

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 No. _____ entitled: "RESOLUTION AUTHORIZING PARTICIPATION IN THE MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE AND APPROVING POLICIES REGARDING MUNICIPAL SECURITIES DISCLOSURE" (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 November 24, 2014, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this 24th day of November, 2014.

(SEAL)

City Clerk

RESOLUTION NO. _____

RESOLUTION AUTHORIZING PARTICIPATION IN THE
MUNICIPALITIES CONTINUING DISCLOSURE
COOPERATION INITIATIVE AND APPROVING POLICIES
REGARDING MUNICIPAL SECURITIES DISCLOSURE

WHEREAS, pursuant to the laws of the State of Montana, the City of Billings, Montana (the “City”) has publicly offered certain of its municipal securities (the “Bonds”), and in connection therewith has undertaken to comply with the continuing disclosure obligations specified in Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934 (the “Exchange Act”); and

WHEREAS, the U.S. Securities and Exchange Commission (the “Commission”) has announced the Municipalities Continuing Disclosure Cooperation Initiative (the “MCDC Initiative”), a program offering favorable settlement terms, as reflected in Exhibit A hereto, to issuers and underwriters of municipal securities that “self-report” possible violations of materially inaccurate statements in bond offering documents relating to prior compliance with continuing disclosure obligations; and

WHEREAS, for issuers that do not self-report, the Commission cautions that enforcement actions outside of the MCDC Initiative could result in the Commission seeking remedies beyond those described in the MCDC Initiative, including financial sanctions; and

WHEREAS, since 2004, the City has engaged a third party (the “Reporting Agent”) to track, consolidate and file the City’s continuing disclosure information; and

WHEREAS, an underwriter of one series of the City’s Bonds has elected to self-report to the Commission under the MCDC Initiative potentially inaccurate statements in the City’s bond offering documents relating to the City’s prior compliance with continuing disclosure obligations; and

WHEREAS, the City and the Reporting Agent have undertaken a full review of the City’s bond offering documents and past continuing disclosure filings during the MCDC Initiative review period and have discovered minor instances of prior noncompliance with continuing disclosure obligations and corresponding potentially inaccurate statements in bond offering documents with respect thereto; and

WHEREAS, in response to the City’s review, and in light of the filing made by the underwriter, the City now deems it prudent, in an abundance of caution and without admitting any wrongdoing, to participate in the MCDC Initiative.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City as follows:

Section 1. Subject to Section 2 below, the City has determined to participate in the MCDC Initiative and accordingly will submit to the Commission the MCDC Initiative Questionnaire for Self-Reporting Entities (the “Questionnaire”) reflecting the City’s intent to participate in the MCDC Initiative with respect to each of the City’s public bond offerings since

2009 (the review period for the MCDC Initiative), and if the SEC determines to proceed with an enforcement action against the City, to consent to applicable settlement terms under the MCDC Initiative. Such Questionnaire shall provide that based on the information available to the City and the Reporting Agent, it appears that (i) the City's CAFR has been filed from one to 18 days late (and in the case of the 2005 CAFR, 90 days late); (ii) supplemental operating data has been filed from one to 18 days late; and (iii) certain operating data has been omitted.

Section 2. The City Finance Director is hereby authorized and directed to complete, execute and submit the Questionnaire to the Commission, and the City Finance Director and other officers or personnel of the City are authorized to undertake and perform such further measures as are necessary or appropriate in connection with participating in the MCDC Initiative.

Section 3. The Policies Regarding Municipal Securities Disclosure (the "Policies") are hereby approved and adopted in substantially the form as has been presented to and considered by this Council.

Section 4. This resolution shall become effective upon adoption.

PASSED AND APPROVED by the City Council of the City of Billings, Montana, this 24th day of November, 2014.

Mayor

Attest: _____
City Clerk

(SEAL)

EXHIBIT A

Summary of Standard Settlement Terms for Issuers Under MCDC Initiative (from the Securities and Exchange Commission's Website)

<http://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>

To the extent an issuer meets the requirements of the MCDC Initiative and the Securities and Exchange Commission (the "Commission") decides to recommend enforcement action, the settlement will include the following terms.

1. Types of Proceedings and Nature of Charges

Under the settlement, the issuer consents to the institution of a cease and desist proceeding under Section 8A of the Securities Act for violation(s) of Section 17(a)(2) of the Securities Act. The settlement is expected to be one in which the issuer neither admits nor denies the findings of the Commission.

2. Undertakings

As part of the settlement, the issuer must undertake to:

- establish appropriate policies and procedures and training regarding continuing disclosure obligations within 180 days of the institution of the proceedings;
- comply with existing continuing disclosure undertakings, including updating past delinquent filings within 180 days of the institution of the proceedings;
- cooperate with any subsequent investigation by the Commission regarding the false statement(s), including the roles of individuals and/or other parties involved;
- disclose in a clear and conspicuous fashion the settlement terms in any final official statement for an offering by the issuer within five years of the date of institution of the proceedings; and
- provide the Commission staff with a compliance certification regarding the applicable undertakings by the issuer on the one year anniversary of the date of institution of the proceedings.

3. Civil Penalties

The settlement will not require payment of any civil penalty by the issuer.