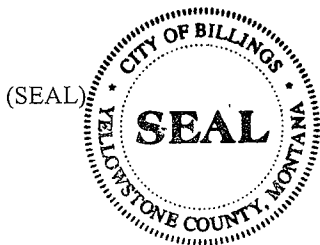


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

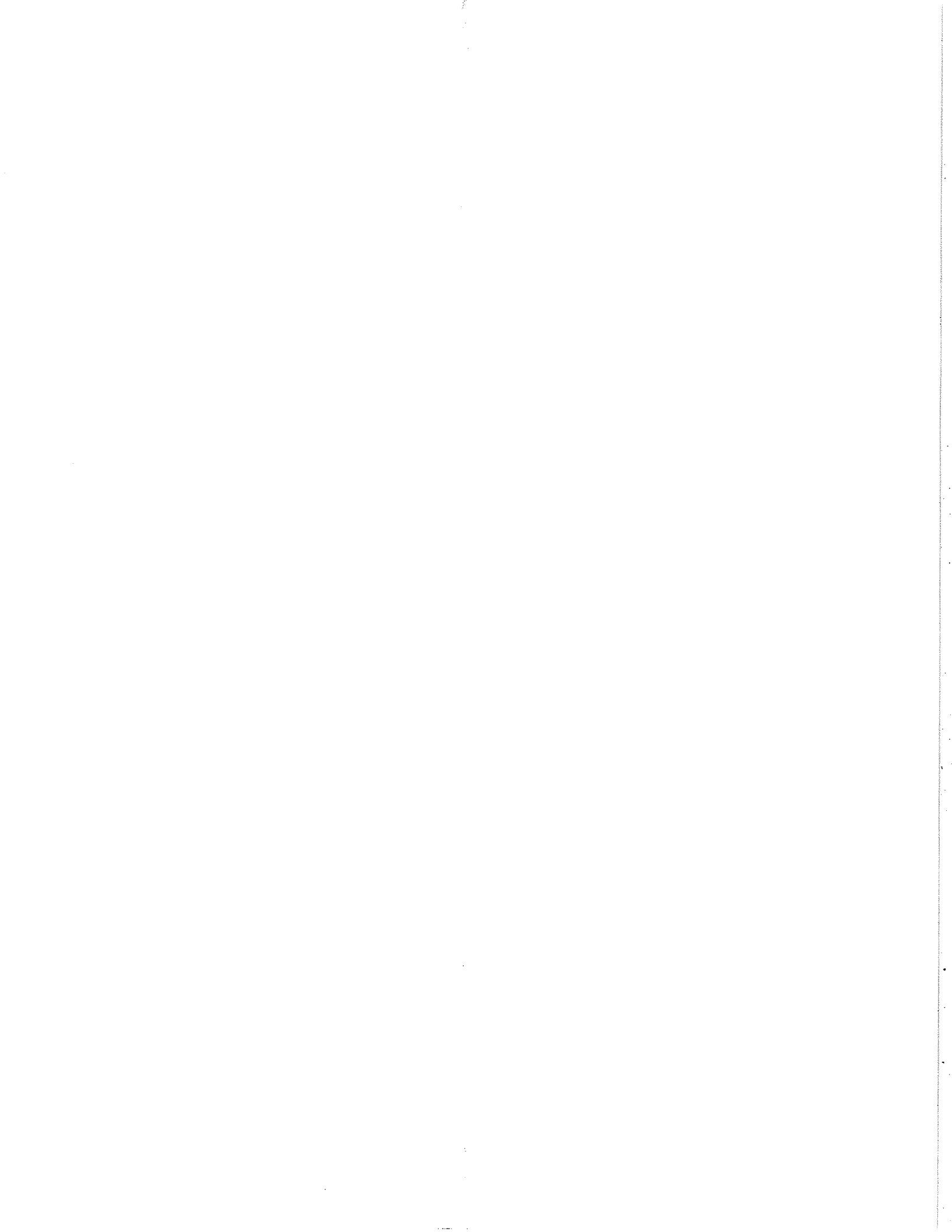
I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO \$5,360,000 SPECIAL IMPROVEMENT DISTRICT NO. 1385 BONDS; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF AND AUTHORIZING AND MAKING CERTAIN FINDINGS WITH RESPECT TO THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on August 11, 2008, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Ronquillo, Gaghen, Pitman, Stevens, Ruegamer, McCall, Ulledalen, Astle, and Clark _____; voted against the same: Veis; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this 11th day of August, 2008.



Cari Martini
City Clerk



RESOLUTION NO. 08-18743

RESOLUTION RELATING TO \$5,360,000 SPECIAL IMPROVEMENT DISTRICT NO. 1385 BONDS; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF AND AUTHORIZING AND MAKING CERTAIN FINDINGS WITH RESPECT TO THE PLEDGE OF THE REVOLVING FUND TO THE SECURITY THEREOF

BE IT RESOLVED by the City Council (the "Council") of the City of Billings, Montana (the "City"), as follows:

Section 1. Recitals.

(a) This Council has duly and validly created and established in the City under Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"), a special improvement district, designated as Special Improvement District No. 1385 (the "District"), for the purpose of financing costs of certain public improvements of special benefit to the properties within the District (the "Improvements") and paying costs incidental thereto, including costs associated with the sale and the security of special improvement district bonds of the City drawn on the District (the "Bonds"), the creation and administration of the District, and the funding of a deposit to the City's Special Improvement District Revolving Fund (the "Revolving Fund"). The total estimated costs of the Improvements, including such incidental costs, are \$5,360,000. The Bonds are to be payable primarily from special assessments to be levied against property in the District, which property will be specially benefited by the Improvements in an amount not less than \$5,360,000.

(b) The City is authorized by Montana Code Annotated, Section 7-12-4204(1) to sell the Bonds at a price less than the principal amount thereof, but including interest thereon to the date of delivery, if this Council determines that such sale is in the best interests of the District and the City.

(c) Subject to Subsection 1(b), it is necessary that the Bonds be issued and sold in an aggregate principal amount of \$5,360,000 to finance the costs of the Improvements, including incidental costs, described in Subsection 1(a). The costs of the Improvements are currently estimated, as follows:

Deposit to Project Construction Fund	\$4,300,000.00
City Engineering and Administration	450,000.00
Deposit to Debt Service Reserve Fund (DSRF) - 5%	268,000.00
Deposit to Capitalized Interest Fund (CIF)	192,148.13
Total Underwriter's Discount (1.700%)	91,120.00
Costs of Issuance	56,250.00
Rounding Amount	2,481.87
Total Uses	<u>\$5,360,000.00</u>

Section 2. Determination of Public Interest in Allowing Bond Discount. Pursuant to the authority described in Section 1, this Council hereby determines to fix the minimum price for the Bonds at \$5,360,000 (100% of par), plus interest accrued thereon to the date of delivery. Such minimum bid will enable bidders to bid more efficiently for the Bonds by permitting them to submit their bids based on actual market conditions without adjusting the interest rates thereon to provide compensation for their purchase of the Bonds. This procedure will facilitate the sale of the Bonds at the lowest interest rates, which is in the best interests of the District and the City.

Section 3. Method of Financing, Pledge of Revolving Fund, Findings and Determinations. The City will issue the Bonds in an aggregate principal amount not to exceed \$5,360,000 in order to finance the costs of the Improvements. Principal of and interest on the Bonds will be paid from special assessments levied against the property in the District. This Council further finds it is in the public interest, and in the best interest of the City and the District, to secure payment of principal of and interest on the Bonds by the Revolving Fund and hereby authorizes the City to enter into the undertakings and agreements authorized in Section 7-12-4225 in respect of the Bonds.

In determining to authorize such undertakings and agreements, this Council has taken into consideration the following factors:

(a) Value of Parcels. Exhibit A hereto shows the assessed value of the lots, parcels or tracts in the District as of the date of adoption of this resolution, which values are taken from the records of the Department of Revenue. The City determines that the value of the properties will be enhanced by the Improvements.

(b) Diversity of Property Ownership: Level of Development. Of the three parcels of land in the District, one parcel or 22% of the square footage of the District is owned by Cabela's Wholesale, Inc. (the "Cabela's Property"), one parcel or 43% of the square footage of the District is owned by South Billings Center, LLC. (the "Developer") (the "Developer's Property") and one parcel or 35% of the square footage of the District is owned by Miller Trois, LLC who has entered into an Option Agreement with the Developer for the same property. The Developer has entered into a Purchase Agreement with Sam's Real Estate Business Trust for such property (the "Sam's Club Property"). Currently, the ownership of the property in the District is spread 22%, 43%, and 35%, respectively, and it is not anticipated that the concentration of ownership will exceed those percentages. The Developer will either sell or lease the separate pads constituting the Developer Property and, if leased, the special assessments will be payable by the Lessees under the terms of the lease agreements, therefor assuring ever greater diversity.

(c) Comparison of Special Assessments and Property Taxes and Market Value. As shown in Exhibit A, the proposed amount of the assessment is less than the assessed value of the property. The estimated market value of each lot, tract, and parcel in the District after the Improvements are made is believed to be in excess of the proposed special assessments against each lot, tract, and parcel in the District.

(d) Delinquencies. Based on a sampling of the records of the County Assessor relating to properties in the District, delinquencies in payment property taxes for those properties to be included in the District do not exceed the level that is customary for properties in the City and County. None of the property in the District is included in any other special or rural special improvement districts.

(e) The Public Benefit of the Improvements. The street improvements on King Avenue East, South Billings Boulevard, Newman Lane, Calhoun Lane and Orchard Lane, as well as water, storm drain and sanitary sewer facilities, and city/county drain crossings are of general benefit to the entire community and the City.

Section 4. Terms of the Bonds. This Council hereby authorizes the issuance and sale of the Bonds, to be denominated "Special Improvement District No. 1385 Bonds," of the City in the aggregate principal amount of \$5,360,000 (the "Bonds") for the purpose of financing the costs of the Improvements. The Bonds shall be dated, as originally issued, as of October 1, 2008, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2009, at a rate or rates designated by the successful bidder at public sale and approved by this Council. If issued as serial bonds, the Bonds shall mature on July 1 in each of the following years and amounts (unless combined into one or more term bonds):

Year	Principal Amount	Year	Principal Amount
2011	\$205,000	2020	\$290,000
2012	210,000	2021	305,000
2013	220,000	2022	320,000
2014	225,000	2023	335,000
2015	235,000	2024	355,000
2016	245,000	2025	375,000
2017	255,000	2026	390,000
2018	265,000	2027	415,000
2019	280,000	2028	435,000

Bidders will have the option of combining the Bonds maturing on and after 2011 through and including 2015 and on and after 2016 through and including 2028 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than 2028, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Bonds would have matured if they were not included in a term bond.

The Bonds shall be issuable only as fully registered bonds and shall be executed by the manual or facsimile signatures of the Mayor and the Financial Services Manager. The Bonds shall be secured by the Reserve Account and the Revolving Fund.

Section 5. Public Sale. The Bonds shall be sold at a public competitive sale, the sealed bids for which shall be submitted to the Financial Services Manager or bids for the purchase of the Bonds shall be received by the City by electronic transmission through Parity™, in either case until 11:30 a.m., MT, on September 22, 2008 at which time bids will be opened or accessed and tabulated by the Financial Services Manager. The tabulation of bids will be presented to the City Council at a special meeting of this Council on September 22, 2008, at 12:00 noon, MT. This Council will consider the bids and, if a responsive and acceptable bid is received, award the sale of the Bonds. The City will receive sealed bids or bids transmitted electronically through Parity™ for the Bonds and the Bonds will be sold in accordance with the Official Terms and Conditions attached hereto as Exhibit B (which is hereby incorporated and made a part hereof). The Financial Services Manager is hereby authorized and directed to cause notice of the sale to be published, as required by Montana Code Annotated, Sections 7-12-4204, 7-7-4252 and 17-5-106, in *The Billings Times*, once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published and mailed in substantially the form set forth as Exhibit C to this resolution (which is hereby incorporated herein and made a part hereof) and this Council hereby adopts the terms and conditions set forth in such notice of sale as the terms and conditions of the sale of the Bonds.

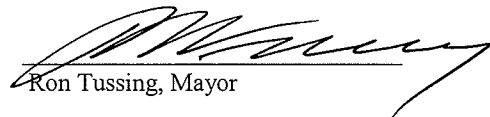
Section 6. Official Statement. The Financial Services Manager and other officers of the City, in cooperation with Springsted Incorporated, of St. Paul, Minnesota, financial consultants to the City, are hereby authorized and directed to prepare on behalf of the City an official statement to be distributed to potential purchasers of the Bonds. Such official statement shall contain the terms and conditions of sale set forth in the notice of sale adopted in Section 5 and such other information as shall be advisable and necessary to describe accurately the City and the security for, and terms and conditions of, the Bonds. The Financial Services Manager is authorized on behalf of the City to deem the official statement near "final" as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 7. Continuing Disclosure. In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Board under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, in the resolution prescribing the terms of the Bonds to provide certain specified information, if customarily prepared and publicly available, and notice of the occurrence of certain events, if material. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule and, giving effect to the issuance of the Bonds, there will not be more than \$10 million in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the City is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof). A description of the undertaking is set forth in the Official Statement. Failure of the District to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

Passed by the City Council of the City of Billings, Montana, this 11th day of August, 2008.



CITY OF BILLINGS


Ron Tussing, Mayor

ATTEST:



Cari Martin, City Clerk

EXHIBIT A

Assessment List of District Properties

Property Owner	Cabela's Wholesale, Inc.	Miller Trois, LLC	South Billings Center, LLC.	Total
Legal Description	Lot 2A-3A of Amended Plat of Lots 2A-2 & 2A-3, Block 1 of Amended Plat of Lot 2A of Amended Lots 2, 3, 4 and 5, Block 1, Miller Crossing Subdivision, Recorded January 8, 2008, under Document No. 3450780, Records of Yellowstone County	Lot 2A-4 of Amended Plat of Lot 2A of Amended Lots 2, 3, 4 and 5, Block 1, Miller Crossing Subdivision, Recorded October 4, 2007, under Document No. 3441217, Records of Yellowstone County	Lot 2A-2A of Amended Plat of Lots 2A-2 & 2A-3, Block 1, of Amended Plat of Lot 2A of Amended Lots 2, 3, 4 and 5, Block 1, Miller Crossing Subdivision, Recorded January 8, 2008, under Document No. 3450780, Records of Yellowstone County	
Mailing Address	One Cabela Drive Sidney, NE 69160	4507 Palisade Drive Billings, MT 59106.	5850 Avenida Encinas, Suite A Carlsbad, CA 92008	
Square Footage	404,415.396	657,272.484	790,971.192	1,852,659.072
Proposed Principal Assessment	\$1,170,014	\$1,901,555	\$2,288,359	\$5,359,928
Assessed Market Value (DOR)	\$324,745	\$520,237	\$621,514	\$1,466,496
Estimated Market Value by Cushman & Wakefield, Inc.	\$3,033,115	\$4,929,544	\$5,932,284	\$13,894,943

EXHIBIT B

TERMS AND CONDITIONS

\$5,360,000

SPECIAL IMPROVEMENT DISTRICT NO. 1385 BONDS

CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City of Billings, Montana (the "City"), will sell to the best bidder for cash, as evidenced by sealed bids or bids transmitted electronically through Parity™, the above-described Bonds drawn against the district fund of Special Improvement District No. 1385 in the principal amount of \$5,360,000.

Sealed bids for the purchase of the Bonds will be received at the office of the Financial Services Manager in Billings, Montana, at 1st Floor of Park III, at 210 North 27th Street, Billings, Montana, or bids for the purchase of the Bonds will be received by electronic transmission through Parity™, in either case until 11:30 a.m., MT, on Monday, September 22, 2008, at which time the bids will be opened or accessed and tabulated. The City Council of the City will meet at 12:00 noon on the same day in the Council Chambers to consider the bids and the award of sale of the Bonds and, if a responsive and acceptable bid is received, award the Series 2008 Bonds to the responsive bidder whose bid reflects the lowest true interest cost (TIC) to the City.

Purpose and Security

The Bonds will be issued for the purpose of financing the cost of construction of certain local improvements (the "Improvements") within or for the benefit of Special Improvement District No. 1385 (the "District"), in accordance with the provisions of Montana Code Annotated, Title 7, Chapter 12, Parts 41 and 42, as amended (the "Act"). The Bonds will be special, limited obligations of the City and do not constitute general obligations of the City.

The Bonds are payable primarily from the collection of a special assessment which is a lien against the assessable real property within the District benefited by the Improvements to be undertaken therein or therefor. The special assessments are payable in semiannual installments over a term not exceeding 20 years, each in semiannual installments of principal, plus interest, with unpaid installments of the special assessments bearing interest at a rate equal, from time to time, to the sum of (i) the average rate of interest borne by the then outstanding Bonds, plus (ii) one-half of one percent (0.50%) per annum.

The Bonds are further secured by the Special Improvement District Revolving Fund of the City (the "Revolving Fund") into which \$268,000 will be deposited from the proceeds of the Bonds. The City will agree to make a loan from the Revolving Fund to the District Fund to make good any deficiency then existing in the principal and interest accounts therein and to provide funds for the Revolving Fund by levying a tax or making a loan from the City's general fund to the extent and for the period authorized by the Act.

Date and Type

The Bonds will be dated, as originally issued, as of October 1, 2008, and will be issued as negotiable investment securities in registered form as to both principal and interest.

Maturities and Form

If issued as serial bonds, the Bonds shall mature, subject to redemption, on July 1 in the following years and amounts (unless combined into one or more term bonds):

Year	Principal Amount	Year	Principal Amount
2011	\$205,000	2020	\$290,000
2012	210,000	2021	305,000
2013	220,000	2022	320,000
2014	225,000	2023	335,000
2015	235,000	2024	355,000
2016	245,000	2025	375,000

2017	255,000	2026	390,000
2018	265,000	2027	415,000
2019	280,000	2028	435,000

Bidders will have the option of combining the Bonds maturing on and after 2011 through and including 2015 and on and after 2016 through and including 2028 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than 2028, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Bonds would have matured if they were not included in a term bond.

Book Entry

Unless requested otherwise by the underwriter, the Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The following provisions of this paragraph shall apply unless the underwriter expressly requests that the Bonds not be issued in book-entry form. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity, through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

Redemption

Mandatory Redemption. If on any interest payment date there will be a balance in the District Fund after payment of the principal and interest due on all Bonds drawn against it, either from the prepayment of special assessments levied in the District or from the transfer of surplus money from the Construction Account to the Principal Account, outstanding Bonds, or portions thereof, in an amount which, together with the interest thereon to the interest payment date, will equal the amount of such funds on deposit in the District Fund on that date are subject to mandatory redemption on that interest payment date. The redemption price shall equal the amount of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

Optional Redemption. The Bonds are subject to redemption, in whole or in part, at the option of the City from sources of funds available therefor other than those described under "Mandatory Redemption". The Bonds with stated maturities on or after July 1, 2016 will be subject to redemption on July 1, 2015, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium.

Selection of Bonds for Redemption. If less than all of the Bonds are to be redeemed, Bonds shall be redeemed in order of the stated maturities thereof. If less than all Bonds of a stated maturity are to be redeemed, the Bonds of such maturity shall be selected for redemption in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair.

Interest Payment Dates, Rates

Interest will be payable each January 1 and July 1, commencing July 1, 2009, to the registered owners of the Bonds as such appear 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. All Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 1/8 or 1/20 of 1%. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Individual interest rates may be no higher than 6.50%, with the difference between the highest and lowest rate being no greater than 4.50%. No supplemental or "B" coupons or additional interest certificates will be allowed.

Bond Registrar, Transfer Agent and Paying Agent

The City shall select a bond registrar, transfer agent and paying agent (the "Registrar") in connection with the Bonds. The bond register will be kept, transfers of ownership will be effected and principal of and interest on the Bonds will be paid by the Registrar. The City will pay the charges of the Registrar for such services. The City reserves the right to remove the Registrar and to appoint a successor.

Delivery

Within 40 days after the sale, the City will deliver to the Registrar the printed Bonds ready for completion and authentication. The original purchaser of the Bonds must notify the Registrar, at least five business days before issuance of the Bonds, of the persons in whose names the Bonds will be initially registered and the denominations of the Bonds to be originally issued. If notification is not received by that date, the Bonds will be registered in the name of the original purchaser and, if serial bonds, will be issued in denominations corresponding to the principal maturities of the Bonds. On the day of closing, the City will furnish to the purchaser the opinion of Bond Counsel hereinafter described, an arbitrage certification and a certificate stating that no litigation in any manner questioning the validity of the Bonds is then pending or, to the knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City in immediately available funds at its designated depository on the day of closing. The successful bidder shall submit to the Financial Services Manager not earlier than 48 hours after the award of sale and not later than the day of closing a certificate, in form satisfactory to Bond Counsel, as to the initial reoffering price of each stated maturity of the Bonds and stating that at least ten percent of the principal amount of such Bonds of each stated maturity has been sold at such respective prices.

Legal Opinion

An opinion as to the validity of the Bonds and the exclusion of the interest thereon from gross income for federal income tax purposes and Montana individual income tax purposes will be furnished by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as Bond Counsel. The legal opinion will be printed on the Bonds. The legal opinion will state that the Bonds are valid and binding special, limited obligations of the City enforceable in accordance with their terms, except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

Type of Bid and Good Faith Deposit

Sealed or electronic bids for not less than \$5,360,000 (100% of par) and accrued interest on the principal sum of \$5,360,000 must be mailed or delivered to the undersigned and must be received at the office of the Financial Services Manager prior to the time stated above. Bidders must bid for all or none of the Bonds. Each bid must be unconditional. Bids may be transmitted electronically through Parity™ in accordance with these terms and conditions.

Except for a bid by or on behalf of the Board of Investments of the State of Montana, a good faith deposit (the "Deposit") in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the federal deposit insurance corporation or a financial surety bond in the sum of \$107,200 payable to the order of the City is required for a bid to be considered. If money, cashier's check, certified check, bank money order, or bank draft is used, it must accompany the bid and be delivered to the Financial Services Manager. If a financial surety bond is used, it must be from an insurance company licensed and qualified to issue such a bond in the State of Montana and such bond must be submitted to the Financial Services Manager, or the City's financial advisor prior to the opening of the bids. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit its Deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor) not later than 1:00 p.m., Mountain Daylight 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. No interest on the Deposit will accrue to the purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the purchaser fails to honor its accepted bid, the Deposit will be retained by the City as liquidated damages. The Deposit of the unsuccessful bidders will be returned immediately on award of the Bonds to the purchaser or after rejection of all bids. Instructions for wiring the Deposit may be obtained from the City's Financial Services Manager, Pat Weber, 210 North 27th Street, Billings, Montana 59101, telephone (406) 657-8209 or from Financial Advisor, Springsted Incorporated at (651) 223-3000 (Bond Services Division).

Award

The City will consider sealed bids or bids transmitted electronically through the Parity™ system. The bid having the lowest true interest cost (TIC) (the net present value of the total interest on all Bonds from October 1, 2008, to their maturities, less any premium or plus any discount), will be deemed the most favorable. In the event that two or more bids state the lowest true interest cost, the sale of the Bonds will be awarded by lot. No oral bid will be considered. The City reserves the rights to reject any and all bids, to waive informalities in any bid and to adjourn the sale.

Electronic Transmission

For further information about Parity™, potential bidders may contact the Financial Advisor, Springsted Incorporated at (651) 223-3000 (Bond Services Division), or Parity™ at (212) 849-5021. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed bid including facsimile transmission to the Financial Services Manager, Pat Weber, at facsimile number (406) 657-8390 (phone (406) 657-8210) or to Springsted Incorporated at facsimile number (651) 223-3046 (phone (651) 223-3000).

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 assigned and printed at the expense of the purchaser, if the original purchaser waives any delay in delivery occasioned thereby.

Official Statement

The City will prepare an Official Statement relating to the Bonds which the City will deem, for purposes of SEC Rule 15c2-12, to be final as of its date. The City will deliver, at closing, a certificate executed by the Mayor and the Financial Services Manager to the effect that, to the best of their knowledge, as of the date of closing, the information contained in the Official Statement, including any supplement thereto, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they are made, not misleading; provided that no comment will be made with respect to any information provided by the successful bidder for inclusion in any supplement to the Official Statement.

By submitting a bid for the Bonds, the successful bidder agrees: (1) to disseminate to all members of the underwriting syndicate copies of the Official Statement, including any supplements prepared by the City, (2) to file promptly a copy of the Official Statement, including any supplement prepared by the City, with a nationally recognized municipal securities repository, and (3) to take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board governing the offering, sale and delivery of the Bonds to ultimate purchasers.

Within seven business days after the sale the City will furnish to the successful bidder without charge up to 50 copies of the final Official Statement relating to the Bonds. The successful bidder must notify the Financial Services Manager in writing within seven business days after the award of sale of the Bonds if it requires additional copies of the Official Statement. The cost of additional copies shall be paid by the successful bidder.

Continuing Disclosure

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Board under the Securities Exchange Act of 1934 (the "Rule"), the City will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, in the resolution prescribing the terms of the Bonds to provide certain specified information, if customarily prepared and publicly available, and notice of the occurrence of certain events, if material. The City is the only "obligated person" in respect of the Bonds within the meaning of the Rule and, giving effect to the issuance of the Bonds, there will not be more than \$10 million in principal amount of municipal securities outstanding on the date of issuance of the Bonds as to which the City is an obligated person (excluding municipal securities exempt from the Rule under paragraph (d)(1) thereof). A description of the undertaking is set forth in the Official Statement. Failure of the District to enter into an undertaking substantially similar to that described in the Official Statement would relieve the successful bidder of its obligation to purchase the Bonds. The City has complied in all material respects with any undertaking previously entered into by it under the Rule.

Dated: August 11, 2008.

BY ORDER OF THE CITY COUNCIL

Cari Martin
Cari Martin, City Clerk

EXHIBIT C

NOTICE OF BOND SALE

\$5,360,000

SPECIAL IMPROVEMENT DISTRICT NO. 1385 BONDS

CITY OF BILLINGS, MONTANA

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Billings, Montana (the "City"), will receive sealed bids for the purchase of \$5,360,000 Special Improvement District No. 1385 Bonds (the "Bonds") in the City Finance offices at 1st Floor of Park III, at 210 North 27th Street, Billings, Montana, or bids for the purchase of the Bonds will be received by the City by electronic transmission through Parity™, in either case until 11:30 a.m., M.T., on Monday, September 22, 2008, at which time the bids will be opened or accessed and tabulated. The bids will be presented to the City Council at a special meeting at 12:00 noon on the same day at the Council Chambers, at which time the Council will consider the bids received, and if a responsive and acceptable bid is received, the Council will award sale of the Bonds to the responsive bidder whose bid reflects the lowest true interest cost (TIC).

The Bonds are being issued for the purpose of financing the cost of construction of certain local improvements (the "Improvements"), or reimbursing the City the cost thereof, within Special Improvement District No. 1385 (the "District"); and paying costs associated with the sale and issuance of the bonds. The Bonds shall mature, subject to redemption, on July 1 in the following years and amounts (unless combined into one or more term bonds):

Year	Principal Amount	Year	Principal Amount
2011	\$205,000	2020	\$290,000
2012	210,000	2021	305,000
2013	220,000	2022	320,000
2014	225,000	2023	335,000
2015	235,000	2024	355,000
2016	245,000	2025	375,000
2017	255,000	2026	390,000
2018	265,000	2027	415,000
2019	280,000	2028	435,000

The Bonds shall be secured by the City's Special Improvement District Revolving Fund. Serial bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. Bidders will have the option of combining the Bonds maturing on and after 2011 through and including 2015 and on and after 2016 through and including 2028 into one or more term bonds. If any Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption on each July 1, concluding no later than 2028, at a redemption price equal to the principal amount of such Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the bonds would have matured if they were not included in a term bond.

The Bonds shall be dated, as originally issued, as of October 1, 2008, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2009, to the registered owners of the Bonds as such appear 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. No interest rate may exceed 6.50% per annum, and the difference between the highest and lowest rate of interest may not exceed 4.50% per annum. No supplemental coupons are permitted and rates shall be expressed in integral multiples of 1/8 or 1/20 of one percent per annum. The Bonds with stated maturities on or after July 1, 2016 will be subject to redemption on July 1, 2017, and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. The Bonds are also subject to mandatory redemption on an interest payment date if the amounts in the District Fund, either from prepayment of assessments or transfers from the Construction Account to the Principal Account, are sufficient to pay outstanding Bonds, or portions thereof, with interest thereon to that interest payment date.

The Bonds will be sold for not less than \$5,360,000 (100% of par) with accrued interest on the principal amount of the Bonds to the date of their delivery. The Council reserves the right to reject any and all bids, to waive any informality in any bid, and to adjourn the sale.

A good faith deposit in the form of money, cashier's check, certified check, bank money order, or bank draft drawn and issued by a federally chartered or state chartered bank insured by the Federal Deposit Insurance Corporation or a financial surety bond in the sum of 2% of the aggregate principal amount of the Bonds (\$107,200) payable to the order of the City is required for each bid to be considered, as further specified in the Official Terms and Conditions of Sale.

Copies of the Official Terms and Conditions of Sale and additional information may be obtained from Financial Services Manager, Pat Weber, 210 North 27th Street, Billings, Montana 59101, telephone (406) 657-8209, financial advisor to the District. Prospective bidders should consult the Official Terms and Conditions of Sale and the Preliminary Official Statement for a detailed description of the Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana, and Minneapolis, Minnesota, as bond counsel. To the extent

any instructions or directions set forth in Parity™ conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. For further information about Parity™, potential bidders may contact the Financial Services Manager, Pat Weber, 210 North 27th Street, Billings, Montana 59101, telephone (406) 657-8209, or Parity™ at (212) 849-5021. In the event of a malfunction in the electronic bidding process, bidders may submit their bids by sealed bid including facsimile transmission to the Financial Services Manager, Pat Weber, at facsimile number (406) 247-8608 (phone (406) 657-8209) or to Springsted Incorporated at facsimile number (651) 223-3046 (phone (651) 223-3000).

Dated: August 11, 2008.

BY ORDER OF THE CITY COUNCIL

/s/ Cari Martin
Cari Martin, City Clerk
City of Billings, Montana

Publish: _____ and _____, 2008

