

EXHIBIT B

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

The City of Seattle, Washington (the “City”), makes the following written undertaking (the “Undertaking”) for the benefit of the holders of the City’s Drainage and Wastewater Revenue Bonds, 2016 (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance _____, and Resolution _____ (together, the “Bond Legislation”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the “MSRB”), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, the following information:

(i) Annual financial information and operating data regarding the Drainage and Wastewater System of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”);

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information and operating data that the City undertakes to provide in subsection (a) of this section:

1 (i) Shall consist of: (1) annual financial statements of the Drainage and
2 Wastewater System prepared in accordance with generally accepted accounting principles
3 applicable to governmental units (except as otherwise noted therein), as such principles may be
4 changed from time to time and as permitted by State of Washington (the “State”) law, which
5 financial statements will not be audited, except, that if and when audited financial statements are
6 otherwise prepared and available to the City they will be provided; (2) a statement of outstanding
7 bonded debt secured by revenues of the Drainage and Wastewater System; (3) debt service
8 coverage ratios; (4) general customer statistics, such as number and type of customers and
9 revenues by customer class; and (5) current drainage rate and wastewater rates;

10 (ii) Shall be provided not later than the last day of the ninth month after the
11 end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal
12 year may be changed as required or permitted by State law, commencing with the City’s fiscal
13 year ending December 31, 20__; and

14 (iii) May be provided in a single or multiple documents, and may be
15 incorporated by specific reference to documents available to the public on the Internet website of
16 the MSRB or filed with the United States Securities and Exchange Commission.

17 (c) Amendment of Undertaking. The Undertaking is subject to amendment after the
18 primary offering of the Bonds without the consent of any holder of any Bond, or of any broker,
19 dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under
20 the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the
21 MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief
22 statement of the reasons for the amendment. If the amendment changes the type of annual
23 financial information to be provided, the annual financial information containing the amended
24 financial information will include a narrative explanation of the effect of that change on the type
25 of information to be provided.

26 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the
27 benefit of the City and any holder of Bonds, and shall not inure to the benefit of or create any
28 rights in any other person.

29 (e) Termination of Undertaking. The City’s obligations under this Undertaking shall
30 terminate upon the legal defeasance, prior redemption, or payment in full of all of the
31 outstanding Bonds. In addition, the City’s obligations under this Undertaking shall terminate if
32 those provisions of Rule 15c2-12 which require the City to comply with this Undertaking
33 become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion
34 of nationally recognized bond counsel or other counsel familiar with federal securities laws
35 delivered to the City, and the City provides timely notice of such termination to the MSRB.

36 (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the
37 City learns of any failure to comply with the Undertaking, the City will proceed with due
38 diligence to cause such noncompliance to be corrected. No failure by the City or other obligated
39 person to comply with the Undertaking shall constitute a default in respect of the Bonds. The
40 sole remedy of any Beneficial Owner of a Bond shall be to take such actions as that Beneficial

1 Owner deems necessary, including seeking an order of specific performance from an appropriate
2 court, to compel the City or other obligated person to comply with the Undertaking.

3 (g) Designation of Official Responsible to Administer Undertaking. The Director of
4 Finance of the City (or such other officer of the City who may in the future perform the duties of
5 that office) or his or her designee is the person designated, in accordance with the Bond
6 Legislation, to carry out the Undertaking of the City in respect of the Bonds set forth in this
7 section and in accordance with Rule 15c2-12, including, without limitation, the following
8 actions:

9 (i) Preparing and filing the annual financial information undertaken to be
10 provided;

11 (ii) Determining whether any event specified in subsection (a) has occurred,
12 assessing its materiality, where necessary, with respect to the Bonds, and preparing and
13 disseminating any required notice of its occurrence;

14 (iii) Determining whether any person other than the City is an “obligated
15 person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such
16 person an undertaking to provide any annual financial information and notice of listed events for
17 that person in accordance with Rule 15c2-12;

18 (iv) Selecting, engaging and compensating designated agents and consultants,
19 including but not limited to financial advisors and legal counsel, to assist and advise the City in
20 carrying out the Undertaking; and

21 (v) Effecting any necessary amendment of the Undertaking.

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