

**ADDENDUM DATED MARCH 4, 2010
TO OFFICIAL STATEMENT DATED MARCH 2, 2010**

New Issue

\$4,790,000

SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010

**(Option offered to submit two bids; one with rates for a Tax-Exempt Bond and one with rates for a
Taxable Bond- Build America Bond)**

CITY OF STEVENS POINT, WISCONSIN

PROPOSAL OPENING: March 8, 2010, 10:00 A.M.

Attached is a revised Preliminary Official Statement to reflect changes to the Maximum Permitted Reoffering Price on Page F-4 and the Bid Form.

Moody's Investors Service has assigned an "A2" rating to this issue.

There are also various typographical revisions that are made to the original Preliminary Official Statement.

In the opinion of Foley & Lardner LLP, Bond Counsel, under existing law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (i) interest on the Bonds for which the City does not make an election to have the "build America bond" provisions of Section 54AA of the Code apply (hereinafter, a "Tax-Exempt Bond") is excluded from the gross income for federal income tax purposes, is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers, and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations; and (ii) interest on the Bonds for which the City makes an election to have the "build America bond" provisions of Section 54AA of the Code apply (hereinafter, a "Taxable Bond") will be includible in gross income for federal income tax purposes. Any Tax-Exempt Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See "TAXABILITY OF INTEREST" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes.

New Issue

Rating Application Made: Moody's Investors Service

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 2, 2010

**CITY OF STEVENS POINT, WISCONSIN
(Portage County)**

\$4,790,000* SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010A

(Option offered to submit two bids; one with rates for a Tax-Exempt Bond and one with rates for a Taxable Bond- Build America Bond)

BID OPENING: March 8, 2010, 10:00 A.M., C.T.

CONSIDERATION: March 8, 2010, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$4,790,000* Sewerage System Revenue Bonds, Series 2010A (the "Bonds" or "Obligations") of the City of Stevens Point, Wisconsin (the "City") are being issued pursuant to Wisconsin Statutes, Section 66.0621, to provide funds for the public purpose of financing improvements and extensions to the City's sewerage system (the "System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the System. The Bonds are being issued on a parity with the City's outstanding Sewerage System Revenue Bonds, Series 1992, dated September 23, 1992 and the City's outstanding Sewerage System Revenue Bonds, Series 1997, dated March 26, 1997, both purchased by the State of Wisconsin Clean Water Fund Program. Delivery of the Bonds is subject to receipt of an approving legal opinion of Foley & Lardner LLP.

DATE OF BONDS: March 25, 2010

MATURITY: May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2012	\$25,000	2019	\$255,000	2025	\$300,000
2013	200,000	2020	265,000	2026	300,000
2014	210,000	2021	265,000	2027	300,000
2015	215,000	2022	270,000	2028	300,000
2016	230,000	2023	280,000	2029	300,000
2017	240,000	2024	285,000	2030	300,000
2018	250,000				

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: November 1, 2010 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing May 1, 2019 and thereafter are subject to redemption prior to maturity on May 1, 2018 and on any date thereafter, at par.

EXTRAORDINARY REDEMPTION: See "Extraordinary Redemption" herein.

MINIMUM BID: \$4,730,125.

GOOD FAITH DEPOSIT: \$95,800.

FISCAL AGENT: To Be Determined.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein.

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in S.E.C. Rule 15c2-12.

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3060 Centre Pointe Drive
Roseville, MN 55113-1122

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. *This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of these Obligations in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.*

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers & Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement except as described herein and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers & Associates, Inc., payable entirely by the City, is contingent upon the sale of the issue.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential customers. Its primary purpose is to disclose information regarding these Obligations to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to members of the legislative body and other public officials of the City as well as to prospective bidders for an objective review of its disclosure. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers & Associates at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of these Obligations, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Obligations, as defined in S.E.C. Rule 15c2-12. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which these Obligations are exempt or required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of these Obligations, the purchaser (underwriter) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of these Obligations and all times subsequent thereto up to and including the time of the delivery of these Obligations, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for these Obligations; (3) a certificate evidencing the due execution of these Obligations, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of these Obligations, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of these Obligations have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of these Obligations in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

TABLE OF CONTENTS

<p>INTRODUCTORY STATEMENT 1</p> <p>THE BONDS 1</p> <p style="padding-left: 20px;">GENERAL 1</p> <p style="padding-left: 20px;">OPTIONAL REDEMPTION 1</p> <p style="padding-left: 20px;">EXTRAORDINARY REDEMPTION 2</p> <p style="padding-left: 20px;">AUTHORITY; PURPOSE 2</p> <p style="padding-left: 20px;">ESTIMATED SOURCES AND USES 2</p> <p style="padding-left: 20px;">SECURITY AND GENERAL COVENANTS REGARDING OPERATION OF THE SYSTEM 2</p> <p style="padding-left: 20px;">SEWERAGE SYSTEM REVENUE DEBT OUTSTANDING 3</p> <p style="padding-left: 20px;">HISTORIC/PROJECTED SEWERAGE SYSTEM DEBT SERVICE COVERAGES 4</p> <p style="padding-left: 20px;">DESCRIPTION OF THE SEWER SYSTEM 7</p> <p style="padding-left: 20px;">BUILD AMERICA BONDS-DIRECT PAYMENT 9</p> <p style="padding-left: 20px;">CONTINUING DISCLOSURE 9</p> <p style="padding-left: 20px;">LEGAL OPINION 10</p> <p style="padding-left: 20px;">TAXABILITY OF INTEREST 10</p> <p style="padding-left: 20px;">QUALIFIED TAX-EXEMPT OBLIGATIONS (Tax-Exempt Bonds) 12</p> <p style="padding-left: 20px;">FINANCIAL ADVISOR 12</p> <p style="padding-left: 20px;">RISK FACTORS 12</p> <p>VALUATIONS 14</p> <p style="padding-left: 20px;">WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES 14</p> <p style="padding-left: 20px;">CURRENT PROPERTY VALUATIONS 15</p> <p style="padding-left: 20px;">2009 EQUALIZED VALUE BY CLASSIFICATION .. 15</p> <p style="padding-left: 20px;">TREND OF VALUATIONS 15</p> <p style="padding-left: 20px;">LARGER TAXPAYERS 16</p> <p>DEBT 17</p> <p style="padding-left: 20px;">DIRECT DEBT 17</p> <p style="padding-left: 20px;">OTHER DEBT 17</p> <p style="padding-left: 20px;">DEBT LIMIT 17</p> <p style="padding-left: 20px;">SCHEDULE OF GENERAL OBLIGATION DEBT ... 18</p> <p style="padding-left: 20px;">OVERLAPPING DEBT 20</p> <p style="padding-left: 20px;">DEBT RATIOS 20</p> <p style="padding-left: 20px;">DEBT PAYMENT HISTORY 20</p> <p style="padding-left: 20px;">FUTURE FINANCING 20</p> <p>TAX LEVIES AND COLLECTIONS 21</p> <p style="padding-left: 20px;">TAX LEVIES AND COLLECTIONS 21</p> <p style="padding-left: 20px;">PROPERTY TAX RATES 22</p> <p style="padding-left: 20px;">TAX LEVY LIMIT 22</p>	<p>THE ISSUER 23</p> <p style="padding-left: 20px;">CITY GOVERNMENT 23</p> <p style="padding-left: 20px;">EMPLOYEES; PENSIONS 23</p> <p style="padding-left: 20px;">LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS 24</p> <p style="padding-left: 20px;">LITIGATION 24</p> <p style="padding-left: 20px;">FUNDS ON HAND 24</p> <p style="padding-left: 20px;">ENTERPRISE FUNDS 25</p> <p>GENERAL INFORMATION 27</p> <p style="padding-left: 20px;">LOCATION 27</p> <p style="padding-left: 20px;">LARGER EMPLOYERS 27</p> <p style="padding-left: 20px;">U.S. CENSUS DATA 28</p> <p style="padding-left: 20px;">EMPLOYMENT/UNEMPLOYMENT DATA 28</p> <p style="padding-left: 20px;">BUILDING PERMITS 29</p> <p style="padding-left: 20px;">FINANCIAL INSTITUTIONS 29</p> <p style="padding-left: 20px;">EDUCATION 30</p> <p style="padding-left: 20px;">MEDICAL FACILITIES 30</p> <p>EXCERPTS FROM FINANCIAL STATEMENTS A-1</p> <p>FORM OF LEGAL OPINION B-1</p> <p>BOOK-ENTRY-ONLY SYSTEM C-1</p> <p>FORM OF CONTINUING DISCLOSURE CERTIFICATE D-1</p> <p>SELECTED SECTIONS FROM AWARD RESOLUTION E-1</p> <p>NOTICE OF SALE F-1</p>
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COMMON COUNCIL

Andrew Halverson	Mayor
Brian Brooks	Council Member
Tom Mallison	Council Member
Mary Stroik	Council Member
Marge Molski	Council Member
Jerry R. Moore	Council Member
Michael O'Meara	Council Member
Jeremy Slowinski	Council Member
Randal E. Stroik	Council Member
Roger Trzebiatowski	Council Member
Hans Walther	Council Member
Mike Wiza	Council Member

ADMINISTRATION

John Schlice, Comptroller/Treasurer
John Moe, Clerk

PROFESSIONAL SERVICES

Louis J. Molepske, City Attorney, Stevens Point, Wisconsin

Foley & Lardner LLP, Bond Counsel

Ehlers & Associates, Inc., Financial Advisors, Brookfield, Wisconsin
(Other offices located in Roseville, Minnesota and Lisle, Illinois)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of Stevens Point, Wisconsin (the "City" or "Issuer") and the issuance of its \$4,790,000* Sewerage System Revenue Bonds, Series 2010A (the "Bonds" or "Obligations"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds to be adopted by the Common Council on March 8, 2010 (the "Award Resolution").

Inquiries may be directed to Ehlers & Associates, Inc. ("Ehlers" or the "Financial Advisor"), Brookfield, Wisconsin, (262) 785-1520, the City's Financial Advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the link to the Bond Sales and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of March 25, 2010. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing November 1, 2010, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) prior to the interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. All Bonds of the same maturity will bear interest from date of issue until paid at a single, uniform rate.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the resolution awarding the sale of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after May 1, 2019 shall be subject to redemption prior to maturity on May 1, 2018 and on any date thereafter, at a price of par plus accrued interest.

Bonds subject to redemption may be redeemed in whole or in part. If redemption is in part, then the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having the same maturity date are called for redemption, then the City or Fiscal Agent, if any, will notify DTC of the particular portion of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

*Preliminary, subject to change.

Notice of redemption shall be sent by first class mail not more than 60 days and not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Fiscal Agent.

EXTRAORDINARY REDEMPTION

If the Bonds are sold as Taxable Bonds, then the Taxable Bonds shall be subject to redemption prior to maturity, in whole or in part, at the option of the City, on any date, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date of redemption, in the event that an Extraordinary Event occurs.

An "Extraordinary Event" will have occurred if either (a) Section 54AA or 6431 of the Code or any successor provision is repealed, amended or modified in a manner which results in a reduction or elimination of the City's 35% cash subsidy payment from the United States Treasury or (b) the United States Treasury fails to make a cash subsidy payment to which the City is entitled and such failure is not caused by any action or inaction by the City.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Wisconsin Statutes, Section 66.0621, to provide funds for the public purpose of financing improvements and extensions to the City’s sewerage system (the "System").

ESTIMATED SOURCES AND USES

Sources			
	Par Amount of Bonds	\$4,790,000	
	Interest Earnings	11,780	
	Funds on Hand	<u>500,000</u>	
	Total Sources		\$5,301,780
Uses			
	Project Costs	\$4,711,996	
	Reserve Fund	479,000	
	Contingency	2,634	
	Discount Allowance	59,875	
	Finance Related Expenses	<u>48,275</u>	
	Total Uses		\$5,301,780

SECURITY AND GENERAL COVENANTS REGARDING OPERATION OF THE SYSTEM

The security provisions and covenants with respect to the Bonds are set forth in Appendix E hereto.

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Appendix E.

The Bonds shall be issued on a parity basis with the City's Outstanding Bonds. The Bonds and any Parity Bonds (including the Outstanding Bonds) are not general obligations of the City and are payable only out of the Debt Service Fund (as described in Appendix E hereto) into which revenues of the System will be deposited.

The Bonds and any Parity Bonds (including the Outstanding Bonds) are secured by a pledge of revenues of the System to the Debt Service Fund. The Award Resolution requires that the Reserve Account of the Special Redemption Fund be funded at the least of the following: (i) the maximum annual debt service coming due in any future year on the Bonds and any Secured Parity Bonds then outstanding, (ii) 10% of the outstanding principal amount of the Bonds and any Secured Parity Bonds or (iii) 125% of the average annual debt service on the Bonds and any Secured Parity Bonds then outstanding (the "Minimum Reserve Amount"). If, 12 months following any withdrawal from the Reserve Account, the amount on deposit in the Reserve Account is less than the Minimum Reserve Account, then the Financial Officer shall certify to the Governing Body the amount necessary to restore the Reserve Account to the Minimum Reserve Amount. Recognizing its moral obligation to do so, the Governing Body has expressed its expectation and aspiration that, if presented with such a certification, it shall make an appropriation of funds sufficient to restore the Reserve Account to the Minimum Reserve Amount. The Governing Body has determined that the System and any appropriation of funds pursuant to this expression of its moral obligation, serves a public purpose by safeguarding the health and welfare of its citizens. **The Outstanding Bonds are not secured by the Reserve Account.**

HISTORIC/PROJECTED SEWERAGE SYSTEM DEBT SERVICE COVERAGES

The chart on Page 4 presents the three-year historic and projected debt service coverages of the System. The revenues for 2009 and beyond are a forecast and, because events and circumstances frequently do not occur as expected and because those differences may be material, the projection cannot be assured.

SEWERAGE SYSTEM REVENUE DEBT OUTSTANDING

All outstanding debt of the City paid with revenues of the System is on page 6 (the "Outstanding Bonds"). The City has been approved for an additional Clean Water Fund Loan in the amount of \$4,322,534 to be paid with revenues of the System on a parity with the Outstanding Bonds and the Bonds. The City anticipates closing the loan within the next 3 months.

City of Stevens Point

Sewer Utility Debt Service Coverage



Tax Exempt Revenue Bonds

	Historical			Estimated			Projected ¹		
	2006	2007	2008	2009	2010	2011	2012	2013	2014
OPERATING REVENUES									
Charges for Services ¹	2,706,054	2,785,187	2,996,635	3,380,631	3,786,307	3,899,896	4,016,893	4,137,400	4,261,522
Other Operating Revenue	0	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	2,706,054	2,785,187	2,996,635	3,380,631	3,786,307	3,899,896	4,016,893	4,137,400	4,261,522
OPERATING EXPENSES									
Operation and Maintenance	1,498,064	1,566,774	1,808,400	1,824,453	1,879,187	1,935,562	1,993,629	2,053,438	2,115,041
Depreciation	540,580	551,092	733,130	648,032	648,032	648,032	648,032	648,032	648,032
Amortization	676	675	675	675	675	675	675	675	675
Contractual Services	0	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	2,039,320	2,118,541	2,542,205	2,473,160	2,527,894	2,584,269	2,642,336	2,702,145	2,763,748
OPERATING INCOME	666,734	666,646	454,430	907,471	1,258,413	1,315,627	1,374,557	1,435,255	1,497,774
Non-Operating Income/Expenses	101,609	114,147	81,800	44,658	44,658	44,658	44,658	44,658	44,658
Int on New Debt Service Reserve @ .50%				1,198	1,198	2,395	2,395	2,395	2,395
NET REVENUES	768,343	780,793	536,230	952,129	1,304,269	1,362,680	1,421,610	1,482,308	1,544,827
Depreciation	540,580	551,092	733,130	648,032	648,032	648,032	648,032	648,032	648,032
Amortization	676	675	675	675	675	675	675	675	675
Taxes	0	0	0	0	0	0	0	0	0
REV AVAIL DEBT SERVICE	1,309,599	1,332,560	1,270,035	1,600,836	1,952,976	2,011,387	2,070,317	2,131,015	2,193,534
REVENUE DEBT SERVICE									
Clean Water Fund Loan	980,555	979,991	979,405	978,797	978,166	977,510	976,829	976,118	975,408
Clean Water Fund Loan	25,181	25,173	25,164	25,146	25,137	25,137	25,128	25,118	25,108
Estimated 2010 CWF Loan \$4,322,534						283,149	283,149	283,149	283,149
Proposed 2010 Rev Bonds \$4,790,000					105,627	176,045	176,045	374,395	385,649
DEBT SERVICE COVERAGE all debt	1.30	1.33	1.26	1.59	1.76	1.38	1.42	3.12	3.16

¹ 16% rate increase effective 6/2008 and 16% rate increase effective 6/2009 included in projections, 3% annual increase in charges for services, thereafter and 3% annual increase in operating expenses
Proposed user rate increase for June, 2010 not factored into revenue projects for purposes of this analysis

City of Stevens Point

Sewer Utility Debt Service Coverage



Taxable Revenue Bonds (BAB)

	Historical		Estimated			Projected ¹		2014
	2006	2007	2008	2009	2010	2011	2012	
OPERATING REVENUES								
Charges for Services ¹	2,706,054	2,785,187	2,996,635	3,380,631	3,786,307	3,899,896	4,016,893	4,137,400
Other Operating Revenue	0	0	0	0	0	0	0	0
TOTAL OPERATING REVENUES	2,706,054	2,785,187	2,996,635	3,380,631	3,786,307	3,899,896	4,016,893	4,137,400
OPERATING EXPENSES								
Operation and Maintenance	1,498,064	1,566,774	1,808,400	1,824,453	1,879,187	1,935,562	1,993,629	2,053,438
Depreciation	540,580	551,092	733,130	648,032	648,032	648,032	648,032	648,032
Amortization	676	675	675	675	675	675	675	675
Contractual Services	0	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	2,039,320	2,118,541	2,542,205	2,473,160	2,527,894	2,584,269	2,642,336	2,702,145
OPERATING INCOME	666,734	666,646	454,430	907,471	1,258,413	1,315,627	1,374,557	1,435,255
Non-Operating Income/Expenses	101,609	114,147	81,800	44,658	44,658	44,658	44,658	44,658
BAB upfront issuance costs and filing fee				(12,613)	1,194	(300)	(300)	(300)
Int on New Debt Service Reserve @ .50%						2,388	2,388	2,388
NET REVENUES	768,343	780,793	536,230	952,129	1,291,652	1,362,372	1,421,302	1,482,000
Depreciation	540,580	551,092	733,130	648,032	648,032	648,032	648,032	648,032
Amortization	676	675	675	675	675	675	675	675
Taxes	0	0	0	0	0	0	0	0
REV AVAIL DEBT SERVICE	1,309,599	1,332,560	1,270,035	1,600,836	1,940,359	2,011,079	2,070,009	2,130,707
REVENUE DEBT SERVICE								
Clean Water Fund Loan	980,555	979,991	979,405	978,797	978,166	977,510	976,829	976,829
Clean Water Fund Loan	25,181	25,173	25,164	25,146	25,137	25,137	25,128	25,118
Estimated 2010 CWF Loan \$4,322,534					137,084	283,149	283,149	283,149
Proposed 2010 Rev Bonds \$4,775,000						228,473	228,473	426,473
DEBT SERVICE COVERAGE (Gross)	1.30	1.33	1.26	1.59	1.70	1.33	1.37	2.90
Debt Service Coverage (Net Rebate)	1.30	1.33	1.26	1.59	1.78	1.40	1.44	3.25

¹ 16% rate increase effective 6/2008 and 16% rate increase effective 6/2009 included in projections,

3% annual increase in charges for services, thereafter and 3% annual increase in operating expenses
Proposed user rate increase for June, 2010 not factored into revenue projects for purposes of this analysis

**SCHEDULE OF REVENUE DEBT OUTSTANDING
CITY OF STEVENS POINT
AS OF MARCH 25, 2010**

DATED AMT MAT	SEWERAGE SYSTEM REVENUE BONDS SERIES 1992 CWF		SEWERAGE SYSTEM REVENUE BONDS CWF		SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010 (This Issue) 3/25/10 4,790,000 5/1 Est.		TOTAL PRINCIPAL	TOTAL INTEREST	PRINCIPAL & INTEREST	PRINCIPAL OUTSTANDING	PRINCIPAL %PAID	YEAR
	PRINC	INT	PRINC	INT	PRINC	INT						
2010	888,831.41	89,334.36	20,701.50	4,444.96		105,396	909,533	199,175	1,108,708	6,809,308	11.78%	2010
2011	922,971.44	54,538.69	21,322.13	3,815.02		175,660	944,294	234,014	1,178,307	5,865,014	24.02%	2011
2012	958,422.79	18,406.51	21,961.36	3,166.20	25,000	175,466	1,005,384	197,039	1,202,423	4,859,630	37.04%	2012
2013			22,619.77	2,497.93	200,000	173,623	222,620	176,120	398,740	4,637,010	39.93%	2013
2014			23,297.91	1,809.63	210,000	169,925	233,298	171,735	405,033	4,403,712	42.95%	2014
2015			23,996.37	1,100.69	215,000	165,351	238,996	166,452	405,448	4,164,716	46.04%	2015
2016			24,715.79	370.49	230,000	159,548	254,716	159,918	414,634	3,910,000	49.34%	2016
2017					240,000	152,610	240,000	152,610	392,610	3,670,000	52.45%	2017
2018					250,000	144,763	250,000	144,763	394,763	3,420,000	55.69%	2018
2019					255,000	136,049	255,000	136,049	391,049	3,165,000	59.00%	2019
2020					265,000	126,554	265,000	126,554	391,554	2,900,000	62.43%	2020
2021					265,000	116,484	265,000	116,484	381,484	2,635,000	65.86%	2021
2022					270,000	106,050	270,000	106,050	376,050	2,365,000	69.36%	2022
2023					280,000	95,048	280,000	95,048	375,048	2,085,000	72.99%	2023
2024					285,000	83,464	285,000	83,464	368,464	1,800,000	76.68%	2024
2025					300,000	71,325	300,000	71,325	371,325	1,500,000	80.57%	2025
2026					300,000	58,725	300,000	58,725	358,725	1,200,000	84.45%	2026
2027					300,000	45,975	300,000	45,975	345,975	900,000	88.34%	2027
2028					300,000	33,000	300,000	33,000	333,000	600,000	92.23%	2028
2029					300,000	19,800	300,000	19,800	319,800	300,000	96.11%	2029
2030					300,000	6,600	300,000	6,600	306,600	0	100.00%	2030
	2,770,225.64	162,279.56	158,615	17,205	4,765,000	2,321,414	7,718,840	2,500,898	5,113,293			

DESCRIPTION OF THE SEWER SYSTEM

The City owns, operates and maintains the System and related appurtenances. The System was established in 1940 and serves customers located within the City as well as the Village of Park Ridge and the Townships of Stevens Point. System operations are governed by a five-member Board of Water and Sewerage Commission appointed by the Common Council and are directed by a Utility Director. The Sewer System consists of approximately 142 miles of various sized sewer lines.

History of Usage and Total Billings

Year	Total Usage in Gallons	Total Billings
2005	753,331,961	\$2,588,590
2006	755,694,511	2,706,054
2007	762,346,326	2,785,187
2008	742,230,848	2,996,635
2009	715,417,083	3,380,631

History of Sewer Connections by Customer Type

Year	Residential	Commercial	Industrial	Public Authority	Total
2005	7,337	1,006	26	81	8,450
2006	7,400	1,033	26	81	8,540
2007	7,500	1,046	26	84	8,656
2008	7,548	1,056	26	85	8,715
2009	7,656	1,060	26	83	8,825

2009 Larger Sewer Customers

Total 2009 Sewer Billings \$3,380,631

Customer	2009 Usage in Gallons	2009 Total Billings	Percent of Total Sewer Billings
Donaldson’s Co., Inc.	15,903,228	\$53,193	1.57%
St. Michael’s Hospital	14,793,196	49,207	1.46%
Ramada Inn	7,854,000	26,704	0.79%
Stevens Point Area High School	6,934,708	23,232	0.69%
UW Stevens Point - Depot Center	6,337,056	21,505	0.64%
Sentry Insurance	5,583,072	19,249	0.57%
Stevens Point Brewer 4 Bottling House	5,131,280	18,257	0.54%
Fairview Village	4,333,164	17,465	0.52%
UW Stevens Point Science Building	4,936,800	16,729	0.49%
YMCA	4,333,164	14,738	0.44%

Sewer Rates

The Common Council establishes rates and charges for the System. Sewer rates are not subject to approval by the Wisconsin Public Service Commission. The City annually reviews rates as required under City sewer ordinances to determine if adjustments are required. The sewer service charge for any lot, parcel of land, building or premise is based on the quantity and quality of wastewater generated, on debt service related to the System, and operation, maintenance and replacement costs of the System. The following sewer rates became effective June 1, 2009:

General Service - Metered

<u>Quarterly Volume Charge</u>		<u>Quarterly Service Charge</u>	
		<u>Meter Size</u>	<u>Charge</u>
Domestic Strength Rates		5/8”	\$24.00
		3/4”	28.00
Volume Charge	\$2.64/25 Cubic Feet	1”	37.00
		1-1/2”	57.00
		2”	82.00
		3”	140.00
		4”	223.00
		Unmetered Flat Rate	90.00

The average family of 4 uses approximately 2500 cubic feet of water quarterly. Based on that figure a quarterly billing for a home within the city with a 5/8" meter would be \$90.00.

$$\text{Sewer Charge } 25 \text{ Cubic Feet} * \$2.64 = \$66.00 + \text{Service Charge } \$24.00 = \$90.00$$

The City contracted with their CPA auditing firm to conduct a sewer utility rate study. That study is complete and will be presented to the Utility Commission at their March, 2010 meeting followed by consideration of the City Council. The proposed rate increase is planned for implementation in June, 2010.

BUILD AMERICA BONDS-DIRECT PAYMENT

If the City decides to issue the Bonds as Taxable Bonds and make the elections to have the "build America bond" provisions of Sections 54AA and 54AA(g) of the Code apply to the Bonds, then the City will be eligible to receive a credit from the United States Treasury equal to 35% of the stated interest paid on the Bonds as provided in Code Section 6431. In order for the City to receive the credit, it must continue to comply with the requirements of the Code and file IRS Forms 8038-CP within the time periods and otherwise in accordance with IRS Notice 2009-26 and any applicable successor guidance.

Receipt of the credits described above is expected by the City, but cannot be assured. The failure to properly and timely file any IRS Form 8038-CP could reduce (or eliminate) the amount of credit paid to the City. In addition, the credits described above are payable under current law. There can be no assurance that future changes in the law would not reduce or eliminate such credits.

RATING

Outstanding revenue debt of the City is not currently rated by Moody's Investors Service. General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "Aa3" by Moody's Investors Service.

The City has requested a rating on this issue from Moody's Investors Service, and bidders will be notified by phone or email as to the assigned rating prior to the sale. Such a rating, if and when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Moody's Investors Service. There is no assurance that such rating, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant to the Award Resolution to enter into an agreement for the benefit of owners of the Bonds to provide annual financial information relating to the City, and to provide notices of the occurrence of certain events enumerated in the Rule to the Municipal Securities Rulemaking Board. The details and terms of the agreement, the type of information to be contained in the annual financial information and the notices of material events, and the City's contact information are set forth in the Continuing Disclosure Agreement, dated the date of issuance of the Bonds, to be executed and delivered by the City at the time the Bonds are delivered (the "Agreement"). Such Agreement will be in substantially the form attached hereto as Appendix D. The City has never failed to comply in all material respects with any previous agreement under the Rule to provide financial information or notices of material events. A failure by the City to comply with the Agreement will not constitute an event of default on the Bonds (although owners will have any available remedy at law). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

LEGAL OPINION

An opinion as to the validity of the Bonds and, if applicable, the exemption from federal taxation of the interest thereon will be furnished by Foley & Lardner LLP, bond counsel to the City, and will accompany the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability may be limited by Wisconsin or United States laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally.

TAXABILITY OF INTEREST

Tax-Exempt Bonds

In the opinion of Bond Counsel, under existing law, interest on each Bond for which the City does not make an election to have the “build America bond” provisions of Section 54AA of the Code apply (hereinafter, a “Tax-Exempt Bond”) is excluded from gross income for federal income tax purposes, is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers, and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations.

As to questions of fact material to Bond Counsel’s opinion, Bond Counsel has relied upon certifications of public officials without independently undertaking to verify them. Moreover, the opinion set forth in the preceding paragraph is subject to the condition that the City comply with all requirements of the Code that must be satisfied after the Tax-Exempt Bonds are issued for interest on the Tax-Exempt Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The City has promised to comply with those requirements. A failure by the City to comply with certain of those requirements may cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Tax-Exempt Bonds were issued. The City has designated any Tax-Exempt Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Bond Counsel’s opinion is based on current legal authorities, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgement about the proper treatment of interest on the Tax-Exempt Bonds for federal tax purposes. It is not binding on the Internal Revenue Service or the courts, and it is not a guarantee of result.

Ownership of a Tax-Exempt Bond may result in certain collateral federal, state, and local tax consequences to certain taxpayers. Prospective purchasers should consult their own tax advisors about the specific federal, state, and local tax consequences to them of owning a Tax-Exempt Bond.

Taxable Bonds: Disclaimer Regarding Federal Tax Discussions About Taxable Bonds: Summary

In the opinion of Bond Counsel, under existing law, interest on each Bond for which the City makes an election to have the “build America bond” provisions of Section 54AA of the Code apply (hereinafter, a “Taxable Bond”) will be includible in gross income for federal income tax purposes.

Any discussion of United States federal tax issues included in this Official Statement is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding federal tax penalties that may be imposed on the taxpayer. Such discussions were written in connection with the promotion or marketing of any Taxable Bonds. Each taxpayer should seek advice from an independent tax advisor based on the taxpayer’s particular circumstances.

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of Taxable Bonds by certain persons. This summary does not consider all the possible federal income tax consequences of the purchase, ownership, or disposition of Taxable Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Taxable Bond at its issue price, which is the first price at which a substantial amount of the Taxable Bond is sold to the public, and who hold Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code. This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Taxable Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a Taxable Bond and one or more other investments, or United States Owners that have a “functional currency” other than the United States dollar (“Special Taxpayers”). This summary is applicable only to a person (a “United States Owner”) who or which is the beneficial owner of Taxable Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based upon the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or the interpretations, any of which may be applied retroactively. It does not discuss the tax laws of any state, local, or foreign governments.

Payments of Stated Interest (Taxable Bonds)

In general, interest on a Taxable Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner’s method of accounting for tax purposes.

Information Reporting and Back-up Withholding (Taxable Bonds)

In general, information reporting requirements will apply with respect to payments to an owner of principal and interest (and with respect to annual accruals or original issue discount “OID”) on the Taxable Bonds, and with respect to payments to an owner of any proceeds from a disposition of the Taxable Bonds. This information reporting obligation, however, does not apply with respect to certain owners including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that an owner subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the Internal Revenue Service that it has failed to properly report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the owner on or with respect to the Taxable Bonds.

Any amounts withheld under the backup withholding provisions may be credited against the United States federal income tax liability of the beneficial owner, and may entitle the beneficial owner to a refund, provided that the required information is furnished to the Internal Revenue Service.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner’s particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the Taxable Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

State Tax Considerations (Taxable Bonds)

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of Taxable Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in Taxable Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS (Tax-Exempt Bonds)

The City will designate any Tax-Exempt Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of certain financial institutions (within the meaning of Section 265(b)(5) of the Code) to deduct from income for federal income tax purposes, 80% of the interest expense that is allocable to carrying and acquiring tax-exempt obligations.

FINANCIAL ADVISOR

Ehlers has served as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants.

RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Sewer System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the sewer service currently provided, the revenues of the Sewer System will be affected proportionately.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Obligations for resale prior to maturity.

Tax Exemption: If the federal government taxes the interest on municipal bonds or notes or if the state government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of any Tax-Exempt Bonds may fall for purposes of resale. Noncompliance by the Issuer with the covenants in the sale resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on any Tax-Exempt Bonds in gross income of the recipient for United States income tax purposes, retroactively to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Agreement for continuing disclosure (as described herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the state investment board. It is not uncommon for the municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Wisconsin Statutes, Section 70.57, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 15. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Beginning in 1986, the State required that the assessed values must be within 10% of State equalized values at least once every five years. The local assessor values property as of January 1 each year and submits those values to each municipality the second Monday in May. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by this same date.

CURRENT PROPERTY VALUATIONS

2009 Equalized Value	\$1,602,553,100
2009 Equalized Value Reduced by Tax Increment Valuation	\$1,573,197,200
2009 Assessed Value	\$1,391,897,340

2009 EQUALIZED VALUE BY CLASSIFICATION

	2009 Equalized Value	Percent of Total Equalized Value
Residential	\$ 858,700,300	53.583%
Commercial	607,687,900	37.920%
Manufacturing	66,252,500	4.134%
Agricultural	7,100	0.000%
Personal Property	69,905,300	4.362%
Total	<u>\$ 1,602,553,100</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2005	\$1,245,611,500	\$1,354,191,600	+ 5.95%
2006	1,258,105,930	1,410,717,700	+ 4.17%
2007	1,320,486,350	1,456,361,000	+ 3.24%
2008	1,368,620,580	1,618,825,700	+ 11.16%
2009	1,391,897,340	1,602,553,100	-1.01%

Source: Wisconsin Department of Revenue, Bureau of Equalization.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2009 Assessed Value	2009 Estimated Equalized Value¹
Sentry Insurance	Corporate office	\$ 65,115,120	\$ 75,117,471
Stora Enso NA Corp.	Manufacturing	21,265,000	24,531,522
American Int'l Realty Corp.	Commercial	12,411,260	14,317,757
St. Michael's Hospital	Medical	11,141,900	12,853,410
Copps Corporation	Corporate office	10,824,800	12,487,600
Hospitality Group of Central Wisconsin LLC - Holiday Inn	Commercial	10,641,500	12,276,144
Lands' End Inc.	Distribution Center	9,609,600	11,085,733
IRET Properties	Commercial	9,501,440	10,960,959
Mills Properties Inc. - Farm and Fleet	Commercial	8,871,500	10,234,254
Aspirus Wausau Hospital	Medical	8,663,750	9,994,591

¹ Estimated by dividing the assessed values by the ratio of assessed to equalized value for the City of Stevens Point.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt	<u>\$ 22,090,880</u>
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OTHER DEBT¹

Revenue Debt (see schedule on Page 6)

Total revenue debt secured by sewer revenues	<u>\$ 7,718,840</u>
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DEBT LIMIT

The constitutional and statutory general obligation debt limit for most Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$ 1,602,553,100
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 80,127,655
Less: General Obligation Debt	<u>(22,090,880)</u>
Unused Debt Limit	<u>\$ 58,036,775</u>

¹ Outstanding debt is as of the dated date of the Bonds.

**SCHEDULE OF GENERAL OBLIGATION DEBT OUTSTANDING
CITY OF STEVENS POINT, WISCONSIN
AS OF MARCH 25, 2010**

DATED AMT	TAXABLE NOTES SERIES 2003A		GO NOTES SERIES 2003C		GO NOTES SERIES 2006A		STATE TRUST FUND LOAN		GO NOTES SERIES 2006B		GO NOTES SERIES 2007A		STATE TRUST FUND LOAN		GO NOTES SERIES 2008A		GO CORP PURPOSE BONDS		
	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	
2010	85,000	8,776	255,000	25,373	700,000	21,210	17,734	6,372	160,000	17,955	200,000	43,565	34,858	51,720	150,000	63,275	140,000	171,103	
2011	170,000	12,538	255,000	17,085			18,650	5,456	160,000	11,571	450,000	32,673	36,639	49,939	400,000	116,731	205,000	165,065	
2012	170,000	5,546	255,000	8,798			19,645	4,462	170,000	5,087	450,000	14,003	38,790	47,787	400,000	104,647	210,000	157,803	
2013							20,676	3,430					40,924	45,654	1,582,000	83,636	210,000	150,453	
2014							21,761	2,345					43,174	43,403	1,582,000	35,844	210,000	143,103	
2015							22,900	1,206					45,437	41,141			210,000	135,753	
2016													48,048	38,529			220,000	128,228	
2017													50,691	35,887			235,000	120,265	
2018													53,479	33,099			245,000	111,804	
2019													56,338	30,240			250,000	102,955	
2020													59,518	27,059			255,000	93,801	
2021													62,792	23,785			260,000	84,338	
2022													66,246	20,332			265,000	74,559	
2023													69,843	16,734			275,000	64,365	
2024													73,730	12,847			280,000	53,750	
2025													77,786	8,792			290,000	42,705	
2026													82,061	4,514			300,000	31,125	
2027																	310,000	19,000	
2028																	320,000	6,400	
2029																			
	425,000	26,860	765,000	51,255	700,000	21,210	121,366	23,271	490,000	34,613	1,100,000	90,241	940,354	531,462	4,114,000	404,133	4,690,000	1,856,571	

YEAR	STATE TRUST FUND LOAN		GO BUILD AMERICA BOND		GO BONDS SAFE DRINKING WATER LOAN		STATE TRUST FUND LOAN		STATE TRUST FUND LOAN		TOTAL PRINCIPAL	TOTAL INTEREST & INTEREST	PRINCIPAL OUTSTANDING	PRINCIPAL % PAID	YEAR	
	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT	PRINC	INT						
DATED AMT	12/2/2008		3/31/2009		12/9/2009		4/28/2009		7/28/2009							
MAT	3/15		3/1 & 9/1		5/1		3/15		3/15							
	\$2,266,979		\$3,650,000		\$1,418,630		\$794,701		\$1,048,109							
2010	223,621	88,339	75,000	131,673	54,602	33,125	67,886	30,841	88,619	40,260	1,819,602	516,055	2,335,657	20,271,278	8.24%	2010
2011	232,909	79,051	300,000	175,360	56,059	35,644	70,695	28,033	92,285	36,594	2,428,777	784,199	3,212,976	17,842,501	19.23%	2011
2012	243,024	68,936	100,000	160,000	57,555	34,129	73,776	24,952	96,307	32,572	2,463,732	689,084	3,152,817	15,378,769	30.38%	2012
2013	253,352	58,608	100,000	147,200	59,090	32,573	76,911	21,816	100,400	28,479	2,442,930	592,570	3,015,201	12,956,137	41.35%	2013
2014	264,120	47,840	1,000,000	142,080	60,667	30,975	80,180	18,547	104,667	24,212	1,786,187	509,988	2,954,918	10,511,207	52.42%	2014
2015	275,244	36,715	1,000,000	125,440	62,286	29,335	83,546	15,181	109,061	19,818	1,820,136	426,875	2,213,062	8,725,019	60.50%	2015
2016	287,058	24,917	700,000	26,860	63,947	27,651	90,842	7,886	113,751	15,128	1,536,648	263,231	1,799,879	5,368,235	75.70%	2016
2017	299,227	12,717			67,405	24,147	94,703	4,025	118,585	10,294	871,750	202,735	1,074,484	4,496,485	79.65%	2017
2018					69,203	22,325			123,625	5,254	591,010	167,658	758,668	3,905,476	82.32%	2018
2019					71,050	20,454					382,388	144,495	526,883	3,523,088	84.05%	2019
2020					72,945	18,533					392,463	129,929	522,393	3,130,624	85.83%	2020
2021					74,892	16,561					402,684	114,905	517,588	2,727,941	87.65%	2021
2022					76,890	14,536					418,136	99,233	517,369	2,309,805	89.54%	2022
2023					78,941	12,457					428,784	82,941	511,725	1,881,021	91.49%	2023
2024					81,047	10,323					444,777	65,875	510,652	1,436,244	93.50%	2024
2025					83,210	8,132					460,996	48,049	509,044	975,248	95.59%	2025
2026					85,430	5,882					477,491	29,396	506,887	497,758	97.75%	2026
2027					87,709	3,573					407,709	9,973	417,681	90,049	99.59%	2027
2028					90,049	1,201					90,049	1,201	91,250	0	100.00%	2028
2029																2029
	2,078,555	417,122	3,575,000	982,873	1,418,630	407,479	725,677	162,870	947,299	212,610	22,090,880	5,222,570	27,313,451			

As of 1/15/09 only
\$50,000 drawn.

OVERLAPPING DEBT

Taxing District	2009 Equalized Value	% In City	Total G.O. Debt	City's Proportionate Share
Portage County	\$ 5,075,712,300	31.5730%	\$ 7,455,000	\$2,353,765
Stevens Point Area School District	4,002,836,071	40.0354%	8,495,000	3,401,011
Mid-State Technical College District	12,769,158,850	12.5502%	21,705,000	<u>2,724,018</u>
City's Share of Total Overlapping Debt				<u>\$ 8,478,793</u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,602,553,100	Debt/ Per Capita 26,200
Total General Obligation Debt	\$ 22,090,880	1.38%	\$ 843.16
City's Share of Total Overlapping Debt	<u>8,478,793</u>	<u>0.53%</u>	<u>323.62</u>
Total	\$ 30,569,673	1.91%	\$ 1,166.78

DEBT PAYMENT HISTORY

The City has never defaulted in the payment of principal and interest on its debt.

FUTURE FINANCING

The City is in the process of obtaining a \$3,000,000 bank loan to close in April for capital projects. Other than this bank loan, the City has no plans for additional general obligation financing in the next three months.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only (Including TIF Levy)	% Collected	Levy/Equalized Value in Dollars per \$1,000
2005/06	\$10,980,608	100.00%	\$8.11
2006/07	11,609,414	100.00%	8.23
2007/08	11,995,800	100.00%	8.24
2008/09	12,681,406	100.00%	7.83
2009/10	12,976,005	<div style="border: 1px dashed black; padding: 2px; display: inline-block;"> In Process </div>	8.10

Property tax statements are distributed to taxpayers by the town, village, and city clerks in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding TIF) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total Full Value Effective Rate³
2005/06	\$9.23	\$4.99	\$8.11	\$0.19	\$21.49
2006/07	9.55	4.86	8.23	0.20	21.60
2007/08	9.52	4.99	8.24	0.28	21.58
2008/09	10.07	4.81	7.83	0.38	21.53
2009/10	11.02	5.00	8.10	0.62	22.87

Source: Property Tax Rates were extracted from bulletins prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

TAX LEVY LIMIT

Section 66.0602 of the Wisconsin Statutes, as recently amended by 2009 Wisconsin Act 28, imposes a limit on property tax levies by cities, villages, towns and counties. Except as otherwise provided, no city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of three percent or the percentage change in the municipality's January 1 equalized value due to new construction less improvements removed). The base amount in any year, to which the levy limit applies, is the maximum allowable levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the municipality's percentage growth due to the district's termination.

Other provisions, not described in this summary, make adjustments to the property tax limit in specified situations.

¹ The Schools tax rate reflects the composite rate of all local school districts and the technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes any tax increments and taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts.

³ Property tax less state property tax credit (not including lottery credit).

With respect to general obligation debt service, the following provisions are made: For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact municipalities that experience a reduction in offsetting revenues. The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005 or to a political subdivisions tax levy that is imposed after December 2010.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1858 and is governed by a Mayor and a eleven-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms, and the Mayor, Comptroller/Treasurer, Clerk and Attorney are elected to four-year terms. The Comptroller/Treasurer and Clerk are responsible for financial records and administrative details.

EMPLOYEES; PENSIONS

The City has 224 full-time, 14 part-time and 80 seasonal employees. The City is a participant in the Wisconsin Retirement System (WRS) covering all protective employees on a non-contributory basis. The annual employer's contribution rate, which is actuarially determined by the State, covers only current expenses. The City has no outstanding prior costs. See the Notes to Financial Statements in Appendix A for a detailed description of the plan.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Teamsters Local 662 Water/Waste Water	December 31, 2010
Teamsters Local 662 Police Officers	December 31, 2010
AFSCME, AFL-CIO Local 348 Clerical & Related	December 31, 2010
AFSCME-AFL-CIO Local 309 Transit	December 31, 2010
AFSCME AFL-CIO Local 309 Streets & Parks	December 31, 2010
IAFF Local 484	In Mediation

LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS

The City has obligations for other post-employment benefits (some mandated by State Statute and others that cover a portion of the cost of health insurance during retirement) for the majority of its employees. Accounting for these obligations will be dictated by new Governmental Accounting Standards Board Statements Nos. 43 and 45 (GASB 43 and 45). Although the City is not yet required to implement GASB 43 and 45, it has completed a actuarial study of its obligations. The study shows an actuarial accrued liability of \$4,493,696 using a discount rate of 4.85%, as of January 1, 2007.

The City is currently funding these obligations on a pay-as-you-go basis.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver these Bonds or otherwise questioning the validity of these Bonds.

FUNDS ON HAND (as of December 31, 2009)

Fund	Total Cash and Investments
General	\$ 27,694,087
Special Revenue	3,287,236
Debt Service	148,472
Capital Projects	5,843,300
Enterprise Funds	238,966
Trust and Agency	137,324
Internal Service	2,035,073
Water & Sewer Utility	<u>5,746,868</u>
Total Funds on Hand	<u>\$ 45,131,326</u>

ENTERPRISE FUNDS

Cash flows for the City's enterprise funds have been as follows as of December 31 each year:

	2006	2007	2008
Water			
Total Operating Revenues	\$ 3,437,454	\$ 3,199,580	\$ 3,305,066
Less: Operating Expenses	<u>(2,356,748)</u>	<u>(2,214,367)</u>	<u>(2,239,928)</u>
Operating Income	\$ 1,080,706	\$ 985,213	\$ 1,065,138
Plus: Depreciation	561,951	579,668	612,537
Tax equivalent	431,587	477,549	506,362
Interest Income	<u>87,092</u>	<u>118,115</u>	<u>70,298</u>
Revenues Available for Debt Service	<u>\$ 2,161,336</u>	<u>\$ 2,160,545</u>	<u>\$ 2,254,335</u>

Sewer (See page 4)

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the fiscal years shown below. These summaries are not purported to be the complete audited financial statements of the City. Copies of the complete audited financial statements are available upon request. See Appendix A for excerpts from the City's 2008 audited financial statement. *Beginning in 2003 the City prepared its financial statements in accordance with Governmental Accounting Standards Board Statement No. 34.*

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2004	2005	2006	2007	2008
Revenues					
Taxes	\$ 8,603,645	\$ 8,811,573	\$ 9,200,721	\$ 9,553,320	\$ 9,849,666
Special assessments	175,543	132,091	153,810	329,515	180,082
Intergovernmental	6,614,161	6,888,979	7,208,691	7,375,883	7,419,965
Licenses and permits	195,883	178,273	248,663	205,236	250,578
Fines, forfeitures and penalties	302,518	311,676	364,469	327,522	318,022
Public charges for services	477,889	575,740	689,829	566,377	633,358
Intergovernmental charges for services	1,276,635	1,417,121	1,569,059	1,497,351	1,456,501
Investment income	252,432	464,097	894,125	972,796	544,701
Miscellaneous	237,208	253,251	185,532	116,837	140,314
Total Revenues	\$18,135,914	\$19,032,801	\$20,514,899	\$20,944,837	\$20,793,187
Expenditures					
Current:					
General government	\$ 2,042,175	\$ 1,999,756	\$ 2,038,631	\$ 1,943,638	\$ 1,967,015
Public safety	8,787,627	9,165,499	9,364,896	10,078,455	10,054,155
Public works	4,318,307	4,767,809	5,119,673	5,283,924	5,028,176
Health and human services	61,197	64,618	62,137	66,210	77,548
Culture, recreation and education	1,777,682	1,930,600	1,877,991	1,975,299	1,935,029
Conservation and development	314,797	368,683	374,633	380,569	382,713
Capital outlay	797,758	1,023,001	1,116,136	571,864	1,227,302
Debt Service	0	0	0	0	0
Total Expenditures	\$18,099,543	\$19,319,966	\$19,954,097	\$20,299,959	\$20,671,938
Excess of revenues over (under) expenditures	\$ 36,371	\$ (287,165)	\$ 560,802	\$ 644,878	\$ 121,249
Other Financing Sources (Uses)					
Proceeds from sale of City Property	0	0	170,251	53,160	46,900
Proceeds of long-term debt	0	0	0	0	0
Operating transfers in	437,146	662,179	634,078	651,029	709,643
Operating transfers out	(1,190,275)	(893,033)	(483,507)	(173,800)	(219,370)
Total Other Financing Sources (Uses)	\$ (753,129)	\$ (230,854)	\$ 320,822	\$ 530,389	\$ 537,173
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (716,758)	\$ (518,019)	\$ 881,624	\$ 1,175,267	\$ 658,422
General Fund Balance January 1	15,104,889	14,388,131	13,870,112	14,751,736	15,927,003
General Fund Balance December 31	\$ 14,388,131	\$ 13,870,112	\$ 14,751,736	\$ 15,927,003	\$ 16,585,425
DETAILS OF DECEMBER 31 FUND BALANCE					
Reserved	\$ 1,486,277	\$ 939,598	\$ 1,126,447	\$ 1,348,522	\$ 1,439,582
Unreserved:					
Designated	1,193,957	1,123,021	1,455,031	1,347,628	1,455,788
Undesignated	11,707,897	11,807,493	12,170,258	13,230,853	13,690,055
Total	\$14,388,131	\$13,870,112	\$14,751,736	\$15,927,003	\$16,585,425

GENERAL INFORMATION

LOCATION

The City of Stevens Point, with a 2000 U.S. Census population of 24,551 and an estimated current population of 26,200 comprises an area of 16.89 square miles and is located in central Wisconsin in Portage County. The City is located approximately 107 miles north of Madison, 110 Southeast of Eau Claire and 89 west of Green Bay on Interstate 51.

LARGER EMPLOYERS WITHIN THE CITY

Firm	Type of Business/Product	No. of Employees¹
Sentry Insurance	Corporate insurance office	2,000
UW - Stevens Point	University	1,350
School District of Stevens Point Area	Education	1,300
St. Michael's Hospital	General acute care	1,262
Portage County	County govt., services & nursing home	671
Travel Guard Group Inc.	Insurance Headquarters	650
Associated Bank	Financial institution	440
Donaldson Co., Inc.	Manufacture hydraulic and lubricant filters	380
Worzalla Publishing Co., Inc.	Book printing & binding	345
Newpage Corp.	Manufacture paper	340

Source: *Written and telephone survey (February, 2010), Wisconsin Manufacturers Register, DirectoriesUSA and the Wisconsin Department of Workforce Development.*

¹ Includes full-time, part-time and seasonal.

U.S. CENSUS DATA

Population Trend: City of Stevens Point

1990 U.S. Census	23,002
2000 U.S. Census	24,551
2009 Population Estimate ¹	26,200
Percent of Change 1990 - 2000	+ 6.73%

Income and Age Statistics

	City of Stevens Point	Portage County	State of Wisconsin
1999 per capita income	\$17,510	\$19,854	\$21,271
1999 median household income	\$33,178	\$43,487	\$43,791
1999 median family income	\$47,176	\$53,446	\$52,911
2000 median gross rent	\$468	\$477	\$540
2000 median value owner occupied housing	\$80,800	\$98,300	\$112,200
2000 median age	25.6 yrs.	33.0 yrs.	36.0 yrs.

Housing Statistics

	<u>City of Stevens Point</u>		Percent of Change
	1990	2000	
All Housing Units	8,627	9,305	7.86%

Source: 1990 and 2000 Census of Population and Housing.

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Portage County	Portage County	Portage County	State of Wisconsin
2005	38,117	4.6%	4.6%	4.8%
2006	39,217	4.4%	4.4%	4.7%
2007	40,249	4.3%	4.3%	4.7%
2008	40,417	4.4%	4.4%	4.7%
2009, December	39,984	6.7%	6.7%	8.3%

Source: Wisconsin Department of Workforce Development.

¹ Source: Wisconsin Department of Administration.

BUILDING PERMITS

	2006	2007	2008	2009	2010 ¹
<u>New Single Family Homes</u>					
No. of building permits	51	33	18	19	1
Valuation	\$14,505,540	\$6,935,477	\$3,162,886	\$3,593,884	\$275,000
<u>New Multiple Family Buildings</u>					
No. of building permits	5	4	10	4	0
No. of units	58	50	127	46	0
Valuation	\$3,010,300	\$1,560,000	\$7,519,935	\$2,314,430	\$0
<u>New Commercial/Industrial Buildings</u>					
No. of building permits	6	6	1	3	0
Valuation	\$9,295,768	\$10,857,623	\$9,369,224	\$4,998,658	\$0
<u>No. of All Building Permits</u> <i>(including additions and remodelings)</i>	726	675	721	719	37
<u>Valuation of All Building Permits</u> <i>(including additions and remodelings)</i>	\$33,185,099	\$30,166,303	\$32,303,411	\$25,220,565	\$1,205,066

FINANCIAL INSTITUTIONS WITHIN THE CITY

Anchor Bank, fsb	The Pineries Bank
Associated Bank, National Association	Pioneer Bank
Bank One Trust Company, National Association	Point Plus Credit Union
Bull's Eye Credit Union	The Portage County Bank
Citizens Federal Bank	River Cities Bank
Community First Bank	Sentry Credit Union
F&M Bank-Wisconsin	UWSP Credit Union
JPMorgan Chase Bank, National Association	U.S. Bank National Association
M&I Mid-State Bank	Valley Communities Credit Union
M&I Marshall & Ilsley Bank	Central City Credit Union

Source: *American Financial Directory.*

¹ As of January 31, 2010.

EDUCATION

The School District of Stevens Point Area provides education for 7,409 students in grades K through 12. The District, with approximately 1,300 employees, owns and/or operates 13 schools, 10 of which are located in the City of Stevens Point.

MEDICAL FACILITIES

Following is a summary of in-patient health care facilities located in the City:

Name of Facility	Type of Facility	No. of Beds
St. Michael's Hospital	General acute care	181
Portage County Health Care Center	Skilled care	124
Stevens Point Care Center	Skilled care	85

Source: *Wisconsin Department of Health Services.*

APPENDIX A

EXCERPTS FROM FINANCIAL STATEMENTS

Reproduced on the following pages are excerpts from the City's audited Financial Statements for the fiscal year ending December 31, 2008. The Financial Statements have been prepared by the City and audited by a certified public accountant. The Management's Discussion and Analysis and the Notes to Financial Statements are an integral part of the audit and any judgment of the Financial Statements should be based on the Financial Statements as a whole.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

The Auditor was not asked to perform any additional review in connection with this Preliminary Official Statement.

FORM OF LEGAL OPINION

ATTORNEYS AT LAW

VEREX PLAZA
150 EAST GILMAN STREET
MADISON, WI 53703-1481
POST OFFICE BOX 1497
MADISON, WI 53701-1497
608.257.5035 TEL
608.258.4258 FAX
foley.com

March __, 2010

City of Stevens Point
1515 Strongs Avenue
Stevens Point, Wisconsin 54481

Subject: \$4,790,000
City of Stevens Point, Wisconsin
[Taxable] Sewerage System Revenue Bonds, Series 2010A

We have acted as bond counsel to the City of Stevens Point, Wisconsin (the “**Municipality**”) in connection with the issuance of its \$4,790,000 [Taxable] Sewerage System Revenue Bonds, Series 2010A, dated March 25, 2010 (the “**Bonds**”). The Bonds were issued pursuant to a resolution adopted by the Common Council of the Municipality on March 8, 2010 (the “**Resolution**”).

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon the certified proceedings and certifications without independently undertaking to verify them.

The Bonds are payable only from a special redemption fund established by the Municipality and the revenues pledged to such fund. The Bonds are issued on a parity with the Municipality’s outstanding (i) \$13,145,300 Sewerage System Revenue Bonds, Series 1992, dated September 23, 1992, and (ii) \$414,705 Sewerage System Revenue Bonds, Series 1997, dated March 26, 1997 (collectively, the “**Outstanding Bonds**”), except that the Bonds are also secured by the Reserve Account of the Special Redemption Fund established by the Resolution (the “**Reserve Account**”); the Reserve Account does not secure the Outstanding Bonds. The Bonds and interest thereon are not general obligations of the Municipality, and the Municipality is not obligated, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever for payments coming due on the Bonds.

Under circumstances and subject to conditions stated in the Resolution, additional bonds and notes may later be issued on a parity with the Bonds and the Outstanding Bonds (any such bonds or notes being hereinafter referred to as “**Parity Bonds**”).

The Municipality has pledged a portion of the revenues of the Municipality’s sewerage system (the “**System**”) to the payment of the Bonds, the Outstanding Bonds, and any Parity Bonds. In addition, the Municipality

has pledged certain funds and accounts continued or created under the Resolution to the payment of the Bonds, the Outstanding Bonds, and Parity Bonds.

Based upon our examination of the foregoing, we are of the opinion that, under existing law:

1. The Bonds were duly authorized, executed, and delivered by the Municipality and are valid and binding revenue obligations enforceable in accordance with their terms. The Resolution was duly adopted by the Common Council of the Municipality and is valid and binding in accordance with its terms.

2. [Interest on the Bonds is excluded from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers, and is not included in adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The Municipality must comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied after the Bonds are issued for interest on the Bonds to be, or continue to be, excluded from gross income for federal income tax purposes. The Municipality has promised to comply with those requirements. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. The Municipality has designated the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code. We express no opinion about other federal tax law consequences relating to the Bonds.]

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights and by equitable principles (which may be applied in either a legal or an equitable proceeding).

We express no opinion as to the truth or completeness of any official statement or other disclosure document used in connection with the offer and sale of the Bonds.

Our opinion is given as of the date of this letter. We assume no duty to update our opinion to reflect any facts or circumstances that later come to our attention or any subsequent changes in law. In serving as bond counsel, we have established an attorney-client relationship only with the Municipality.

Very truly yours,

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, 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 securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 and www.dtc.org.
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 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City 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 the City 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, Agent, or the City, 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 the City 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 the City 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. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Agreement, dated as of March 25, 2010 (this “**Disclosure Agreement**”), is executed and delivered by the City of Stevens Point, Wisconsin (the “**Issuer**”), a municipal securities issuer and a governmental entity located in the State of Wisconsin. The Issuer covenants and agrees as follows:

Section 1. Definitions.

The following capitalized terms have the following meanings:

“**Annual Financial Information**” means the Issuer’s financial information or operating data, for the preceding fiscal year, of the type included in the final official statement for the Obligations as described in Section 3(b) hereof.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Dissemination Agent**” means any agent responsible for assisting the Issuer in carrying out its obligations under this Disclosure Agreement, which has been designated as a dissemination agent in writing by the Issuer, and has filed with the Issuer a written acceptance of such designation, and the successors and assigns of such dissemination agent.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures, a Commission-approved electronic database established and operated by the MSRB to accommodate the collection and availability of required filings of secondary market disclosures under the Rule.

“**Event Notice**” means a notice of occurrence of a Material Event provided under Section 4(b) hereof or a notice provided under Sections 3(d), 4(c), 7, 8, or 10 hereof, each of which shall be transmitted as described in Section 5 hereof.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Issuer**” means the municipal securities issuer named above.

“**Material Event**” means any of the events listed in Section 4(a) of this Disclosure Agreement that is material to the Owners, as materiality is interpreted under the Exchange Act.

“**MSRB**” means the Municipal Securities Rulemaking Board, which serves as the sole repository for all required filings of all secondary market disclosures under the Rule.

“**Obligations**” means the Issuer’s \$4,790,000 [Taxable] Sewerage System Revenue Bonds, Series 2010A, dated March 25, 2010.

“**Owners**” means the beneficial owners from time to time of the Obligations.

“**Participating Underwriter**” means any broker, dealer, or municipal securities dealer that is required to comply with the Rule when acting as an underwriter in a primary offering of the Obligations.

“**Resolution**” means the resolution adopted by the governing body of the Issuer on March 8, 2010, pursuant to which the Obligations are issued.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Commission under the Exchange Act.

Section 2. Purpose of this Disclosure Agreement.

The purpose of this Disclosure Agreement is to assist Participating Underwriters in complying with the Rule when acting as an underwriter in a primary offering of the Obligations.

Section 3. Annual Financial Information.

- (a) The Issuer shall, not later than 9 months following the close of the Issuer’s fiscal year, submit its Annual Financial Information to the MSRB.
- (b) The Annual Financial Information will consist of (i) the Issuer’s audited annual financial statements prepared using generally accepted accounting principles, and (ii) the following operating data:
 - 1. utility debt structure,
 - 2. equalized value,
 - 3. other obligations,
 - 4. utility rates, and
 - 5. tax levies and collections.
- (c) If the Issuer’s audited annual financial statements are not available at the time the Annual Financial Information is submitted, then the Issuer shall submit the statements to the MSRB within ten business days after they are publicly available.
- (d) If the Issuer fails to submit its Annual Financial Information to the MSRB by the date required in subsection (a) above, then the Issuer shall promptly send an Event Notice of such failure to the MSRB.

Section 4. Event Notices.

- (a) This Section 4 shall govern the giving of an Event Notice after the occurrence of any of the following Material Events with respect to the Obligations, if material under the Exchange Act:
 - 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 Obligations.
 7. Modifications to rights of Owners.
 8. Redemptions of the Obligations.
 9. Defeasances.
 10. Release, substitution, or sale of property securing repayment of the Obligations.
 11. Rating changes.
- (b) Whenever the Issuer obtains knowledge of the occurrence of a Material Event, the Issuer shall promptly submit an Event Notice to the MSRB.
- (c) Similarly, if the Issuer determines that it failed to give an Event Notice as required by this section, then it shall promptly submit an Event Notice of such failure to the MSRB.

Section 5. Transmittal of Annual Financial Information and Event Notices.

Annual Financial Information and Event Notices shall be submitted to the MSRB in an electronic format, and accompanied by identifying information, as prescribed by the MSRB. As of the date of this Disclosure Agreement, the MSRB requires that all submissions of secondary disclosure be made through EMMA. The Annual Financial Information may be submitted as a single document or as a package comprising separate documents. Any or all of the items constituting the Annual Financial Information may be incorporated by reference from other documents available to the public on the MSRB's Internet Website or filed with the Commission. The Issuer shall clearly identify each document so incorporated by reference.

Section 6. Duty to Confirm MSRB's Filing Format and Procedure.

Each time the Issuer submits information to the MSRB in accordance with this Disclosure Agreement, it shall confirm, in the manner it deems appropriate, the MSRB's prescriptions concerning the electronic format and accompanying identifying information for submissions. As of the date of this Disclosure Agreement, information on the MSRB's required electronic format and submission procedures through EMMA can be found on the MSRB's Internet Web site at www.emma.msrb.org.

Section 7. Termination of Disclosure Agreement and Reporting Obligation.

This Disclosure Agreement and the Issuer's disclosure obligations under this Disclosure Agreement with respect to the Obligations shall terminate upon the legal defeasance, prior redemption, or payment in full of all the Obligations or if the Rule shall be revoked or rescinded by the Commission or declared invalid by a final decision of a court of competent jurisdiction. If such termination occurs prior to the final maturity of the Obligations, then the Issuer shall give an Event Notice of such termination to the MSRB.

Section 8. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if the following conditions are met:

- (a) The amendment or waiver is 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 the Issuer or an obligated person, or the type of business conducted;
- (b) This Disclosure Agreement, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of Owners, as determined either by parties unaffiliated with the Issuer or obligated person (such as the fiscal agent, trustee or bond counsel), or by approving vote of the Owners pursuant to the terms of the Resolution at the time of the amendment.

In the event this Disclosure Agreement is amended or waived for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees to give an Event Notice of such amendment or waiver to the MSRB in connection with the next Annual Financial Information it files after such event, explaining the reasons for the amendment or waiver and the impact, if any, of the change in the type of operating data or financial information being provided.

Section 9. Dissemination Agent.

The Issuer may, from time to time, appoint or engage a Dissemination Agent and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. Additional Information.

The Issuer may from time to time choose to disseminate other information, using the means of transmittal set forth in this Disclosure Agreement or any other means of communication, or to include other information with its Annual Financial Information or Event Notice, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information with its Annual Financial Information or Event Notice in addition to that which is specifically required by this Disclosure Agreement, then the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or Event Notice.

Section 11. Default.

A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy of the Owners under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Beneficiaries.

The Issuer intends to be contractually bound by this Disclosure Agreement. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Owners, and shall create no rights in any other person or entity.

Section 13. Recordkeeping.

The Issuer shall maintain records of all Annual Financial Information and Event Notices submitted to the MSRB pursuant to this Disclosure Agreement, including the content and the date of filing of such submissions.

Section 14. Responsible Officer.

The Comptroller shall be the officer, representative, agency, or agent of the Issuer ultimately responsible for providing Annual Financial Information and Event Notices, to the extent required hereunder, regardless of whether a Dissemination Agent has been appointed, and any inquiries regarding this Disclosure Agreement should be directed to:

Comptroller
City of Stevens Point
1515 Strongs Avenue
Stevens Point, Wisconsin 54481
Telephone: (715) 346-1574
Fax: (715) 346-1683
Email: jschlice@stevenspoint.com

IN WITNESS WHEREOF, the Issuer has caused this Disclosure Agreement to be executed by its duly authorized officer or representative as of the date written above.

CITY OF STEVENS POINT, WISCONSIN,
Issuer

By: _____
Title: Comptroller

SELECTED SECTIONS FROM AWARD RESOLUTION

Section 1. Definitions.

In this resolution, the following terms have the meanings given in this section, unless the context requires another meaning.

“**Act**” means Section 66.0621 of the Wisconsin Statutes, as amended.

“**Bond Counsel**” means (i) as of the Original Issue Date, Foley & Lardner LLP, and (ii) after the Original Issue Date, either Foley & Lardner LLP or any other nationally recognized firm of attorneys, employed by the Municipality, experienced in the field of municipal finance, whose legal and tax opinions concerning municipal obligations are generally accepted by purchasers of such obligations.

“**Bonds**” means the \$4,790,000 City of Stevens Point, Wisconsin [Taxable] Sewerage System Revenue Bonds, Series 2010A, which will be issued pursuant to this resolution.

“**Bond Purchaser**” means _____ or a group that it leads.

“**Bond Register**” means the register maintained by the Fiscal Agent at its principal office, in which the Fiscal Agent records:

1. the name and address of the owner of each Bond.
2. all transfers of each Bond.

“**Book-Entry System**” means a system in which no physical distribution of certificates representing ownership of the Bonds is made to the owners of the Bonds but instead all outstanding Bonds are registered in the name of a securities depository appointed by the Municipality, or in the name of such a depository’s nominee, and the depository and its participants record beneficial ownership and transfers of the Bonds electronically.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement, dated as of the Original Issue Date, to be executed by the Municipality and delivered on the closing date of the Bonds.

“**Current Expenses**” means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs of materials and supplies, insurance, audits and the necessary costs of maintaining a Department of Natural Resources approved replacement fund for the replacement of the mechanical parts of the System, but shall exclude depreciation, debt service, tax equivalents and capital expenditures.

“**CWFP**” means the State of Wisconsin Clean Water Fund Program, which is the purchaser of the Outstanding Bonds.

“**Debt Service Fund**” means the fund established under the Series 1992 Resolution and continued under the Series 1997 Resolution and this resolution, for payment of the Outstanding Bonds, the Bonds, and any Parity Bonds, which fund shall be held as a subaccount of the Special Redemption Fund created under this resolution and described in Section 18 hereof.

“**Depository**” means DTC or any successor appointed by the Municipality and acting as securities depository for the Bonds.

“**DTC**” means The Depository Trust Company, New York, New York.

“**Extraordinary Event**” means the date on which either (a) Section 54AA or 6431 of the Code is repealed, amended, or modified in a manner which results in a reduction or elimination of the Municipality’s 35% cash subsidy payment from the United States Treasury or (b) the United States Treasury fails to make a cash subsidy payment to which the Municipality is entitled and such failure is not caused by any action or inaction by the Municipality.

“**Financial Officer**” means the Municipality’s Treasurer.

“**Fiscal Agent**” means the Municipality’s Treasurer or any successor fiscal agent appointed by the Municipality to act as paying agent and registrar for the Bonds pursuant to Section 67.10 (2) of the Wisconsin Statutes.

“**Fiscal Year**” means the twelve-month period beginning on January 1 of each year and ending on December 31 of each year. The Municipality may change the Fiscal Year of the System if the Original Purchasers consent to the change. If the Original Purchasers consent to the change, then the change will not constitute a modification, change, amendment or alteration of this resolution for purposes of Section 24 of this resolution.

“**Governing Body**” means the Municipality’s Common Council.

“**Gross Earnings**” means the gross earnings of the System, including earnings of the System derived from sewerage charges imposed by the Municipality, all payments to the Municipality under any wastewater treatment service agreements between the Municipality and any contract users of the System, and any other monies received from any source including all rentals and fees and any special assessments levied and collected in connection with the Project.

“**Independent Consultant**” means a recognized engineer or firm of engineers or a recognized certified public accountant or firm of certified public accountants who or which is not an officer or regular employee of the Municipality or the System and who or which is not devoting substantially all of his, her or its time and efforts to the affairs of the System.

“**Minimum Reserve Amount**” means the least of the following: (i) the maximum annual debt service coming due in any future year on the Bonds and Secured Parity Bonds then outstanding, (ii) 10% of the sum of the original stated principal amounts of the Bonds and each issue of Secured Parity Bonds then outstanding, or (iii) 125% of the average annual debt service on the Bonds and Secured Parity Bonds then outstanding.

“**Municipal Officers**” means the Mayor and Clerk of the Municipality. These are the officers required by law to execute revenue obligations on the Municipality’s behalf.

“**Municipality**” means the City of Stevens Point, Wisconsin.

“**Net Revenues**” means Gross Earnings of the System after deduction of Current Expenses.

“**Notice of Sale**” shall mean the bidding terms that were (i) included in the offering document for the Bonds, and (ii) used in offering the Bonds for sale by competitive bid.

“**Original Issue Date**” means March 25, 2010.

“**Original Purchasers**” means the combined reference to the Bond Purchaser, the CWFP (as long as each issue of Outstanding Bonds remains outstanding), and the initial purchaser of each issue of Parity Bonds (in each case, as long as the applicable issue of Parity Bonds remains outstanding).

“**Outstanding Bonds**” means collectively, the Series 1992 Bonds and the Series 1997 Bonds.

“**Parity Bonds**” means all other obligations payable from the revenues of the System other than the Bonds and the Outstanding Bonds, but issued on a parity and equality with the Bonds, pursuant to the restrictive provisions of Section 21 of this resolution.

“**Prior Resolutions**” means collectively, the 1992 Resolution and the 1997 Resolution.

“**Project**” has the meaning given in the recitals to this resolution.

“**Purchase Price**” means \$_____.

“**Record Date**” means the 15th day (whether or not a business day) of the calendar month just before a regularly scheduled interest payment date for the Bonds.

“**Recording Officer**” means the Municipality’s Clerk.

“**Reserve Account**” means the Reserve Account of the Special Redemption Fund.

“**Secured Parity Bonds**” means all other obligations payable from the revenues of the System other than the Bonds, but issued on a parity and equality with the Bonds, pursuant to the restrictive provisions of Section 21 of this resolution, which obligations are secured by the amounts on deposit in the Reserve Account and have not been purchased by the CWFP.

“**Series 1992 Bonds**” means the Municipality’s \$13,145,300 Sewerage System Revenue Bonds, Series 1992, dated September 23, 1992, which were purchased by the CWFP and are currently outstanding in the aggregate principal amount of \$2,770,225.64.

“**Series 1997 Bonds**” means the Municipality’s \$414,705 Sewerage System Revenue Bonds, Series 1997, dated March 26, 1997, which were purchased by the CWFP and are currently outstanding in the aggregate principal amount of \$158,614.81.

“**Special Redemption Fund**” means the fund designated as such and described in Section 18 of this resolution.

“**System**” means the entire sewerage system of the Municipality specifically including that portion of the Project owned by the Municipality and including all property of every nature now or hereafter owned by the Municipality for the collection, transmission, treatment and disposal of domestic and industrial sewerage and waste, including all improvements and extensions thereto made by the Municipality while any of the Bonds, the Outstanding Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such sewerage system and including all appurtenances, contracts, leases, franchises, and other intangibles.

[“**Term Bonds**” means the Bonds maturing on May 1 in the years 20____ and 20____, which are subject to mandatory sinking fund redemptions as described in Section 8 of this resolution.]

“**1992 Resolution**” means the resolution of the Governing Body duly adopted on September 14, 1992, authorizing the issuance of the Series 1992 Bonds.

“**1997 Resolution**” means the resolution of the Governing Body adopted on March 17, 1997, authorizing the issuance of the Series 1997 Bonds.

Section 14. Payable Solely From Special Redemption Fund.

The Outstanding Bonds, together with interest thereon, are payable only out of the Debt Service Fund, which was created and established by the 1992 Resolution and is continued by the 1997 Resolution and this resolution. The Bonds and any Secured Parity Bonds, together with any interest thereon, are payable only out of the Special Redemption Fund, which includes as one of its accounts the Debt Service Fund. The registered owners of the Bonds and any Secured Parity Bonds will have a valid claim only against the Special Redemption Fund and the revenues pledged to such fund. If the CWFP is the registered owner of any Parity Bonds, then those Parity Bonds, together with interest thereon, are only payable out of the Debt Service Fund.

Section 15. Pledge.

The Municipality pledges sufficient revenues of the System to the Debt Service Fund to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any Parity Bonds as provided in this resolution. Such revenues will be used for no purpose other than to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any Parity Bonds on the dates on which such amounts are due. The Bonds, the Outstanding Bonds, and any Parity Bonds, together with the interest thereon, shall not constitute an indebtedness of the Municipality within the meaning of any constitutional or statutory limitation or provision and shall not constitute a general obligation of the Municipality or a charge against its general credit or taxing power. The Municipality will not be liable for the payment of the principal of and interest on the Bonds or the Outstanding Bonds, except as provided in this resolution or the Prior Resolutions.

Section 16. Equality of Lien.

All Bonds, Outstanding Bonds, and any Parity Bonds, regardless of issue dates, maturity dates, or series designations, will be secured equally by the pledge of the Net Revenues of the System and all amounts in the Debt Service Fund. All Bonds and any Secured Parity Bonds, regardless of issue dates, maturity dates, or series designations, will be secured equally by the pledge of all amounts in the Special Redemption Fund.

Section 17. No Senior Bonds; Parity Bonds.

Except as provided in Section 21(a) hereof, the Municipality will issue no bonds or other obligations payable from the revenues of the System, or enjoying a lien on the revenues or property of the System, that have a priority over the Bonds or the Outstanding Bonds with respect to their payment or security. The Municipality may issue Parity Bonds on the terms and conditions set forth in Section 21 of this resolution.

Section 18. Funds and Accounts.

(a) Creation and Continuation of Funds and Accounts; Purposes.

The Municipality continues or creates, as applicable, the following funds and accounts of the System, some of which were originally created under Section 6 of the 1992 Resolution (collectively, the “Funds and Accounts”), to provide for the collection, distribution, and use of the Gross Earnings and the proceeds of the Bonds:

- (1) Sewerage System Revenue Fund (the “**Revenue Fund**”), into which shall be deposited as received the Gross Earnings of the System, which money shall then be divided among the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund, the Reserve Account, and the Surplus Fund in the amounts and in the manner set forth in Section 19 hereof and used for the purposes described below.
- (2) Sewerage System Operation and Maintenance Fund (the “**Operation and Maintenance Fund**”), which shall be used for the payment of Current Expenses.
- (3) Sewerage System Special Redemption Fund, which will be divided into the following three accounts: (i) the “**Debt Service Fund**”, (ii) the “**Earnings Account**”, and (iii) the “**Reserve Account**.” Amounts held in the Debt Service Fund will be used for the payment of the principal of, premium, if any, and interest on the Bonds, the Outstanding Bonds, and Parity Bonds as the same becomes due. Amounts held in the Earnings Account will be used as described in Section 19(c)(2) of this resolution. Amounts held in the Reserve Account will be used solely to pay principal of or interest on the Bonds and any Secured Parity Bonds at any time when amounts in the Debt Service Fund and the Earnings Account are insufficient to make such payments. The Outstanding Bonds are not secured by the Reserve Account, and no moneys held in the Reserve

Account can be used to pay principal of or interest on the Outstanding Bonds.

- (4) Sewerage System Depreciation Fund (the “**Depreciation Fund**”), which shall be used to provide a proper and adequate depreciation account for the System.
- (5) Sewerage System Surplus Fund (the “**Surplus Fund**”), which shall first be used whenever necessary to pay principal of, premium, if any, or interest on the Outstanding Bonds, the Bonds, and Parity Bonds when the Debt Service Fund shall be insufficient for such purpose, and thereafter shall be disbursed as follows: (i) at any time, to remedy any deficiency in any of the Funds provided in this Section 18 hereof; and (ii) money thereafter remaining in the Surplus Fund at the end of any Fiscal Year may be transferred to any of the funds or accounts created herein or to reimburse the general fund of the Municipality for advances made by the Municipality to the System.
- (6) 2010A Sewerage System Construction Fund (the “**2010A Construction Fund**”), amounts in which will be used only to pay (i) the costs of issuing of the Bonds, (ii) the costs of the Project, or (iii) interest on the Bonds at any time when there shall be insufficient money in the Debt Service Fund for that purpose. Any balance remaining in the 2010A Construction Fund after the completion of the Project must be transferred to the Earnings Account.

(b) **Limitation on the Use of Amounts in the Funds and Accounts.**

Amounts held in the Funds and Accounts must be used only for the purposes described in this resolution.

(c) **Requirement to Maintain the Special Redemption Fund as a Separate Fund.**

The Special Redemption Fund, which includes the Debt Service Fund, must be maintained as a separate fund either in the treasury of the Municipality or with a trustee. The other Funds and Accounts may be combined in a single investment or bank account.

(d) **Investment of Amounts held in Funds and Accounts.**

Amounts in the Funds and Accounts may be invested in any manner permitted by the laws of Wisconsin, subject to the following limitations:

- (1) The investments in each Fund or Account must be sold whenever necessary to provide funds for the purposes for which the Fund or Account was created.
- (2) In particular, amounts in the Reserve Account must be invested so that sufficient funds will be available on each interest payment date for the

Bonds and any Secured Parity Bonds (the Outstanding Bonds are not secured by the Reserve Account) to make the required interest and principal payments in the event amounts in the Debt Service Fund and the Earnings Account are insufficient to make the payments.

- (3) No investment may be purchased or retained if the purchase of the investment or its retention would cause any Bond to be an “arbitrage bond” (within the meaning of Section 148 of the Code or the Treasury Regulations promulgated thereunder).
- (4) All investments held in the Funds and Accounts must be secured to the fullest extent required by the laws of Wisconsin.

(e) Required Transfers of Earnings on Certain Funds and Accounts.

All income from the investment of amounts in the Debt Service Fund must be retained in the Debt Service Fund. All income from the investment of amounts in the Reserve Account must be transferred to the Earnings Account. All income from the investment of amounts in the 2010A Construction Fund must be retained in the 2010A Construction Fund. All income from the investment of amounts in the Depreciation Fund must be retained in the Depreciation Fund. All income from the investment of amounts in all other Funds and Accounts must be transferred to the Revenue Fund and regarded as revenues of the System.

(f) Rebate Matters.

To comply with the rebate requirements of Section 148(f) of the Code and the related Treasury Regulations:

- (1) The Municipality must cause a determination to be made of the amount, if any, of rebate required to be paid with respect to the Bonds to the United States Treasury at least every five years (as of the anniversary date of the issuance of the Bonds) and upon the retirement of the last Bond. The Municipality may engage Bond Counsel or another qualified rebate determination provider to prepare the determination and may pay reasonable compensation to the provider for the performance of such services.
- (2) The Municipality must make required rebate payments to the United States Treasury with respect to the Bonds at such times and in such amounts and manner as are required by the Code and the related Treasury Regulations.
- (3) The Municipality must keep records of the rebate determinations prepared and rebate payments made until three years after the April 15 of the calendar year immediately following the date of the retirement of the last Bond.

Section 19. Application of Revenues.

(a) Deposits to Revenue Fund and Transfers From Revenue Fund.

Until all Bonds, Outstanding Bonds, and Parity Bonds, if any, have been retired, or until there is on deposit in the Debt Service Fund an amount sufficient to provide for the payment of the principal of all Bonds, Outstanding Bonds, and Parity Bonds, if any, together with the interest thereon to maturity, the Gross Earnings of the System must, to the extent permitted by law, be deposited as collected in the Revenue Fund and must be transferred from the Revenue Fund and deposited in the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund, the Reserve Account, and the Surplus Fund in the following order:

- (1) A sum sufficient of the money in the Revenue Fund for the purposes of the Operation and Maintenance Fund must be deposited in the Operation and Maintenance Fund. Until all Outstanding Bonds have been retired, the amount transferred to the Operation and Maintenance Fund each month must be equal to the estimated Current Expenses for the month and the following month (after giving effect to available amount in the Operation and Maintenance Fund from prior deposits).
- (2) A sum sufficient of the money in the Revenue Fund for the purposes of the Debt Service Fund (as described in Section 19(c)(2) of this resolution) must be deposited in the Debt Service Fund.
- (3) A sum sufficient of the money in the Revenue Fund to provide a proper and adequate depreciation account for the System (as determined by the Governing Body) must be deposited in the Depreciation Fund.
- (4) A sum sufficient of the money in the Revenue Fund for the purposes of the Reserve Account must be deposited in the Reserve Account.
- (5) The remainder of the money in the Revenue Fund must be deposited in the Surplus Fund.

Transfers from the Revenue Fund to the Operation and Maintenance Fund, the Debt Service Fund, the Depreciation Fund, the Reserve Account, and the Surplus Fund shall be made monthly not later than the tenth day of each month, and such transfers shall be applicable to monies on deposit in the Revenue Fund as of the last day of the month preceding. Any other transfers and deposits to any Fund or Account required or permitted above, except transfers or deposits which are required to be made immediately or annually, shall be made on or before the tenth day of the month. Any transfer or deposit required to be made at the end of any Fiscal Year shall be made within sixty (60) days after the close of such Fiscal Year. If the tenth day of any month shall fall on a day other than a business day, then such transfer or deposit shall be made on the next succeeding business day.

(b) **Transfers to the Debt Service Fund.**

It is the express intent and determination of the Governing Body that the amounts transferred from the Revenue Fund and deposited in the Debt Service Fund from all sources will be sufficient in any event to (i) pay the interest on the Outstanding Bonds, the Bonds, and any Parity Bonds as the same becomes due, and (ii) retire the Outstanding Bonds, the Bonds, and any Parity Bonds at maturity.

(c) **Transfers Among Certain Funds and Accounts; Uses of Amounts in Funds and Accounts.**

Amounts deposited in the following Funds and Accounts must be held, used, or transferred as follows:

- (1) *Operation and Maintenance Fund.* Amounts deposited in the Operation and Maintenance Fund must be used for the purposes described in Section 18(a)(2) of this resolution, unless the balance in the Operation and Maintenance Fund exceeds the estimated operating and maintenance expenses of the System for the next succeeding sixty days, in which case the excess amount must (i) be transferred to the Special Redemption Fund to remedy any deficiency in the Special Redemption Fund, or (ii) if or to the extent that no such deficiency exists, then the remaining excess amount must be transferred to the Surplus Fund.
- (2) *Debt Service Fund and Earnings Account.* The monthly deposit to the Debt Service Fund must be equal one-sixth (1/6) of the next installment of interest coming due on the Outstanding Bonds, the Bonds, and Parity Bonds then outstanding, plus an amount equal to one-twelfth (1/12) of the next installment of principal of the Outstanding Bonds, the Bonds, and Parity Bonds coming due in such Bond Year, until the full amount of such installments is on deposit in the Debt Service Fund. The deposit for the Bonds and any Secured Parity Bonds must be made first from the Earnings Account until it is depleted, and all moneys in the Earnings Account will be deemed to have been used first in payment of interest on the Bonds and any Secured Parity Bonds. Any funds remaining in the Earnings Account after each such transfer must first be transferred to the Debt Service Fund until there is on hand in the Debt Service Fund an amount equal to the full amount of interest and principal coming due on the Bonds and any Secured Parity Bonds then outstanding during the 12 months following the date of such transfer and after that either (i) be used to retire the Bonds or any Secured Parity Bonds in advance of maturity by redemption or by purchase of such bonds on the open market or an invitation and receipt of tenders of the lowest dollar price or prices obtainable, but not exceeding the lowest price at which such bonds could be redeemed on the next succeeding redemption date or (ii) be invested so as to restrict the yield thereon to avoid the Bonds or any Secured Parity Bonds being classified as “arbitrage bonds” within the meaning of Section 148 of the Code or any

Treasury Regulations promulgated thereunder. Notwithstanding the foregoing, unless the Municipality is provided with an opinion of Bond Counsel that the action specified below will not adversely affect the exclusion of interest on the Bonds or the applicable issue of Secured Parity Bonds from gross income for federal income tax purposes (i) moneys in the Earnings Account that are allocable to “proceeds” (within the meaning of Treas. Reg. § 1.148-1(b)) of the Bonds or any issue of Secured Parity Bonds may only be deposited in the Debt Service Fund if such moneys will be used to pay interest on or principal of the issue to which such proceeds are allocable, and (ii) no moneys that are allocable to proceeds of the Bonds or any issue of Secured Parity Bonds may be used to pay interest on or principal of obligations that are not part of the issue to which the proceeds are allocable.

- (3) *Reserve Account.* To the extent necessary, if funds are available in the Revenue Fund to make the transfers, monthly transfers will be made to the Reserve Account until there is on hand in the Reserve Account an amount equal to the Minimum Reserve Amount. Amounts in the Reserve Account must be used whenever necessary to pay principal of or interest on the Bonds and Secured Parity Bonds whenever the Debt Service Fund and the Earnings Account are insufficient for that purpose (the Outstanding Bonds are not secured by the Reserve Account). Any amounts in the Reserve Account in excess of the Minimum Reserve Amount must be transferred to the Earnings Account. For the purpose of computing the Minimum Reserve Amount, all investments in the Reserve Account shall be valued semiannually, on each interest payment date, at then current market value. In the event that amounts are withdrawn from the Reserve Account or amounts on deposit in the Reserve Account on any valuation date are less than the Minimum Reserve Amount, the Municipality, from revenues of the System, must restore any amounts so withdrawn or any shortfall so that 12 months following such withdrawal or shortfall the amount on deposit in the Reserve Account equals the Minimum Reserve Amount. If, 12 months following any withdrawal from the Reserve Account, the amount on deposit in the Reserve Account is less than the Minimum Reserve Amount, then the Financial Officer must certify to the Governing Body the amount necessary to restore the Reserve Account to the Minimum Reserve Amount. Recognizing its moral obligation to do so, the Governing Body expresses its expectation and aspiration that, if presented with such a certification, it will make an appropriation of funds sufficient to restore the Reserve Account to the Minimum Reserve Amount. The Governing Body determines that the System and any appropriation of funds pursuant to this moral obligation pledge serves a public purpose by safeguarding the health and welfare of its citizens.
- (4) *Surplus Fund.* Amounts in the Surplus Fund must first be used whenever necessary to pay principal of or interest on the Outstanding Bonds, the Bonds, and Parity Bonds when the Debt Service Fund is insufficient for

that purpose, and thereafter to remedy any deficiency in any of the Funds or Accounts, or if at the close of any Fiscal Year there is no such deficiency, then such amounts may be disbursed as follows:

- (i) to retire the Bonds, the Outstanding Bonds, and Parity Bonds in advance of maturity by redemption or, if applicable, by purchase of such bonds on the open market or an invitation and receipt of tenders at the lowest dollar price or prices obtainable, but not exceeding the lowest price at which such bonds could be redeemed on the next succeeding redemption date; or
- (ii) to rebate payments made by customers of the System pursuant to any plan adopted by the Governing Body of the Municipality; or
- (iii) to the general fund of the Municipality.

All transfers and deposits within any Fund or Account or to any other Fund or Account required or permitted by this section shall be made at such times as are necessary to carry out the purposes of the applicable Fund or Account.

Section 20. Agreements and Covenants Regarding the Operation of the System.

For as long as the Outstanding Bonds, the Bonds, and Parity Bonds remain outstanding, or until discharged or satisfied pursuant to the Prior Resolutions or Section 23 hereof, as applicable, the Municipality agrees and covenants with each and every registered owner of the Outstanding Bonds, the Bonds, and Parity Bonds as follows:

1. The reasonable cost and value of services rendered to the Municipality by the System by furnishing sewerage services for public purposes, will, to the extent permitted by law, be charged against the Municipality and be paid by it monthly as the service accrues out of the current revenues of the Municipality collected or in process of collection, but not from Gross Earnings, and, if necessary, out of the tax levy of the Municipality made by it to raise money to meet its necessary current expenses.
2. The Municipality will faithfully and punctually perform all duties concerning the System required by the constitution and statutes of the State of Wisconsin, including the making and collecting of reasonable, lawful, and sufficient rates for services rendered by the System and the segregation and application of the revenues of the System as provided in this resolution.
3. The Municipality will not sell, lease, or in any manner dispose of all or any part of the System, or any additions or extensions that may be made to the System, until all Outstanding Bonds, Bonds, and Parity Bonds have been paid in full, both principal and interest, or until provision has been made for the payment in full of all Outstanding Bonds, Bonds, and Parity Bonds, both principal and interest, unless the property to be sold, leased or otherwise disposed of has been found by the Governing Body not be necessary or useful in the operation of the System.

The proceeds received from any sale, lease, or disposal of any such property of the System must be paid into (i) the Earnings Account of the Special Redemption Fund, if the property sold was acquired or improved with proceeds of the Bonds or any Parity Bonds that are subject to the tax law requirements applicable to tax-exempt obligations, or (ii) the Revenue Fund, in all other cases.

4. The Municipality will: (i) operate and maintain the System in good condition; (ii) charge and collect such lawfully established rates and charges for the service rendered by the System so that the Gross Earnings will be sufficient to make the payments into the Funds and Accounts created by this resolution and provide for Net Revenues at least equal to 1.25 times the highest combined annual interest and principal requirements on all Outstanding Bonds, Bonds, and Parity Bonds then outstanding and (iii) promptly take such actions as are necessary to adopt and enforce increased rates whenever such increase shall be necessary to fulfill any covenant of this resolution.
5. The Municipality will keep proper books and accounts relating to the System separate from all other records of the Municipality and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants and will make available to the owners of any of the Outstanding Bonds, the Bonds, or Parity Bonds the latest balance sheet and the profit and loss statement of the System as certified by such accountants. The registered owners of any Outstanding Bonds, Bonds, or Parity Bonds will have the right to inspect the System and the records, accounts and data of the Municipality relating to the System at all reasonable times. Each audit of the books and accounts of the System, in addition to whatever matters may be thought proper by the accountants to be included therein, must include the following: (i) a statement in detail of the revenues and expenditures of the System for the Fiscal Year; (ii) a statement of the Net Revenues as herein defined for the Fiscal Year; (iii) a balance sheet as of the end of the Fiscal Year; (iv) the accountants' comment regarding the manner in which the Municipality has carried out the requirements of this resolution and the accountants' recommendation for any changes or improvements in the operation of the System; (v) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy; and (vi) the number and types of connections at the end of the Fiscal Year.
6. The Municipality will carry, for the benefit of the registered owners of the Outstanding Bonds, the Bonds, and Parity Bonds, insurance of a kind and in such amounts as would usually be carried by private companies or other public bodies engaged in operating a similar utility system. All amounts received for losses under any of such insurance policies, except public liability, must be used in repairing the damage or in replacing the property destroyed, unless the Governing Body finds that it is not advisable to repair such damage or replace such property and that the operation of the System will not be impaired if such property is not repaired or such property is not replaced, in which case such amounts shall be deposited in the Earnings Account, provided that any amounts deposited in the

Earnings Account must not reduce the amounts otherwise required to be paid into the Debt Service Fund.

7. The Municipality will grant no franchise for the operation of another System (or any part thereof) within the geographic limits of the Municipality, unless the denial of such franchise would be in violation of any law.
8. The Municipality will by resolution of its Governing Body require all buildings in the Municipality used for human habitation and located adjacent to service from the System, or located in a block through which service from the System extends, to be connected with service from the System.
9. The Municipality will not enter into any contract with any person or persons which would cause any Outstanding Bonds, Bonds, or Parity Bonds that were issued with the intent that interest on the issue qualify for exclusion from gross income for federal income tax purposes to become “private activity bonds,” within the meaning of Section 141(a) of the Code or any Treasury Regulations promulgated thereunder.
10. The Municipality will comply with all applicable requirements of the Code that must be satisfied subsequent to the issuance of the Outstanding Bonds, the Bonds, or Parity Bonds that were issued with the intent that interest on the issue qualify for exclusion from gross income for federal income tax purposes, including, but not limited to the rebate requirements set forth in the Code and the Treasury Regulations. The Municipality will comply with the provisions of the Tax Certificate delivered in connection with the issuance of the Bonds relating to these requirements.

Section 21. Additional Bonds.

The Municipality will issue no notes, bonds, or any other obligations of any kind or nature payable from or enjoying a lien on the Gross Earnings, the Special Redemption Fund (or any portion thereof), or properties of the System on a parity with or having a priority over the Bonds and the Outstanding Bonds, except as provided in this Section:

1. Notes (including bond anticipation notes) or bonds may be issued having a priority over the Outstanding Bonds, the Bonds, and Parity Bonds if either (i) such notes or bonds are issued, wholly or in part, for the purpose of and will provide an amount sufficient, together with the earnings thereon and all other funds legally available therefor, to pay the entire principal of and all interest on the Outstanding Bonds, the Bonds, and Parity Bonds to their maturity or early redemption; or (ii) immediately upon the issuance of such notes or bonds, the Municipality has discharged all of the Outstanding Bonds, the Bonds and Parity Bonds in the manner provided in Section 23 of this resolution.
2. Additional notes (including bond anticipation notes) or bonds may be issued on a parity with the Outstanding Bonds, the Bonds, and Parity Bonds if such notes or bonds are issued for the purpose of refunding any of the Outstanding Bonds, the

Bonds, or Parity Bonds which either (i) have matured or (ii) will mature not later than 90 days after the date of delivery of such refunding notes or bonds if there are insufficient amounts in the Debt Service Fund to provide for the required payments.

3. Additional notes (including bond anticipation notes) or bonds may be issued on a parity with the Outstanding Bonds, the Bonds, and Parity Bonds if all of the following conditions have been satisfied:
 - (1) If (A) the Net Revenues for the last completed Fiscal Year were at least 1.25 times the maximum annual interest and principal requirements on all bonds and notes then outstanding payable from the Gross Earnings (other than bonds being refunded) and the bonds or notes so proposed to be issued for any succeeding Bond Year during which the relevant obligations will be outstanding; *provided, however*, that if prior to the authorization of such additional bonds or notes the Municipality has adopted and put into effect a revised schedule of rates, then the Net Revenues for the last completed Fiscal Year which would, in the written opinion of an Independent Consultant employed for that purpose, have resulted from such rates had they been in effect for such period, may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; (B) the need for such financing is evidenced by a certificate or certificates of an Independent Consultant with recognized expertise in utility ratemaking before the Public Service Commission of Wisconsin employed for that purpose, giving a detailed description of the proposed projects to be financed, an estimate of the cost of the proposed projects including proposed capitalized interest, if any, and an estimate of the time of completion of the proposed projects, and showing the feasibility of such financing with reference to projected Net Revenues based on rates and charges projected to be in effect upon completion of such projects; *provided*, that such feasibility shall not be deemed shown unless the projected Net Revenues for each of the two full Fiscal Years next succeeding the estimated date of completion of such projects shall be equal to at least equal to 1.25 times the maximum annual interest and principal requirements on all bonds and notes then outstanding payable from the Gross Earnings (other than bonds being refunded) and the bonds or notes so proposed to be issued for any succeeding Fiscal Year during which the relevant obligations will be outstanding; or (C) the proceeds of the additional bonds or notes will be used to refund Outstanding Bonds, Bonds, or Parity Bonds and, after giving effect to the refunding, the payments due in each year of the interest and principal on the Outstanding Bonds, the Bonds, and Parity Bonds then outstanding (not including the obligations being refunded) and the additional bonds or notes proposed to be issued will be less than the payments due in each year of the interest and principal on the Outstanding Bonds, the Bonds, and Parity Bonds then outstanding (in other words, the refunding will produce debt service savings in each year). For purposes of this subsection, except as otherwise

provided, Net Revenues for any Fiscal Year will be either (x) the Net Revenues shown in the audit of the System's books and accounts for the Fiscal Year required by Section 20(e) of this resolution, if such an audit is available, or (y) if such an audit is not available, then the estimated, unaudited Net Revenues for the last completed Fiscal Year.

- (2) The payments required to be made into the Funds and Accounts created or continued pursuant to Section 18 of this resolution must be current.
- (3) There must be on hand in the Reserve Account immediately upon the issuance of such additional bonds or notes an amount not less than the Minimum Reserve Amount.
- (4) The additional bonds or notes must be payable as to principal on May 1 of each year and as to interest on May 1 and November 1 of each year.
- (5) The proceeds of the additional bonds or notes must be used only to refund Outstanding Bonds, Bonds, or Parity Bonds, or for acquiring or constructing additions, extensions, improvements, renewals or replacements to the System.

In the case of bond anticipation notes, the provisions of the Act shall govern with respect to all matters relating to the lien and sources of payment of such notes.

Section 22. Resolution a Contract; Remedies of Bondholders.

The provisions of this resolution constitute a contract between the Municipality and the registered owners of the Bonds. After the issuance of the Bonds no change or alteration in the provisions of this resolution may be made, except as provided in Section 24 of this resolution and in the definition of "Fiscal Year" in Section 1 of this resolution, until all Bonds have been paid in full as to both principal and interest.

The registered owners of any of the Bonds will have the right, in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce their rights against the Municipality, the Governing Body, and any and all officers and agents thereof, including, but not limited to, the right to require the Municipality, the Governing Body, and any other authorized body to fix and collect rates and charges fully adequate to carry out all provisions and agreements contained in this resolution, and the right to have a receiver appointed for the System in the event of a default in the payment of principal of or interest on the Bonds.

Section 23. Discharge and Satisfaction of Bonds and Covenants.

The agreements, covenants, liens, and pledges entered into, created, or imposed pursuant to this resolution may be fully discharged and satisfied with respect to any or all of the Bonds in any one or more of the following ways:

1. By paying the Bonds when they become due and payable, or upon their prior redemption in the manner provided in this resolution;

2. By depositing with the appropriate fiscal agent(s) for the Bonds funds in the amount necessary, without consideration of any reinvestment thereof, to pay the principal of and interest on the Bonds until their maturity or earlier redemption; *provided* that if the Bonds are to be redeemed prior to their stated maturities, then (i) the Bonds must have been irrevocably called for redemption by the Governing Body, and (ii) provision must have been made for the required notice of the redemption in the manner provided in this resolution[; *provided further*; that any such deposit can only be made if the deposit will not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes]; or
3. By depositing with a trustee or an escrow agent, in trust for such purpose, on or before the date of maturity or redemption, money and/or direct obligations of, or obligations the principal of and interest on which are fully guaranteed by the United States of America, in such amount as, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, will be fully sufficient to pay or redeem (when redeemable) the Bonds at or before their respective maturity dates; *provided*, that if a Bond is to be redeemed prior to its stated maturity date, then (i) the Bond must have been irrevocably called for redemption by the Governing Body, and (ii) provision must have been made for the required notice of the redemption in the manner provided in this resolution[; *provided, further*, that any such deposit can only be made if the deposit will not adversely affect the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes].

Upon a payment or a deposit of money or investments in the amount and manner required by this section, all liability of the Municipality with respect to the relevant Bonds will cease, determine, and be completely discharged, and the registered owners of any Bonds that are not then retired will be entitled only to payment out of the money and investments deposited as required by this section.

Section 24. Amendment of Resolution.

Amendment Without the Consent of the Owners. This resolution may be amended from time to time without the consent of the registered owners of the Bonds to make any change that does not adversely affect the registered owners of the Bonds, including, without limitation, to cure any ambiguities, inconsistencies, or typographical errors that may be contained in this resolution.

Amendment With the Consent of the Owners. This resolution may also be amended from time to time with the written consent of the registered owners of not less than two-thirds in outstanding principal amount of the Bonds (not including any Bonds that are held or owned by or for the account of the Municipality); *however* this resolution may be amended only with the unanimous written consent of:

- (a) The registered owners of the Bonds (not including any Bonds that are held or owned by or for the account of the Municipality):
 - (i) To make any change in the stated maturity date of or interest rate on any Bond; modify the terms of payment of principal of or interest on any Bond; or impose any conditions with respect to payment of principal of or interest on any Bond;

- (ii) To materially affect the rights of the owners of less than all Bonds then outstanding; or
 - (iii) To reduce the required outstanding principal amount of the Bonds for which consent must be given to effect any future amendments to this resolution; and
- (b) The registered owners of any series of Parity Bonds (not including any Parity Bonds of the series that are held or owned by or for the account of the Municipality):
- (i) To make any change in the stated maturity date of or interest rate on any Parity Bond of the series; modify the terms of payment of principal of or interest on any Parity Bond of the series; or impose any conditions with respect to payment of principal of or interest on any Parity Bond of the series;
 - (ii) To materially affect the rights of the owners of less than all Parity Bonds of the series then outstanding; or
 - (iii) To reduce the required outstanding principal amount of Parity Bonds of the series for which consent must be given to effect any future amendments to this resolution.

Notice. If the Municipality proposes to amend this resolution under any provision of this section, then the Municipality must cause notice of the proposed amendment (the “**Amendment Notice**”) and, if consent is required, a form of consent to the proposed amendment (the “**Consent**”) to be sent by first class mail to all registered owners of the Bonds and, if appropriate, to registered owners of any Parity Bonds, and to the Bond Purchaser. The Amendment Notice must briefly describe the nature of the proposed amendment and must state that a copy of the proposed amendment is on file for public inspection in the office of the Recording Officer. The Consent must refer to the proposed amendment, specifically evidence consent to and approval of the proposed amendment, and be dated by the owner of the Bonds and, if appropriate, the owner of any Parity Bonds upon execution of the Consent. The Amendment Notice and Consent may be one document.

If at any time prior to one year after the date of the mailing of the Amendment Notice and Consent the Recording Officer receives Consents executed by the registered owners of the Bonds and Parity Bonds owning not less than the required outstanding principal amount to approve the amendment, then the Governing Body may adopt a resolution effecting the proposed amendment and, upon the adoption of the resolution effecting the proposed amendment, the proposed amendment will become effective and binding upon the registered owners of all of the Bonds and Parity Bonds issued after the Bonds.

Any Consent given by the registered owner of a Bond or Parity Bond pursuant to the provisions of this section will be irrevocable for a period of six months from the date of the Consent and will be conclusive and binding upon all future registered owners of the same Bond or Parity Bonds during the six-month period. A Consent may be revoked at any time after the six-month period by the registered owner who gave the Consent or by a successor in title by filing notice of such revocation with the Recording Officer; *provided* that a revocation will not be effective if the Recording Officer has

already received Consents from registered owners of the Bonds and Parity Bonds owning not less than the required outstanding principal amount to approve the amendment, evidencing their consent to and approval of the proposed amendment that was the subject of the Consent.

The person or entity who is then the owner of 100% of the outstanding Bonds, may waive in writing any of the above time periods with respect to any proposed amendment.

NOTICE OF SALE

\$4,790,000* SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010A
 (Option offered to submit two bids; one with rates for a Tax-Exempt Bond and one with rates for a Taxable Bond- Build America Bond)

CITY OF STEVENS POINT, WISCONSIN

Bids for the purchase of \$4,790,000* Sewerage System Revenue Bonds, Series 2010A (the "Bonds") of the City of Stevens Point, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Financial Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on March 8, 2010, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected. The City will determine, in its sole discretion, after the bids are opened, whether to issue the Bonds as Tax-Exempt Bonds or Taxable Bonds. The Bonds will be awarded to a bidder whose proposal offers to purchase the Bonds on the basis selected by the City (Tax-Exempt Bonds or Taxable Bonds) and results in a lower true interest cost to the City than any other bid offering to purchase the Bonds on that basis. For bids submitted for Taxable Bonds, the true interest cost to the City will be determined after subtracting 35% of each interest payment (reflecting the Taxable Bonds being designated as a "qualified build America bond" and the tax credit the City will elect to receive).

PURPOSE

The Bonds are being issued pursuant to Wisconsin Statutes, Section 66.0621, to provide funds for the public purpose of financing improvements and extensions to the City's Sewer System (the "Sewer System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of income and revenue to be derived from the operation of the City's sewerage system (the "System"). The Bonds are being issued on a parity with the City's outstanding Sewerage System Revenue Bonds, Series 1992, and the City's outstanding Sewerage System Revenue Bonds, Series 1997 both purchased by the State of Wisconsin Clean Water Fund Program.

DATES AND MATURITIES

The Bonds will be dated March 25, 2010, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2012	\$25,000	2019	\$255,000	2025	\$300,000
2013	200,000	2020	265,000	2026	300,000
2014	210,000	2021	265,000	2027	300,000
2015	215,000	2022	270,000	2028	300,000
2016	230,000	2023	280,000	2029	300,000
2017	240,000	2024	285,000	2030	300,000
2018	250,000				

*Preliminary, subject to change.

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing November 1, 2010, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate, not exceeding the rate specified for Bonds of any subsequent maturity. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

The Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

OPTIONAL REDEMPTION

At the option of the City, Bonds maturing on or after May 1, 2019 shall be subject to redemption prior to maturity on May 1, 2018 and on any date thereafter, at a price of par plus accrued interest.

The Bonds subject to redemption may be redeemed in whole or in part. If redemption is in part, then the selection of the amounts and maturities of the Bonds to be redeemed be at the discretion of the City. If only part of the Bonds having a the same maturity date are called for redemption, then the City or Fiscal Agent, if any, will notify DTC of the particular portion of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such redemption be sent by first class mail not more than 60 days and not fewer than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Fiscal Agent.

EXTRAORDINARY REDEMPTION (TAXABLE BONDS)

If the Bonds are sold as Taxable Bonds and the City decides to make the elections to have the "build America bond" provisions of Section 54AA and 54AA(g) of the Code apply to the Bonds, then the Taxable Bonds shall be subject to redemption prior to maturity, in whole or in part, at the option of the City, on any date, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date of redemption, in the event that an Extraordinary Event occurs. An "Extraordinary Event" will have occurred if either (a) Section 54AA or 6431 of the Code or any successor provision is repealed, amended or modified in a manner which results in a reduction or elimination of the City's 35% cash subsidy payment from the United States Treasury or (b) the United States Treasury fails to make a cash subsidy payment to which the City is entitled and such failure is not caused by any action or inaction by the City.

DELIVERY

On or about March 25, 2010, the Bonds, if applicable, will be delivered without cost to the original purchaser at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and, if applicable, the exemption from federal taxation of the interest thereon will be furnished by Foley & Lardner LLP, bond counsel to the City, and will accompany the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability may be limited by Wisconsin or United States laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally.

TAX STATUS

In the opinion of Foley & Lardner LLP, bond counsel, under existing law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"): (i) interest on each Bond for which the City does not make an election to have the "build America bond" provisions of Section 54AA of the Code apply (hereinafter, a "**Tax-Exempt Bond**") is excluded from gross income for federal income tax purposes, is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers, and is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations; and (ii) interest on each Bond for which the City makes an election to have the "build America bond" provisions of Section 54AA of the Code apply (hereinafter, a "**Taxable Bond**") will be includible in gross income for federal income tax purposes. The interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes.

BIDDING PARAMETERS

Bidders may provide bids for the Bonds specifying interest rates for the Bonds if issued as Tax-Exempt bonds, and/or interest rates for the Bonds if issued as Taxable Bonds. To allow the Issuer to evaluate the possible savings it can achieve by electing to treat the Bonds as "build America bonds" under Section 54AA of the Code, the Issuer requests, but does not require, that the bidder provide two bids for the Bonds, one bid with a rate schedule specifying rates assuming that the Bonds will be issued as Tax-Exempt Bonds, and a second bid with a rate schedule specifying rates assuming that the Bonds will be issued as Taxable Bonds. To comply with the "build America bond" provisions Section 54AA of the Code, each bid for the Taxable Bonds must specify the expected reoffering price for each maturity of the Taxable Bond, and each such reoffering price cannot exceed the par amount of the maturity by more

than .25% multiplied by the number of complete years to the earliest of (i) the maturity date, (ii) the weighted average maturity (in the case of a term bond), or (iii) the first optional redemption date for the maturity. Separate bid forms have been provided for submitting bids specifying interest rates for the Bonds if issued as Tax-Exempt Bonds or Taxable Bonds.

Under the provisions of Section 54AA of the Code, an obligation cannot be treated as a "build America bond" if the obligation has a reoffering price that exceeds the par amount of the maturity by more than 0.25% multiplied by the number of complete years to the earlier of the maturity date or the first optional redemption date for the maturity. Accordingly, with regard to a bid for the Taxable Bonds, the reoffering price for each respective maturity of the Taxable Bonds (expressed as a percentage of the principal amount), may not exceed the amounts shown in the following table:

<u>Year</u>	<u>Maximum Permitted Reoffering Price</u>	<u>Year</u>	<u>Maximum Permitted Reoffering Price</u>
2012	100.50%	2022	102.00%
2013	100.75%	2023	102.00%
2014	101.00%	2024	102.00%
2015	101.25%	2025	102.00%
2016	101.50%	2026	102.00%
2017	101.75%	2027	102.00%
2018	102.00%	2028	102.00%
2019	102.00%	2029	102.00%
2020	102.00%	2030	102.00%
2021	102.00%		

If the Bonds are issued as Taxable Bonds, then the Bonds will be titled "Taxable Sewerage System Revenue Bonds, Series 2010A (Build America Bonds-Direct Payment)". No bid for the Bonds may result in underwriter's compensation in an amount in excess of 2% of the proceeds of the Bonds.

SUBMISSION OF BIDS

Bids must not be for less than \$4,730,125 plus accrued interest on the principal sum of \$4,790,000 from date of original issue of the Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit (the "Deposit") in the amount of \$95,800, complying with the provisions below, must be submitted with each bid. The Deposit must be in the form of a certified or cashier's check, or a financial surety bond or a wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3183661**. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the winning bidder fails to comply therewith. The Deposit will be returned to the winning bidder at the closing for the Bonds.

The Deposit, payable to the City, shall be retained in the offices of Ehlers with the same effect as if delivered to the City. Alternatively, bidders may wire the Deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3183661**. The City and any bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the losing bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin, and preapproved by the City. Such bond must be submitted to Ehlers prior to the opening of the bids. Such bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder using a financial surety bond, then that bidder is required to submit its Deposit to Ehlers in the form of a certified or cashier's check or wire transfer as instructed by Ehlers not later than 3:00 P.M., Central Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the Deposit requirement. The amount securing the winning bid will be retained as liquidated damages if the bid is accepted and the winning bidder fails to comply therewith. No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to a bidder whose bid offers to purchase the Bonds on the basis selected by the City (either as a Tax-Exempt Bond or as a Taxable Bond) and results in a lower true interest cost to the City than any other bid offering to purchase the Bonds on that basis. For bids submitted as Taxable Bonds, the true interest cost to the City will be determined after subtracting 35% of each interest payment (reflecting the Taxable Bonds being treated as qualified "build America bonds" and the tax credit the City will elect to receive). In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the purchaser shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the purchaser, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS (TAX-EXEMPT BONDS)

If the Bonds are issued as Tax-Exempt Bonds, then the City will designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code, and the Bonds will be named "Sewerage System Revenue Bonds, Series 2010A."

CONTINUING DISCLOSURE

In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to the Award Resolution to be adopted at a meeting of the Common Council on the bidding date), to provide annual financial information and operating data relating to the City to the Municipal Securities Rulemaking Board and notices of the occurrence of certain events enumerated in the Rule. The details and terms of the undertaking are set forth in a Continuing Disclosure Agreement to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement.

INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Bonds necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager of the winning bidder will be provided with an electronic version and up to 10 printed copies upon request of the Final Official Statement within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

John Moe, Clerk
City of Stevens Point, Wisconsin

BID FORM

The Common Council
City of Stevens Point, Wisconsin

March 8, 2010

RE: \$4,790,000* Sewerage System Revenue Bonds, Series 2010A
DATED: March 25, 2010

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System as stated in this Preliminary Official Statement, we will pay you \$_____ (not less than \$4,730,125) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2012	_____ % due 2019	_____ % due 2025
_____ % due 2013	_____ % due 2020	_____ % due 2026
_____ % due 2014	_____ % due 2021	_____ % due 2027
_____ % due 2015	_____ % due 2022	_____ % due 2028
_____ % due 2016	_____ % due 2023	_____ % due 2029
_____ % due 2017	_____ % due 2024	_____ % due 2030
_____ % due 2018		

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

We enclose our good faith deposit in the amount of \$95,800, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3183661**. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to this Preliminary Official Statement dated March 2, 2010. This bid is for prompt acceptance and is conditional upon deposit of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about March 25, 2010.

This bid is subject to the City's covenant and agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from March 25, 2010 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Stevens Point, Wisconsin, on March 8, 2010.

By: _____ By: _____
Title: _____ Title: _____

BID FORM

(Qualified Build America Bonds)

The Common Council
City of Stevens Point, Wisconsin

March 8, 2010

RE: \$4,790,000* Taxable Sewerage System Revenue Bonds, Series 2010A
DATED: March 25, 2010

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System as stated in this Preliminary Official Statement, we will pay you \$_____ (not less than \$4,730,125) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

Interest Rate %	Reoffering Price (% of Par)	Maximum Permitted Reoffering Price	Interest Rate %	Reoffering Price (% of Par)	Maximum Permitted Reoffering Price	Interest Rate %	Reoffering Price (% of Par)	Maximum Permitted Reoffering Price
2012 _____ %	_____ %	100.50%	2019 _____ %	_____ %	102.00%	2025 _____ %	_____ %	102.00%
2013 _____ %	_____ %	100.75%	2020 _____ %	_____ %	102.00%	2026 _____ %	_____ %	102.00%
2014 _____ %	_____ %	101.00%	2021 _____ %	_____ %	102.00%	2027 _____ %	_____ %	102.00%
2015 _____ %	_____ %	101.25%	2022 _____ %	_____ %	102.00%	2028 _____ %	_____ %	102.00%
2016 _____ %	_____ %	101.50%	2023 _____ %	_____ %	102.00%	2029 _____ %	_____ %	102.00%
2017 _____ %	_____ %	101.75%	2024 _____ %	_____ %	102.00%	2030 _____ %	_____ %	102.00%
2018 _____ %	_____ %	102.00%						

* The City reserves the right to increase or decrease the amount of any individual maturity of the Bonds in increments of \$5,000 on the day of sale. If individual maturities are increased or decreased, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

We enclose our good faith deposit in the amount of \$95,800, to be held by you pending delivery and payment. Alternatively, we have provided a financial surety bond or have wired our good faith deposit to the **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3183661**. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to this Preliminary Official Statement dated February 26, 2010. This bid is for prompt acceptance and is conditional upon deposit of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about March 25, 2010.

This bid is subject to the City's covenant and agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from March 25, 2010 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

 The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of Stevens Point, Wisconsin, on March 8, 2010.

By: _____ By: _____
 Title: _____ Title: _____