

## **EXHIBIT B**

### **AGREEMENT RELATING TO PAYING AGENCY, REGISTRAR AND TRANSFER AGENCY**

THIS AGREEMENT RELATING TO PAYING AGENT, REGISTRAR AND TRANSFER AGENCY (this "Agreement") is entered into as of November \_\_\_, 2016, by and between the CITY OF DULUTH, MINNESOTA (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION (the "Bank"), as Paying Agent and Bond Registrar.

#### **RECITALS**

WHEREAS the Issuer has duly authorized and provided for the issuance of its Notes, entitled General Obligation Capital Equipment Notes, Series 2016D (the "Notes"), in an aggregate principal amount of \$\_\_\_\_\_ to be issued as fully registered obligations without coupons;

WHEREAS the Issuer will ensure all things necessary to make the Notes the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS the Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Notes, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Notes;

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent and Bond Registrar for the Notes;

WHEREAS the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

#### **ARTICLE ONE DEFINITIONS**

Section 1.01. **Definitions.** For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

“Fiscal Year” means the fiscal year of the Issuer ending on December 31 of each year.

“Issuer” means the City of Duluth, Minnesota.

“Paying Agent” means the Bank when it is performing the function of paying agent for the Notes.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Registered Owner” means a Person in whose name a Bond is registered in the Bond Register.

“Registrar” means the Bank when it is performing the function of registrar for the Notes.

“Stated Maturity” when used with respect to any Bond means the date specified in the Bond as the date on which the principal of such Bond is due and payable.

## **ARTICLE TWO** **APPOINTMENT OF BANK AS** **PAYING AGENT AND BOND REGISTRAR**

Section 2.01. Appointment and Acceptance. The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Notes, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement the principal of, redemption premium (if any), and interest on all or any of the Notes.

The Issuer hereby appoints the Bank as Registrar with respect to the Notes. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Notes and with respect to the transfer and exchange thereof as provided.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Bond Registrar.

Section 2.02. Compensation. As compensation for the Bank’s services as Paying Agent and Bond Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Bond Registrar for municipalities, which shall be supplied by the Bank to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer if there are any changes, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable and necessary out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, made or incurred by the Bank in connection with entering into and performing under this Agreement and in connection with investigating and defending itself against any claim or liability in connection with its performance hereunder.

## **ARTICLE THREE** **PAYING AGENT**

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank provided sufficient collected funds have been provided to it for such purpose by or on behalf of the Issuer, shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of the Bond.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Notes on the dates specified in the Notes, to the extent such funds have herein been provided by the Issuer.

The Bank shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Bank awaiting the presentation of the Notes for payment.

Section 3.03. Receipt of Funds. The Issuer hereby agrees to provide the Paying Agent with sufficient funds to make principal and interest payments as follows: (1) payment by check must be received by the Paying Agent at least five business days prior to payment date; and (2) payment by wire must be received by the Paying Agent on or prior to payment date and no later than 11:30 a.m. CST.

## **ARTICLE FOUR** **REGISTRAR**

Section 4.01. Initial Delivery of Notes. The Notes will be initially registered and delivered to the purchaser designated by the Issuer as one Bond for each maturity. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, deliver Notes of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar. The Bank shall provide for the proper registration of transfer, exchange and replacement of the Notes. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which as been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or his attorney duly authorized in writing. The Registrar may request any supporting documentation it deems necessary or appropriate to affect a re-registration.

Section 4.03. Unauthenticated Notes. The Issuer shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Notes to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Notes in safekeeping.

Section 4.04. Form of Bond Register. The Bank as Registrar will maintain its records as Bond Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.05. Reports. The Bank will not release or disclose the content of the Bond Register to any person other than to the Issuer at its written request, except upon receipt of a subpoena or court order or as may otherwise be required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer.

Section 4.06. Cancelled Notes. All Notes surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Notes previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Bank. All cancelled Notes held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the Issuer upon its written request.

Section 4.07. Mutilated, Lost, Stolen or Destroyed Notes. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is satisfactory to the Bank. All Notes so surrendered to the Bank shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

## **ARTICLE FIVE THE BANK**

Section 5.01. Duties of the Bank. The Bank undertakes to perform the duties set forth herein. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Notes to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its gross negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Notes containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel, and the written advice or opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the actions of such agent or attorney if appointed by it with reasonable care.

(g) The Bank shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

(h) The Bank is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to any money held by the Bank hereunder, without determination by the Bank of such court's jurisdiction in the matter. If any portion of money held by the Bank hereunder is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, the Bank is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Bank complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 5.03. Recitals of Issuer. The recitals contained in the Notes shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

Section 5.04. May Own Notes. The Bank, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Paying Agent and Bond Registrar for the Notes.

Section 5.05. Money Held by the Bank. Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds

deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed, by the Registered Owner (or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment) will be escheated pursuant to the applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 5.06. Other Transactions. The Bank may engage in or be interested in any financial or other transaction with the Issuer.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

Section 5.08. Indemnification. To the extent permitted by law, the Issuer shall indemnify the Bank, its officers, directors, employees and agents ("Indemnified Parties") for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Bank's acceptance or administration of the Bank's duties hereunder (except any loss, liability or expense as may be adjudged by a court of competent jurisdiction to be attributable to the Bank's gross negligence or willful misconduct), including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. Such indemnity shall survive the termination or discharge of this Agreement or discharge of the Notes.

## **ARTICLE SIX** **MISCELLANEOUS PROVISIONS**

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, faxed, sent pdf or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by 15 days written notice:

If to the Issuer:

City of Duluth  
Attn: Chief Financial Officer  
107 City Hall  
411 West First Street  
Duluth, MN 55802

If to the Bank:

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul MN 55107  
Facsimile: 651-466-7431

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Bond Registrar.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination. This Agreement shall be effective from and after its date and until the Bank resigns; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer shall promptly appoint a successor Paying Agent and Bond Registrar. If an instrument of acceptance by a successor Paying Agent and Bond Registrar shall not have been delivered to the Bank within 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor Paying Agent and Bond Registrar. In the event of resignation of the Bank as Paying Agent and Bond Registrar, upon the written request of the Issuer and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to the Issuer or its designee all funds and unauthenticated Notes, and a copy of the Bond Register. The provisions of Section 2.02 and Section 5.08 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Minnesota.

Section 6.12. Documents to be Filed with Bank. At the time of the Bank's appointment as Paying Agent and Bond Registrar, the Issuer shall file with the Bank the following documents: (a) a specimen Bond; (b) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Notes; and (c) such other information that the Bank may request.

Section 6.13. Patriot Act Compliance. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

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IN WITNESS WHEREOF, the Issuer and the Bank have caused this agreement to be executed in their respective names by their duly authorized representatives, in counterparts, each of which shall be deemed an original.

CITY OF DULUTH, MINNESOTA, Issuer

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its Clerk

(signature page to Agreement Relating to Paying Agency, Registrar and Transfer Agency)

U.S. BANK NATIONAL ASSOCIATION,  
as Authentication Agent, Transfer Agent,  
Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Representative

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(signature page to Agreement Relating to Paying Agency, Registrar and Transfer Agency)