Resolution adopted on November 17, 2004 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November 17, 2004, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Central Post Office" shall mean the MAC, which shall receive Annual Reports and Listed Events and then electronically transmit them to the National Repositories and the State Repository.

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Central Post Office for delivery to each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 12 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2004 Fiscal Year, provide to the Central Post Office for delivery to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Central Post Office for delivery to each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred twenty (120) days after the end of its 2004 fiscal year and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2004 fiscal year-end, and each subsequent fiscal year, to the Central Post Office for delivery to each National Repository and any State Repository, core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally

accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of the Issuer":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board, the Central Post Office for

delivery to the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: December 1, 2004

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Bluefield

Name of Issue: $3,175,000 City of Bluefield, Sewer Refunding Revenue Bonds, Series 2004

Date of Issuance: December 1, 2004

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

CITY OF BLUEFIELD

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of December 1, 2004

Central Post Office
Website: http://www.disclosureusa.org

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

$3,175,000
CITY OF BLUEFIELD
(WEST VIRGINIA)
Sewer Refunding Revenue Bonds
Series 2004

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to Crews & Associates, Inc. (the "Underwriter") that he is the duly elected or appointed and acting Mayor of The City of Bluefield (the "City"), authorized to execute and deliver this Certificate and further certifies on behalf of the City to the Underwriter as follows:

(1) This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the City's Sewer Refunding Revenue Bonds, Series 2004 (the "Bonds").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated November 15, 2004, setting forth information concerning the Bonds and the issuer of the Bonds (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter and other terms of the Bonds and any underlying obligations depending on such matters, all with respect to the Bonds and any underlying obligations.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, final as of its date, and the information therein is accurate and complete except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final bond purchase agreement, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 1st day of December, 2004.

By: _____
Mayor

11/16/04
079810.00001

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

THE CITY OF BLUEFIELD (WEST VIRGINIA)
[Name of Issuer]

November 15, 2004
[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:
THE DEPOSITORY TRUST COMPANY
By: _____

DTCC
The Depository Trust & Clearing Corporation

Very truly yours,

THE CITY OF BLUEFIELD (WEST VIRGINIA)
(Issuer)

By: _____
(Authorized Officer's Signature)

Robert Perkinson, Jr., Mayor
(Print Name)

P.O. Box 4100
(Street Address)

Bluefield, West Virginia 24701
(City) (State) (Country) (Zip Code)

(304) 327-2401
(Phone Number)

(E-mail Address)

[2/02]

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[**6.** Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[**9.** A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the"Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue,and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner")is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

REGISTRAR AGREEMENT

THIS AGREEMENT, dated as of December 1, 2004, by and between THE CITY OF BLUEFIELD (WEST VIRGINIA), a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC., Charleston, West Virginia, a West Virginia state banking corporation (the "Bank").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,175,000 aggregate principal amount Sewer Refunding Revenue Bonds, Series 2004, in fully registered form (the "Bonds"), pursuant to an Ordinance enacted and adopted November 17, 2004, as supplemented (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Agreement does appoint, the Bank to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original

issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the excludability from gross income of interest on the Bonds for purposes of federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank's authorized officers for the purposes of acting as Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement, the Issuer hereby agrees to pay to the Bank, the compensation for services rendered as provided in the annexed fee schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The City of Bluefield
200 Rogers Street
Bluefield, West Virginia 24701
Attention: City Manager

REGISTRAR: United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Bank is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

10. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE CITY OF BLUEFIELD

By: _____
Its: Mayor

UNITED BANK, INC.

By: _____
Its: Authorized Officer

11/16/04
079810.00001

EXHIBIT A

Bond Legislation

[Attached at Tab No. 1]

FEE SCHEDULE

[See Attached]

UNITED

I N V O I C E

Date: December 1, 2004

To: City of Bluefield, WV

Re: City of Bluefield (West Virginia)
Sewer Refunding Revenue Bonds
Series 2004

Amount Due: $ 550.00

Annual FAST Agent Fee	$ 50.00
Account Acceptance Registrar Fee	$ 500.00
Total:	$ 550.00

Please remit to United Bank
Corporate Trust Department
P. O. Box 393
Charleston, WV 25392

$3,175,000

THE CITY OF BLUEFIELD
(WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

ACCEPTANCE OF APPOINTMENT OF DEPOSITORY BANK

First Century Bank, National Association, Bluefield, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance adopted and enacted by The City of Bluefield (the "Issuer") on November 17, 2004, as supplemented by a Supplemental Resolution of the Issuer adopted November 17, 2004 (collectively, the "Ordinance") authorizing issuance of the Issuer's Sewer Refunding Revenue Bonds, Series 2004, dated December 1, 2004, in the aggregate principal amount of $3,175,000 (the "Bonds") and agrees to serve as Depository Bank in connection with such Bonds, all as set forth in the Ordinance.

WITNESS my signature this 1st day of December, 2004.

FIRST CENTURY BANK, NATIONAL ASSOCIATION

By _____
Its Authorized Officer

11/19/04
079810.00001

WEST VIRGINIA
Water Development Authority

Celebrating 30 Years of Service ***1974 - 2004***

$3,175,000
THE CITY OF BLUEFIELD (WEST VIRGINIA)

Sewer Refunding Revenue Bonds, Series 2004

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon the defeasance opinion and the certificate of Sullivan, Ware & Hall, PLLC, independent certified public accountants for The City of Bluefield (the "Issuer"), of even date hereof, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Series 1995 Bonds, the Series 1998 A Bonds and the Series 2000 A Bonds, all as hereinafter defined and described, hereby consents to the issuance of The City of Bluefield (West Virginia) Sewer Refunding Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), in the original aggregate principal amount of $3,175,000, by the Issuer, on a parity as to liens, pledge and source of and security for payment with the Issuer's (i) Sewer Refunding Revenue Bonds, Series 1995 (West Virginia SRF Program) (the "Series 1995 Bonds"), (ii) Sewerage System Revenue Bonds, Series 1998 A (West Virginia SRF Program) (the "Series 1998 A Bonds"), and (iii) Sewerage System Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the "Series 2000 A Bonds").

WITNESS my signature on this 1st day of December, 2004.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wwda.org

State of West Virginia

Certificate

I, Joe Manchin, III, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13 OF THE WEST VIRGINIA CODE, AND CHAPTER 16, ARTICLE 13 OF THE 2004 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

November 24, 2004

Secretary of State

If a majority of the votes cast at such election shall be in favor of disconnection, and if the trustees of such sanitary district shall, by ordinance, disconnect such territory, thereupon the county court of the county in which the original petition for the formation of such sanitary district was filed, shall enter an appropriate order in the records of the said county court and thereafter such territory shall henceforth be deemed disconnected from such sanitary district. (1933, Ex. Sess., c. 24, § 14.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS AND STORMWATER WORKS.

Sec.
16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.
16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.
16-13-4. Payment of preliminary expenses of surveys, etc.
16-13-5. Ordinance necessary before acquisition or construction of works.
16-13-6. Publication and hearing upon ordinance.
16-13-7. Acquisition by condemnation or purchase.
16-13-8. Cost of works.
16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.
16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.
16-13-11. Additional bonds to extend or improve works.
16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.
16-13-13. Application of revenue from bonds; lien.
16-13-14. Securing bonds by trust indenture.
16-13-15. Sinking fund; transfer of balance of net revenues.
Sec.
16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.
16-13-17. Government units subject to established rates.
16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.
16-13-18a. Publication of financial statement.
16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.
16-13-20. Discharge of lien on property acquired.
16-13-21. Action on certificates or attached coupons; receivers.
16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.
16-13-22a. Grants, loans and advances.
16-13-22b. Contracts for abatement of pollution.
16-13-22c. Refunding bonds.
16-13-22d. Subordination of bonds.
16-13-22e. Operating contract.
16-13-22f. Exemption of bonds from taxation.
16-13-22g. Covenants with bondholders.
16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.
16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.
16-13-24. Article to be construed liberally.

Constitutionality. — See Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); Stevenson v. City of Bluefield, 39 F. Supp. 462 (S.D.W. Va. 1941); West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Obligations incurred by a city under the authority of this article permitting the issuance of revenue bonds for the construction of sewers are not to be deemed "debts" within the constitutional inhibition. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

In general. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Conflict of laws. — There is no conflict between this article, authorizing a city to incur expenses which are to be payable solely from the proceeds of revenue bonds, and the general statutory limitations on the expenditure of money and incurring of obligations with respect to funds produced by tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Legislative intent. — It appears clear that the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the system. Financing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. Op. Att'y Gen., April 3, 1979.

Limitations. — Where a city made an agreement with the federal works administrator under the War Mobilization and Reconversion Act of 1944 with regard to advances of money to the city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, the limitation imposed by this article would be read into the agreement, since the parties are presumed to know the extent of the city's authority to make a binding contract. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Nonresidents. — Municipality may not compel nonresidents to connect with a municipal sewer extended without its corporate limits. 48 Op. Att'y Gen. 19 (1958).

Ordinance held valid. — An ordinance of a municipal corporation, creating a sanitary board and authorizing such sanitary board to enter into contracts for the construction of a sewage system, was within the police power of the State delegated to municipalities by this chapter. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.

(a) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation:

(1) A sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code; and

(2) A stormwater collection system and control system, including all lines, pumping stations and all other facilities and appurtenances necessary or useful and convenient for the collection and control of stormwater, and an associated stormwater management program.

(b) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property.

(c) Any municipality may serve and supply the facilities of such sewerage system and a stormwater system and associated stormwater management program within the corporate limits of the municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, That the municipality may not serve or supply the facilities of such sewerage system or stormwater system within the corporate limits of any other municipality without the consent of the governing body thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

(d) No obligations shall be incurred by any municipality and/or sanitary district in construction or acquisition except such as is payable solely from the funds provided under the authority of this article.

(e) No municipal corporation or sanitary district may acquire, construct, establish, extend, repair or equip or thereafter repair, maintain and operate a combined waterworks, sewerage or stormwater system, which includes highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations, substituted "the" for "such" throughout; in (a)(1), deleted "waterworks and sewerage" preceding "system", deleted "shall have authority" from the end; added (a)(2); in (b), added "Any municipality... empowered", deleted "and any such" from the end; in (c), added "Any", inserted "and a stormwater system and associated stormwater management program", substituted "may not serve" for "shall not serve", inserted "or stormwater system", added the proviso; in (d), deleted "such" preceding "municipality" and "construction"; and added (e).

Use of territory in adjoining state authorized. — By this section and § 16-13-22 the legislature intended, insofar as it could, to confer upon such municipalities as might find its exercise convenient, the right to make necessary and appropriate arrangements for the disposal of their sewage, even where that course involved the use of territory in an adjoining state. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.

(a) The construction, acquisition, improvement, equipment, custody, operation and maintenance of any works for the collection, treatment or disposal of sewage and, in addition, for the collection and control of stormwater and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of a sanitary board appointed by the governing body as set forth in section eighteen [§ 16-13-18] of this article.

(b) As used in this article, the following terms shall have the following meanings unless the text clearly indicates otherwise.

(1) "Board" means the sanitary board as set up in section eighteen [§ 16-13-18] of this article.

(2) "Governing body" means the mayor and council or other legally constituted governing body of any municipality.

(3) "Municipality" means any municipal corporation, incorporated city, town, village or sanitary district in the state of West Virginia.

(4) "Sewage works" means a works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof.

(5) "Stormwater system" or "stormwater works" means a stormwater system in its entirety or any integral part thereof used to collect and dispose of stormwater and an associated stormwater management program. It includes all facilities, structures and natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet, including, but not limited to, any and all of the following: Inlets, conduits, corals, outlets, channels, ponds, drainage easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, syphons, retention or detention basins, dams, floodwalls, levies, pipes, flood control systems and pumping stations, and associated stormwater management program. The term "stormwater system" and "stormwater works" shall not include highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

(6) "Stormwater management program" means those activities associated with the management, operation, maintenance and control of stormwater and stormwater works, including, but not limited to, public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforcement and any other activities required by state and federal law: Provided, That, as used in this article, "stormwater management program" shall not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

(7) "Works" means sewage works and stormwater works either separately or collectively. (1933, Ex. Sess., c. 25, § 2; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations; in present (a), deleted "such" preceding "works", inserted "and, in addition, for the collection and control of stormwater", deleted "The term 'works'" from the end; and rewrote (b) to include the definitions of "sewerage works", "stormwater system" or "stormwater works", "stormwater management program", and "works".

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Stated in Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201 (1998).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any works, or any trust indenture as provided for, shall be approved by the governing body of the municipality before the same shall be effective.

The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do the work as the board shall direct. All compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article.

No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids.

After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may consider expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers, stormwater conduits, and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof, including, but not limited to, those activities necessary to comply with all federal and state requirements, including stormwater and surface runoff water quality improvement activities.

The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be

exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for the expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3; 1989, c. 133; 2001, cc. 143, 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, deleted "such" throughout the section; in the third undesignated paragraph, substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars"; in the fourth undesignated paragraph, substituted "may consider expedient" for "may deem expedient", inserted "stormwater conduits" and added "including... improvement activities" at the end; and made other, minor changes.

Editor's notes. — Acts 2001, c. 143, effective July 10, 2001, also proposed to amend this section; however, the amendments therein have been deemed superceded by those found in Acts 2001, c. 212, which are set out above. The superceded amendment, set out below, would have substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars".

Chapter 143 read:

"The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may deem expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof. The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for such expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article."

Immunity. — A contractor under contract with the sanitary board of a municipality for construction of a sewage treatment and disposal system is not entitled to the governmental immunities of the municipality incident to the construction project. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Third party. — Where a contract between a municipal sanitary board and a contractor, providing for the construction of a sanitary sewage system, provides inter alia that "existing surface, overhead or subsurface structures damaged or destroyed by reason of the contractor's operations shall be promptly repaired or replaced in a satisfactory manner at the cost and expense of the contractor," and the contractor by job order requests enters into a contract with an existing water company to remove certain of the latter's water pipes which interfere with the construction of the sewage system, the contractor, in a notice of motion for judgment proceeding instituted by the water company, is liable for the expense so incurred. West Vir-

ginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-4. Payment of preliminary expenses of surveys, etc.

All necessary preliminary expenses actually incurred by the board of any municipality in the making of surveys, estimates of costs and of revenue, employment of engineers or other employees, the giving of notices, taking of options and all other expenses of whatsoever nature, necessary to be paid prior to the issue and delivery of the revenue bonds pursuant to the provisions of this article, may be met and paid in the following manner. Said board may from time to time certify such items of expense to the clerk or recorder of said municipality, directing him to pay the several amounts thereof, and thereupon said clerk or recorder shall at once draw a warrant or warrants upon the treasurer of said municipality, which warrant or warrants shall be paid out of the general funds of said municipality not otherwise appropriated, without a special appropriation being made therefor by the governing body; or, in case there are no general funds of such municipality not otherwise appropriated, the clerk or recorder shall recommend to the governing body the temporary transfer from other funds of such municipality of a sufficient amount to meet such items of expense, or the making of a temporary loan for such purpose, and such governing body shall thereupon at once make such transfer of funds, or authorize such temporary loan in the same manner that other temporary loans are made by such municipality: Provided, however, That the fund or funds of such municipality from which such payments are made shall be fully reimbursed and repaid by said board out of the first proceeds of the sale of revenue bonds hereinafter provided for, and before any other disbursements are made therefrom, and the amount so advanced to pay such preliminary expenses, shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided. (1933, Ex. Sess., c. 25, § 4.)

Advances. — Money used in preliminary engineering work prior to actually beginning construction of a sewage disposal system need not be handled by the sanitary board in accordance with the provisions of §§ 16-13-1, 16-13-18 and this section. The sanitary board is an agency of the city. This article merely requires that the construction and maintenance of the project be under the supervision and control of the sanitary board. A method is provided whereby the sanitary board may meet its own necessary preliminary expenses; but the city, in the early stages of the project, during that period in which the city has not even decided to go ahead with the work, and when there is no sanitary board in existence, is not prevented by any provision in the article from obtaining advances for plan preparation by any procedure which it may see fit to adopt. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

The United States was held entitled to recover from a city the amount of three advances of money made to the city by the federal works agency for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, and the city sanitary board was ordered to issue a requisition to the trustees, into whose hands proceeds of future bond issues came, to repay such advances out of any funds in its hands comprising proceeds of revenue bond issues. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Repayment. — A municipality is authorized to incur obligations for the purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from the proceeds of revenue

bonds, and not in any way from tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-5. Ordinance necessary before acquisition or construction of works.

Before any municipality shall construct or acquire any works under this article, the governing body shall upon petition of the board, enact an ordinance or ordinances which shall: (a) Set forth a brief and general description of the works and, if the same are to be constructed, a reference to the preliminary report which shall heretofore have been prepared and filed by an engineer chosen by the board as aforesaid; (b) set forth the cost thereof estimated by the engineer chosen as aforesaid; (c) order the construction or acquisition of such works; (d) direct that revenue bonds of the municipality shall be issued pursuant to this article in such an amount as may be found necessary to pay the cost of the works; and (e) contain such other provisions as may be necessary in the premises. (1933, Ex. Sess., c. 25, § 5.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-6. Publication and hearing upon ordinance.

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such abstract and notice, and present protests. At such hearing all objections and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, however, That if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-7. Acquisition by condemnation or purchase.

Every such municipality shall have power to condemn any such works to be acquired and any land, rights, easements, franchises and other property, real or personal, deemed necessary or convenient for the construction of any such works, or for extensions, improvements, or additions thereto, and in connection

therewith may have and exercise all the rights, powers and privileges of eminent domain granted to municipal corporations under the laws relating thereto. Title to property condemned shall be taken in the name of the municipality. Proceedings for such appropriation of property shall be under and pursuant to the provisions of chapter fifty-four [§§ 54-1-1 et seq.], of the Code of West Virginia, one thousand nine hundred thirty-one, and acts amendatory and supplemental thereto: Provided, That the municipality shall be under no obligation to accept and pay for any property condemned, and shall in no event pay for any property condemned or purchased, except from the funds provided pursuant to this article; and in any proceedings to condemn, such orders may be made as may be just to the municipality and to the owners of the property to be condemned, and an undertaking or other security may be required securing such owners against any loss or damage to be sustained by reason of the failure of the municipality to accept and pay for the property, but such undertaking or security shall impose no liability upon the municipality except such as may be paid from the funds provided under the authority of this article. In event of the acquisition by purchase the board may obtain and exercise an option from the owner or owners of said property for the purchase thereof, or may enter into a contract for the purchase thereof, and such purchase may be made upon such terms and conditions, and in such manner as the board may deem proper. In event of the acquisition of any works already constructed by purchase or condemnation, the board at or before the time of the adoption of the ordinance described in section five [§ 16-13-5] hereof, shall cause to be determined what repairs, replacements, additions, and betterments will be necessary in order that such works may be effective for their purpose, and an estimate of the cost of such improvements shall be included in the estimate of the cost required by section five hereof, and such improvement shall be made upon the acquisition of the works and as a part of the cost thereof. (1933, Ex. Sess., c. 25, § 7.)

§ 16-13-8. Cost of works.

The cost of the works shall be deemed to include the cost of acquisition or construction thereof, the cost of all property, rights, easements, and franchises deemed necessary or convenient therefor and for the improvements determined upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof. (1933, Ex. Sess., c. 25, § 8.)

Advances. — Advances from the United States to a city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system represent a part of the cost of the works which should have been repaid out of the first proceeds received from the sale of the first issue of revenue bonds. Such repayment would not in any way increase the cost of the works; it was the very first item of expense incurred in connection with the works. Under the agreement between the city and the United States, it was a liability from the moment construction of the sewage treatment and disposal plant was begun. No disadvantage would result to bondholders as a result of the payment of this just debt out of the proceeds of a future revenue bond issue. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Preliminary expenses. — It is foreseen, as shown in this section, that a city may probably incur expenses in "determining the feasibility or practicability of the enterprise." Such determination would of course be made prior to the issuance of any revenue bonds, and probably before the creation of a sanitary board. It might often result in a rejection of the project altogether, in which event no revenue bonds would be issued, and any obligation incurred by the city might prove to be uncollectible. On the other hand, if the project be undertaken by the city, whatever loans may have been made on the faith of the revenue bonds would or should be included in the cost of the works and repaid out of the proceeds of the bonds. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of any of the works referred to in this article, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be payable solely from the fund herein provided for the payment, and the bonds may not, in any respect, be a corporate indebtedness of the municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of the bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93; 2001, c. 212.)

Cross references. — See notes to § 16-13-8.

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "any of the works referred to in this article" for "the works", and substituted "the bonds may not" for "the bonds shall not".

Applicability. — The provisions of this article become a part of the contract between the municipality and the bondholders as effectually as if written verbatim in the bonds. The bondholders are bound by their contract in this instance just as firmly as in any other legal contract. Consequently, the bonds do not create a corporate indebtedness of the municipality. Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Contracts between municipalities. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town could enter into a contract whereby the city agreed to construct a sewage disposal facility and the town agreed to contribute to the cost of the construction of the facility in return for the right to use the facility, and the fact that the town was unable to sell revenue bonds because it was not allowed to have part ownership in the treatment plant or interceptor sewers did not relieve the town of its contractual obligation when the city offered to buy the revenue bonds issued by the town. Since the contracts were authorized by statute and were thus not ultra vires, even if the contracts were not formally approved by ordinance, the municipalities were estopped from asserting any invalidity of the contracts on such ground. City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-11. Additional bonds to extend or improve works.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other definite bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 11.)

§ 16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time, under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other bond by reason of priority of issuance or otherwise. (1933, Ex. Sess., c. 25, § 12.)

§ 16-13-13. Application of revenue from bonds; lien.

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four [§ 16-13-4] of this article, shall be applied solely to the payment of the cost of the work, extensions, improvements or betterments, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustees hereinafter provided for. (1933, Ex. Sess., c. 25, § 13.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956).

§ 16-13-14. Securing bonds by trust indenture.

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may

contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the works shall be contracted for, constructed and paid for under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, successors, assigns or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, successors, assigns or nominees. Such indenture may set forth the rights and remedies of the bondholders and/or such trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this article otherwise provided, the governing body may provide by ordinance or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may det (1933, Ex. Sess., c. 25, § 14.)

§ 16-13-15. Sinking fund; transfer of balance of net revenues.

At or before the issuance of any such bonds the governing body shall by said ordinance create a sinking fund, to be remitted to and administered by the West Virginia municipal bond commission, for the payment of the bonds and the interest thereon and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to mean the revenues of the works remaining after the payment of the reasonable expense of operation, repair and maintenance, such amount to be paid by the board into said sinking fund at intervals to be determined by ordinance prior to issuance of the bonds, for: (a) The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund in such amounts as are necessary and sufficient for the payment thereof at such time; (d) a margin for safety and for the payment of premiums upon bonds retired by call or purchase as herein provided, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenue of the works. Prior to the issuance of the bonds the board may by ordinance be given the right to use or direct the West Virginia municipal bond commission to use such sinking fund or any part thereof in the purchase of any of the

outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48; 1986, c. 118.)

§ 16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates, fees or charges for the use of and the service rendered by:

(a) Sewerage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works; and

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

Such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be considered the revenues of the works.

No such rates, fees or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or

to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates, fees or charges.

After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates, fees or charges, shall be given by publication as a Class II-O legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing.

After such hearing, which may be adjourned from time to time, the ordinance establishing rates, fees or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates, fees and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

Any change or readjustment of such rates, fees or charges may be made in the same manner as such rates, fees or charges were originally established as hereinbefore provided: Provided, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates, fees or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments.

All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid.

The board collecting such rates, fees or charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable

interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, inserted "fees" preceding "charges" throughout; in the first paragraph, deleted "such" from the end; inserted (b); in the second paragraph of (b), added "The governing body" and the last sentence; in the third paragraph of (b), substituted "shall be considered" for "shall be deemed"; in the seventh paragraph of (b), deleted "however" following "Provided"; and made other, minor changes.

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see R.C.P. 2.

Applicability. — Although the public service commission concluded that cities providing only sewer service are not covered by this section, which applies to municipalities that provide both water and sewer service, the district court implicitly rejected the commission's interpretation. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, 516 U.S. 974, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

Discrimination not shown. — Charges made against the users of a city sewage system were based upon the amount of water used upon the premises as indicating the extent to which the sewers were used. The charges were subject to a deduction of the amount of water retained on the premises, such amount to be determined by a meter installed by the consumer and used to record gallonage of water that had come on the property but had not been disposed of through the sewers. It was held that the method under which the charges were assessed was neither capricious nor unfair although certain users had been unable to install meters used to measure their deductions. Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Jurisdiction. — The fact that this section speaks of the enforcement of the lien in a "civil action" should not be construed as placing that jurisdiction in our courts of law simply because the word "action," strictly applied, does not usually refer to chancery practice. City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943).

Municipal sewer system is subject to jurisdiction of public service commission, so municipality is required to file its rates with the commission for approval in accordance with §§ 24-2-1 et seq. 45 Op. Att'y Gen. 642 (1954).

Applied in Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-17. Government units subject to established rates.

The municipality and any county government, state government and federal government served by the services of the works shall be subject to the same fees, charges and rates established as provided in this article, or to fees, charges and rates established in harmony therewith, for service rendered the municipality, county, state or federal government and shall pay such rates, fees or charges when due from corporate funds and the same shall be considered to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of the revenues. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 17; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "Government units" for "Municipality" in the section heading; inserted "fees" preceding "charges" throughout; inserted "and any county... works", substituted "as provided in this article" for "as hereinbefore provided", inserted "county, state or federal government", substituted "shall be considered" for "shall be deemed", substituted "the revenues" for "such revenues"; and added the last sentence.

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided.

Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the municipality served by the board.

During the construction period, one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his or her public office. The appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each member shall give such bond, if any, as may be required by ordinance. The mayor or city manager shall act as chairman of the sanitary board, which shall elect a vice chairman from its members and shall designate a secretary and treasurer (but the secretary and the treasurer may be one and the same), who need not be a member or members of the sanitary board. The vice chairman, secretary and treasurer shall hold office as such at the will of the sanitary board.

The members of the sanitary board shall receive compensation for their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1957, c. 137; 1992, c. 95; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, made the section gender neutral; in the second paragraph, deleted "sewage" preceding "works", in the third paragraph, substituted "The appointees" for "Said appointees", deleted "such" pre-

ceding "term", substituted "The mayor" for "Such mayor"; and in the last paragraph, deleted "such" preceding "compensation".

In general. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Construction. — There is no repugnancy between the provisions of this article and §§ 24-1-1, 24-2-1 or 24-3-1, and for these reasons, the provisions of this article do not operate to repeal any of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Adjoining state. — Since the incorporation of its sanitary board and its domestication in the state of Virginia was the only plan by which the power intended to be granted by the legislature to a city to construct a sewage disposal plant outside the State of West Virginia could be legally effectuated, the power to so incorporate its sanitary board was a necessary and incidental right to the main power granted. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Board membership. — When a municipal corporation has a city manager form of government, the municipality's governing board has the option of appointing either its mayor or its city manager (but not both) to the municipal sanitary board. 52 Op. Att'y Gen. 217 (1967).

City treasurer. — As to scope of duties and responsibilities of city treasurer as they relate to possession of funds of a sanitary board, see 52 Op. Att'y Gen. 497 (1967).

Consulting engineer. — Member of city council may not serve as consulting engineer to the sanitary board on city sewer project. 49 Op. Att'y Gen. 60 (1961).

Extension of service. — A public utility is under a duty to make reasonable extensions of its services in accordance with its franchise and charter obligations and the needs of the inhabitants within the territory covered by its franchise; and a public service commission may, where its action is not unlawful, arbitrary, or capricious, order an extension of service for the inhabitants of such territory. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Legislative intent. — The provisions of this article do not revise the subject matter of §§ 24-1-1, 24-2-1 or 24-3-1, and they were not intended as a substitute for any of the provisions of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

In conferring such power and authority upon a municipality by this article, the legislature did not create, or intend to create, any repugnancy or inconsistency between the provisions of this article and the pertinent provisions of chapter 24, or to repeal any of those provisions of that chapter. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Applied in Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956).

§ 16-13-18a. Publication of financial statement.

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, That such statement for the fiscal year ending June

thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's notes. — For construction of the justice of the peace as magistrate, see § 50-1-17 and W.Va. Const., art. VIII, § 15.

§ 16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants or stormwater works as defined in this article, or which as herein provided has ordered the construction or acquisition of such works (in this section called the owner), is hereby authorized to contract with one or more other municipal corporations or political subdivisions within the state (in this section called the lessee), and such lessees are hereby authorized to enter into contracts with the owners, for the service of such works to such lessees and their inhabitants, but only to the extent of the capacity of the works without impairing the usefulness thereof to the owners, upon such terms and conditions as may be fixed by the boards and approved by ordinances of the respective contracting parties: Provided, That no contract shall be made for a period of more than forty years or in violation of the provisions of said ordinance authorizing bonds hereunder or in violation of the provisions of said trust indenture.

The lessee shall by ordinance have power to establish, change and adjust rates, fees and charges for the service rendered therein by the works against the owners of the premises served, in the manner hereinbefore provided for establishing, changing and adjusting rates, fees and charges for the service rendered in the municipality where the works are owned and operated, and such rates, fees or charges shall be collectible and shall be a lien as herein provided for rates, fees and charges made by the owner.

The necessary intercepting sewers and appurtenant works for connecting the works of the owner with the sewerage system of the lessee shall be constructed by the owner and/or the lessee upon such terms and conditions as may be set forth in said contract, and the cost or that part of the cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any contract shall, if so provided in said ordinance or trust indenture, be considered to be a part of the revenues of the

works as in this article defined and be applied as herein provided for the application of the revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "or stormwater works", substituted "state" for "State", deleted "such" preceding "contracts", deleted "such" following "Provided", deleted "such" preceding "contract" in the proviso; in the last paragraph, deleted "such" preceding "contract", and substituted "considered" for "deemed" in the last sentence.

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-20. Discharge of lien on property acquired.

No property shall be acquired under this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full. (1933, Ex. Sess., c. 25, § 20.)

§ 16-13-21. Action on certificates or attached coupons; receivers.

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see Rule 2.

As to receivers, see Rule 66.

As to application of rules to extraordinary remedies, see Rule 81(a)(5).

§ 16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.

The authority herein given shall be in addition to and not in derogation of any power existing in any municipality under any statutory or charter

provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for twenty miles outside the corporate limits thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 22; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, in the first paragraph, substituted "twenty miles outside" for "ten miles outside", added the proviso; and added the last paragraph.

§ 16-13-22a. Grants, loans and advances.

Any municipality is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said sewage works or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section. (1949, c. 93; 1961, c. 107; 1980, c. 59; 1981, 1st Ex. Sess., c. 2; 1986, c. 118.)

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956).

§ 16-13-22b. Contracts for abatement of pollution.

When determined by its legislative body to be in the public interest and necessary for the protection of the public health, any municipality is authorized to enter into and perform contracts, whether long-term or short-term, with any industrial establishment for the provision and operation by the municipality of sewerage facilities to abate or reduce the pollution of waters caused by discharges of industrial wastes by the industrial establishment and the payment periodically by the industrial establishment to the municipality of amounts at least sufficient, in the determination of such legislative body, to compensate the municipality for the cost of providing (including payment of principal and interest charges, if any), and of operating and maintaining the sewerage facilities serving such industrial establishment. (1949, c. 93.)

§ 16-13-22c. Refunding bonds.

Any municipality is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds, including interest thereon, if any, in arrears or about to become due. The relevant provisions in this article pertaining to revenue bonds shall be equally applicable in the authorization and issuance of refunding revenue bonds, including their terms and security, the ordinance, the trust indenture, rates, or other aspects of the bonds. (1949, c. 93.)

§ 16-13-22d. Subordination of bonds.

Notwithstanding any other provisions to the contrary in this article, any municipality authorizing the issuance of bonds under this article in an effort to aid in the abatement or reduction of the pollution of any waters or streams may provide in the ordinance authorizing the issuance of the bonds and in any trust indenture pertaining thereto that such bonds, or any additional bonds that may thereafter be issued to extend or improve the works, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as are designated in the ordinance. (1949, c. 93.)

§ 16-13-22e. Operating contract.

Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture, securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1955, c. 132.)

§ 16-13-22f. Exemption of bonds from taxation.

Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with the works, and all the moneys, revenues and other income of such municipality derived from such works shall be exempt from all taxation by the state of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "works" for "sewerage system" twice, and substituted "state" for "State".

§ 16-13-22g. Covenants with bondholders.

Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within or without the state, for the security of the bonds, may contain covenants with the holders of such bonds as to:

(a) The purpose or purposes to which the proceeds of sale of such bonds, or the revenues derived from the sewerage system or stormwater system, may be applied and the securing, use and disposition thereof, including, if considered desirable, the appointment of a trustee or depositary for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such sewerage systems or stormwater system, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be considered necessary or desirable;

(c) The fixing, establishing and collecting of such fees, rentals or other charges for the use of the services and facilities of such sewerage system or stormwater system, including the parts thereof heretofore or hereafter constructed or acquired and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of operation, maintenance and repair of such sewerage system or stormwater system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system or stormwater system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of such sewerage system or stormwater system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such sewerage system or stormwater system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system or stormwater system, and the rank or priority, as to lien and source and security for payment from the revenues of the sewerage system or stormwater system, between bonds payable from the revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such sewerage system or stormwater system and restrictions and limitations upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such sewerage system or stormwater system, or any part thereof, and the use and disposition of the proceeds of any insurance;

(i) The keeping of books of account, relating to such undertakings and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified, or approved by accountants designated or approved by the holders of bonds issued hereunder;

(j) Such other additional covenants as shall be considered necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to the municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the constitution of the state of West Virginia. (1955, c. 132; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "or stormwater system" following "sewerage system" throughout, substituted "considered" for "deemed" throughout; in the first paragraph, substituted "the bonds" for "said bonds"; in (f), deleted "such" preceding "defaults"; in (j), deleted "such" preceding "other covenants", and made other, minor changes.

§ 16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.

This article, shall, without reference to any other statute, be deemed full authority for the construction, acquisition, improvement, equipment, maintenance, operation and repair of the works herein provided for and for the issuance and sale of the bonds by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition or election or other or further proceeding in respect to the construction or acquisition of the works or to the issuance or sale

of bonds under this article and no publication of any resolution, ordinance, notice or proceeding relating to such construction or acquisition or to the issuance or sale of such bonds shall be required except such as are prescribed by this article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, That all functions, powers and duties of the state department of health shall remain unaffected by this article. (1933, Ex. Sess., c. 25, § 23.)

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the director of the division of environmental protection or the environmental quality board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates, fees or charges for the use of the services and facilities of the existing sewer system and/or stormwater system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system or stormwater system, or that in any way uses or is served thereby, and may change and readjust such rates, fees or charges from time to time.

Such rates, fees or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection and/or treatment, purification and disposal of sewage or stormwater, and the repair, alteration and extension of existing sewer facilities or stormwater facilities, as may be necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and for the operation, maintenance and repair of the entire works and system.

The governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the proceeds derived from rates or charges until completion of the construction, to be remitted to and administered by the municipal bond commission by expending and paying the costs and expenses of construction and operation in the manner as provided by said ordinance.

After the completion of the construction such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable costs and expenses of operation, maintenance, repair, replacement and extension from time to time, of the entire sewer and works or entire stormwater works.

No such rates, fees or charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others shall have had an opportunity to be heard concerning the proposed rates or charges.

After introduction of the ordinance fixing rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of rates, fees or charges, shall be given by publication of notice as a Class II-O legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication is the municipality. The first publication shall be made at least ten days before the date fixed therein for the hearing.

After such hearing, which may be adjourned from time to time, the ordinance establishing the rates, fees or charges, either as originally introduced or as modified and amended, may be passed and put into effect. A copy of the schedule of the rates, fees and charges so established shall be kept on file in the office of the sanitary board having charge of the construction and operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

Any change or readjustment of rates, fees or charges may be made in the same manner as rates, fees or charges were originally established as hereinbefore provided: Provided, however, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required.

If any rate, fees or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality.

Any municipal corporation exercising the powers given herein has authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with the order of the director of the division of environmental protection or the environmental quality board, and the authority provided herein to establish, maintain and collect rates, fees or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: Provided, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of the municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article: Provided, That the

jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1955, c. 135; 1967, c. 105; 1994, c. 61; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "the" for "said" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "and/or stormwater system" following "existing sewer system", inserted "or stormwater system" following "such sewer system"; in the second paragraph, inserted "or stormwater" following "sewage", inserted "or stormwater facilities" following "sewer facilities"; in the fourth paragraph, added "or entire stormwater works" to the end; in the sixth paragraph, deleted "such" following "fixing" and "publication of"; in the eighth paragraph, deleted "such" preceding "rates" twice; and in the last paragraph, added the proviso.

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof. (1933, Ex. Sess., c. 25, § 24.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.

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§ 16-9F-3. Penalties.

(a) Any person who knowingly violates the provisions of this article with a total quantity of less than two cartons of cigarettes shall, for the first offense, be punished by a civil penalty of no more than one thousand dollars, and for a second or subsequent offense involving a total quantity of less than two cartons of cigarettes shall be punished by a civil penalty of no more than five thousand dollars and the revocation for a period of six months of any business held by the person.

(b) Any person who knowingly violates the provisions of this article with a total quantity of two or more cartons of cigarettes shall, for the first offense, be punished by a civil penalty of no more than two thousand dollars, and for a second or subsequent offense involving a total quantity of two or more cartons of cigarettes shall be punished by a civil penalty of no more than fifty thousand dollars and the revocation for a period of one year of any business registration certificate held by the person. (2003, c. 246.)

§ 16-9F-4. Enforcement.

The attorney general, the prosecuting attorney for the county in which counterfeit cigarettes are found or any person who holds a valid permit under 26 U.S.C. § 5712 may bring an action in the circuit court of that county to prevent or restrain violations of this article by any person, or any person controlling that person. (2003, c. 246.)

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.

16-13-16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjustment; hearing; lien and recovery; discontinuance of services.

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, substituted "Sewage Works of Municipal Corporations and Sanitary Districts" for "Sewage Works and Stormwater Works" in the article heading.

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§ 16-13-16. Rates for service; deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit; change or readjust-

ment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates, fees or charges for the use of and the service rendered by:

(a) Sewerage works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works; and

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

(c) The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

(d) All new applicants for service shall indicate to the governing body whether they are an owner or tenant with respect to the service location.

(e) The governing body may collect from all new applicants for service a deposit of fifty dollars or two twelfths of the average annual usage of the applicant's specific customer class, whichever is greater, to secure the payment of service rates, fees and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent at the time of disconnection or termination of service, no reconnecting or reinstatement of service may be made by the governing body until another deposit equal to fifty dollars or a sum equal to two twelfths of the average usage for the applicant's specific customer class, whichever is greater, is remitted to the governing body. After twelve months of prompt payment history, the governing body shall return the deposit to the customer or credit the customer's account with interest at a rate as the public service commission may prescribe: Provided, That where the customer is a tenant, the governing body is not required to return the deposit until the time the tenant discontinues service with the governing body. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The governing body may, under reasonable rules promulgated by the public service commission, shut off and discontinue water services to a delinquent user of sewer facilities ten days after the sewer services become delinquent regardless of whether the governing body utilizes the security deposit to satisfy any delinquent payments.

(f) Such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replace-

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ments and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be considered the revenues of the works.

(g) No such rates, fees or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates, fees or charges.

(h) After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates, fees or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing.

(i) After such hearing, which may be adjourned from time to time, the ordinance establishing rates, fees or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates, fees and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

(j) Any change or readjustment of such rates, fees or charges may be made in the same manner as such rates, fees or charges were originally established as hereinbefore provided: Provided, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates, fees or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments.

(k) All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within twenty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

(*l*) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting such rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, inserted "deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit" in the introductory language; added the subsection designations for (c) through (m); added (d) and (e); substituted "Class II-0" for "Class II-O" in (h); substituted "within twenty days" for "within thirty days" in (k); in (*l*) substituted "twenty days" for "thirty days" and added the second sentence; and deleted "and regulations" following "reasonable rules" in (m).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-5. General manager of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-14. Items included in cost of properties.
16-13A-18a. Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance; procedure.

§ 16-13A-1. Legislative findings.

Code of State Rules References. — Government of public service districts, 150 CSR 17, effective September 1, 1990.

§ 16-13A-1c. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the state so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of, properties supplying water, sewerage or stormwater services or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may

be constituted a public
this article. The words
shall mean and include
(1) The diversion, dev
distribution or furnish
private or other uses (h
collection, treatment, p
or industrial wastes (
"landfills"); (3) the distı
industrial, public, priv
utilities or gas system"
(herein sometimes ref
tems"), or (5) the m
stormwater and stor
"stormwater managem
As used in this article
stormwater system in
control or dispose of s
natural water course
through and from drai
limited to, any and a
ponds, drainage ease
streams, gulches, flur
dams, floodwalls, pipe
Provided, That the te
not include highways,
constructed, owned or
used in this article "st
agement programs" m
operation, maintenan
and includes, but is n
runoff water quality i
tion, enforcement and
Provided, however, T
"stormwater managen
ated with the manage
road and drainage ea
operated by the Wes
agreement of the com

Effect of amendment
2002, c. 272, effective June
stormwater" following sew

Form **8038-G**
(Rev. November 2000)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

FILE COPY

► Under Internal Revenue Code section 149(e)
► See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ► ☐

1 Issuer's name **The City of Bluefield**		2 Issuer's employer identification number **55 6000149**	
3 Number and street (or P.O. box if mail is not delivered to street address) **P. O. Box 4100**	Room/suite	4 Report number **3 - 01**	
5 City, town, or post office, state, and ZIP code **Bluefield, West Virginia 24701**		6 Date of issue **December 1, 2004**	
7 Name of issue **Sewer Refunding Revenue Bonds, Series 2004**		8 CUSIP number **096224EQ9**	
9 Name and title of officer or legal representative whom the IRS may call for more information **Mark Henne, City Manager**		10 Telephone number of officer or legal representative **(304) 327-2401**	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☑ Environment (including sewage bonds)	15	3,175,000
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ►	18	
19	If obligations are TANs or RANs, check box ► ☐ If obligations are BANs, check box ► ☐		
20	If obligations are in the form of a lease or installment sale, check box ► ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	**July 1, 2017**	$ **3,175,000**	$ **3,175,000**	**8.319** years	**3.9742409** %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))			23	3,175,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	146,844.17		
25	Proceeds used for credit enhancement	25	-0-		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	390,585.00		
27	Proceeds used to currently refund prior issues	27	2,637,570.83		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	3,175,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	-0-

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ►	**10.90**	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ►	**N/A**	years
33	Enter the last date on which the refunded bonds will be called ►	**1/1/05**	
34	Enter the date(s) the refunded bonds were issued ►	**6/1/92**	

RECEIVED
DEC 15 2004
OGDEN, UT

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	-0-
b	Enter the final maturity date of the guaranteed investment contract ► **N/A**		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	-0-
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the name of the issuer ► **N/A** and the date of the issue ► **N/A**		
38	If the issue has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☑		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐		
40	If the issuer has identified a hedge, check box ► ☐		

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Robert E. Perkinson — December 1, 2004

Signature of issuer's authorized representative — Date — Robert Perkinson, Jr., Mayor (Type or print name and title)

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500, Terminal Building
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 12/1/04

(See Reverse for Instructions)

ISSUE: THE CITY OF BLUEFIELD (WEST VIRGINIA) SEWER REFUNDING REVENUE BONDS, SERIES 2004

ADDRESS: 200 Rogers Street, Bluefield, WV 24701 COUNTY: Mercer

PURPOSE OF ISSUE: New Money: ____
Refunding: X

REFUNDS ISSUE(S) DATED: 6/1/92

ISSUE DATE: 12/1/04

CLOSING DATE: 12/1/04

ISSUE AMOUNT: $3,175,000

RATE: See Debt Service Schedule

1ST DEBT SERVICE DUE: July 1, 2005

1ST PRINCIPAL DUE: July 1, 2006

1ST DEBT SERVICE AMOUNT: $71,997.92

PAYING AGENT: WV Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Vincent A. Collins, Esq.
Phone: (304) 624-8161

UNDERWRITER'S COUNSEL: Goodwin & Goodwin, LLP
Contact Person: Bill Bragg
Phone: (304) 346-7000

CLOSING BANK: First Century Bank, NA
Contact Person: Garnett Little
Phone: (304) 324-3221

ESCROW TRUSTEE: WV Municipal Bond Commission
Contact Person: Sara Boardman
Phone: (304) 558-3971

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Mr. Mark Henne
Position: City Manager
Phone: (304) 327-2401

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:
By: X Wire
____ Check

__ Accrued Interest: $____
____ Capitalized Interest: $____
X Reserve Account: $390,585.00
X Other: Prepayment Fund $2,637,570.83

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
X IGT

____ To Escrow Trustee: $____
____ To Issuer $____
____ To Cons. Invest. Fund $____
X Other: Prepayment Fund $ 249,929.17*

NOTES: *Transfer $72,916.67 from Series 1992 Bonds Sinking Fund and $177,012.50 from the Series 1992 Bonds Reserve Account in accordance with Prepayment Agreement

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

CH711831.2

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specificed by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

$3,175,000

City of Bluefield, West Virginia

Sewer Refunding Revenue Bonds

Series 2004 (NR, BQ)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
07/01/2005	-	-	71,997.92	71,997.92
07/01/2006	25,000.00	3.250%	123,425.00	148,425.00
07/01/2007	25,000.00	3.250%	122,612.50	147,612.50
07/01/2008	250,000.00	3.250%	121,800.00	371,800.00
07/01/2009	275,000.00	3.500%	113,675.00	388,675.00
07/01/2010	280,000.00	3.700%	104,050.00	384,050.00
07/01/2011	295,000.00	3.800%	93,690.00	388,690.00
07/01/2012	305,000.00	3.900%	82,480.00	387,480.00
07/01/2013	320,000.00	4.000%	70,585.00	390,585.00
07/01/2014	330,000.00	4.050%	57,785.00	387,785.00
07/01/2015	340,000.00	4.100%	44,420.00	384,420.00
07/01/2016	360,000.00	4.150%	30,480.00	390,480.00
07/01/2017	370,000.00	4.200%	15,540.00	385,540.00
Total	**$3,175,000.00**	-	**$1,052,540.42**	**$4,227,540.42**

Yield Statistics

Bond Year Dollars	$26,412.08
Average Life	8.319 Years
Average Coupon	3.9850716%
Net Interest Cost (NIC)	4.3457019%
True Interest Cost (TIC)	4.4163732%
Bond Yield for Arbitrage Purposes	3.9742409%
All Inclusive Cost (AIC)	4.6556244%

IRS Form 8038

Net Interest Cost	3.9850716%
Weighted Average Maturity	8.319 Years

ON FILE WITH ISSUER

City of Bluefield
Sewer Refunding Revenue Bonds
Series 2004

SOURCES:		
Par Amount of Series 2004		$3,175,000.00
Transfer from 1992 Issue DSR Fund		177,012.50
Transfer from 1992 Issue Debt Service Fund		72,916.67
TOTAL SOURCES OF FUNDS		$3,424,929.17
USES:		
Deposit to Refunding Fund		$2,887,500.00
Deposit to Debt Service Reserve Fund		390,585.00
Original Issue Discount (OID)		0.00
Underwriter's Discount		95,250.00
Costs of Issuance		
Bond Counsel - Steptoe & Johnson	25,750.00	
Underwriter's Counsel - Goodwin & Goodwin	20,750.00	
Issuer's Counsel -	0.00	
Accountant - Sullivan and Ware	1,500.00	
Registrar - United Bank	550.00	
Printing*	950.00	
Miscellaneous (Shipping, Postage, etc.)*	500.00	
Total Costs of Issuance		50,000.00
Rounding (Deposit to Debt Service Fund)		1,594.17
TOTAL USES OF FUNDS		$3,424,929.17

**estimation of costs*

Contacts:

Crews & Associates	BD# 5158
Barry Cunningham	304-344-1733
Steptoe & Johnson	
John Stump	304-353-8196
Karrie Mattox	304-353-8257
Elizabeth Gilbert	304-353-8179
Goodwin & Goodwin	
Bill Bragg	304-346-7000
Registrar: United Bank, Inc.	
Kathy Smith	304-348-8427
WV Municipal Bond Commission	
Sara Boardman	304-558-3971
First Century Bank	
Kathy Anderson	304-325-8181
DTC	
212-855-3752	
212-855-3754	

WIRE INSTRUCTIONS:

From WV Municipal Bond Commision	*Internal Transfer*	**To WV Municipal Bond Commission**	
		Bank:	BB&T
Deposit to Series 1992- 2017 Term Bond Refunding Fund		ABA#:	051503394
From Series 1992 DSR Fund	$177,012.50	Account Name:	State of West Virginia
From Series 1992 Debt Service Fund	72,916.67	Account Number	5270517317
Total	249,929.17	Reference:	Series 1992- 2017 Term Bond Payoff
TOTAL WIRE	**$249,929.17**	Amount:	**$249,929.17**

From Crews & Associates		**To WV Municipal Bond Commission**	
		Bank:	BB&T
Desposit to Refunding Fund	$2,637,570.83	ABA#:	051503394
		Account Name:	State of West Virginia
		Account Number	5270517317
TOTAL WIRE TO REFUNDING FUND	**$2,637,570.83**	Reference:	Series 1992- 2017 Term Bond Payoff
Transfer from 1992 DSRF	$177,012.50		
Transfer from 1992 Debt Service Fund	$72,916.67	Amount:	**$2,637,570.83**
	$2,887,500.00		

From Crews & Associates		**To First Century Bank**	
		Bank:	First Century Bank, National Association
Deposit to Cost of Issuance Fund		ABA#:	051500601
Cost of Issuance	$50,000.00	Account Name:	2004 Sewer Refunding COI Fund
Rounding	1,594.17	Account Number:	1300003847
		Reference:	2004 Sewer Refunding: COI Fund
TOTAL WIRE TO DEBT SERVICE FUND	**$51,594.17**	Amount:	**$51,594.17**

From Crews & Associates		**To Municipal Bond Commission**	
		Bank:	BB&T
Deposit to Series 2004 DSRF		ABA#:	051503394
2004 Debt Service Reserve Fund Requirement	390,585.00	Account Name:	State of West Virginia
		Account Number	5270517317
		Reference:	Series 2004 Debt Service Reserve Fund
TOTAL WIRE TO LOAN PAYOFF	**$390,585.00**	Amount:	**$390,585.00**

Wire Check			
Series 1992, 2017 Term Bond Refunding Fund #1	$249,929.17	Total Sources of Funds	$3,424,929.17
Series 1992, 2017 Term Bond Refunding Fund #2	$2,637,570.83	Less OID	0.00
Series 2004 Cost of Issuance Fund	$51,594.17	Less Underwriter's Discount	(95,250.00)
Series 2004 Debt Service Reserve Fund	$390,585.00		
Total Wires	$3,329,679.17	Total Amount for Wire Transfer	$3,329,679.17
Fund Check			
Refunding Fund	$2,887,500.00	Total Sources	$3,424,929.17
DSR Fund	$390,585.00	OID	0.00
Cost of Issuance Fund	$51,594.17	Underwriter's Discount	(95,250.00)
Debt Service Fund	$0.00		
Total in Funds	$3,329,679.17	Purchase Price	$3,329,679.17