

EXHIBIT B

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

The City of Seattle, Washington (the “City”) makes the following written Undertaking for the benefit of the Owners of the City’s [Municipal Light and Power Refunding Revenue Bonds,] [Year/Series Designation] (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 Ordinance _____]([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:

(i) Annual financial information and operating data regarding the Municipal Light and Power System (the “Light System”) of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”). The timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines pertaining to the filing of annual financial statements under subsection (b), provided that audited financial statements are to be filed if and when they are otherwise prepared and available to the City.

(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

1 enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or
2 their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of
3 proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB)
4 or other material notices or determinations with respect to the tax status of the Bonds, or other
5 material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the
6 Bonds, if material; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds),
7 if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property
8 securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency,
9 receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-
10 12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale
11 of all or substantially all of the assets of the City other than in the ordinary course of business, the
12 entry into a definitive agreement to undertake such an action or the termination of a definitive
13 agreement relating to any such actions, other than pursuant to its terms, if material; and (14)
14 appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

20 (i) Shall consist of (1) annual financial statements of the Light System
21 prepared in accordance with applicable generally accepted accounting principles applicable to
22 governmental units (except as otherwise noted therein), as such principles may be changed from
23 time to time and as permitted by applicable state law; (2) a statement of outstanding bonded debt

1 secured by Gross Revenues of the Light System; (3) debt service coverage ratios for the bond debt
2 secured by Gross Revenues of the Light System; (4) sources of Light System power and the MWh
3 produced by those sources; and (5) the average number of customers, revenues, and energy sales
4 by customer class;

5 (ii) Shall be provided not later than the last day of the ninth month after the end
6 of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year
7 may be changed as required or permitted by state law, commencing with the City's fiscal year
8 ending December 31, 20__; and

9 (iii) May be provided in a single document or multiple documents, and may be
10 incorporated by specific reference to documents available to the public on the Internet website of
11 the MSRB or filed with the Securities and Exchange Commission.

12 (c) Amendment of Undertaking. This Undertaking is subject to amendment after the
13 primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any
14 broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,
15 under the circumstances and in the manner permitted by Rule 15c2-12, including:

16 (i) The amendment may only be made in connection with a change in
17 circumstances that arises from a change in legal requirements, change in law, or change in the
18 identity, nature, or status of the City, or type of business conducted;

19 (ii) The undertaking, as amended, would have complied with the requirements
20 of the rule at the time of the primary offering, after taking into account any amendments or
21 interpretations of the rule, as well as any change in circumstances; and

22 (iii) The amendment does not materially impair the interests of holders, as
23 determined either by parties unaffiliated with the City (e.g., bond counsel or other counsel familiar

1 with federal securities laws), or by approving vote of bondholders pursuant to the terms of the
2 Bond Legislation at the time of the amendment.

3 The City will give notice to the MSRB of the substance (or provide a copy) of any
4 amendment to this Undertaking and a brief statement of the reasons for the amendment. If the
5 amendment changes the type of annual financial information to be provided, the annual financial
6 information containing the amended financial information will include a narrative explanation of
7 the effect of that change on the type of information to be provided.

8 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit
9 of the City and any Beneficial Owner of Bonds, and shall not inure to the benefit of or create any
10 rights in any other person.

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

18 (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the
19 City learns of any material failure to comply with the Undertaking, the City will proceed with due
20 diligence to cause such noncompliance to be corrected. No failure by the City or other obligated
21 person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole
22 remedy of any Owner of a Bond shall be to take such actions as that Owner deems necessary,

1 including seeking an order of specific performance from an appropriate court, to compel the City
2 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 section
7 and in accordance with Rule 15c2-12, including, without limitation, the following actions:

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

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

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

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

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