

RESOLUTION No. 2- -20

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, APPROVING AN INDIRECT SALE AND AN ASSIGNMENT OF A MAJORITY INTEREST IN HOSPITAL HILL MEDICAL OFFICE BUILDING, LLC, TO WELLTOWER INC., AS PART OF A TRANSACTION INVOLVING A PORTFOLIO OF PROPERTIES; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF LOAN REFINANCING DOCUMENTS IN CONNECTION WITH THE COMPLETED CONSTRUCTION AND CONTINUING OPERATION OF A MEDICAL OFFICE BUILDING, PARKING STRUCTURE AND RELATED IMPROVEMENTS LOCATED AT 2101 CHARLOTTE WITHIN THE HOSPITAL HILL NORTH URBAN RENEWAL AREA, AND AUTHORIZING FURTHER ACTION RELATED THERETO.

WHEREAS, the Land Clearance for Redevelopment Authority of Kansas City, Missouri (“Authority”) is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, RSMo and is transacting business and exercising the powers granted by the LRCA by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri, November 21, 1952; and

WHEREAS, Truman Medical Center, Incorporated, a Missouri non-profit corporation (“TMC”) and Hospital Hill Medical Office Building, LLC, a Delaware limited liability company (“MOB Redeveloper”), constructed an approximately 87,500 square foot medical office building and related improvements (“MOB”) and a parking structure and related improvements (“Parking Structure”) (collectively the “Project”) on real property locally known as 2101 Charlotte Street and generally bounded by 21st Street on the North, Campbell Street on the East, 22nd Street on the South and Charlotte Street on the West; and

WHEREAS, the Project is within the Hospital Hill North Urban Renewal Area and is consistent with the Hospital Hill North Urban Renewal Plan as approved by the Authority on October 27, 2010 and by the City Council on April 21, 2011; and

WHEREAS, the Authority adopted Resolution No. 2-04-14 on February 26, 2014 to authorize the preparation of sale/leasebacks agreements for the Project; and

WHEREAS, TMC and MOB Redeveloper entered into the Ground Lease dated as of March 4, 2014, as amended by the First Amendment to Ground Lease dated as of July 1, 2014 (collectively, “Ground Lease”), pursuant to which TMC ground leased to the MOB Redeveloper the real property upon which the MOB was to be constructed (“Ground Leased Property”). The Ground Lease further sets forth the MOB Redeveloper’s rights and obligations with respect to construction of the MOB and TMC’s rights and obligations with respect to construction of the Parking Structure, all in furtherance of the Project; and

WHEREAS, in addition to owning fee title to the Ground Leased Property, TMC previously owned fee title to the real property adjacent to the Ground Leased Property upon which the Parking Structure is to be constructed (“Parking Structure Property”); and

WHEREAS, to facilitate construction of the Project, TMC and the MOB Redeveloper requested assistance from the Authority in the form of a twenty-five (25) year real property tax exemption and a sales tax exemption on construction materials. In accordance with the Workable Program, the Authority obtained and reviewed the financial analysis dated January 9, 2014 prepared by Springsted Incorporated (“Financial Consultant”), together with supplementary materials provided by the Financial Consultant, and determined on March 26, 2014 by Resolution No. 3-03-14 that the requested tax incentives are appropriate for the purpose of assisting the Project and curing blighting conditions within the Hospital Hill North Urban Renewal Area; and

WHEREAS, the Authority adopted Resolution No. 5-3-14 on May 28, 2014 authorizing, among other things, the Authority, as borrower, to obtain a construction loan (“Construction Loan”) to build the Project and execution of certain Project documents, including the following construction loan agreements: (a) Credit Agreement dated as of July 25, 2014 among the Authority, Regions Bank and MOB Redeveloper; (b) Promissory Note dated July 25, 2014 in the original principal amount of \$20,287,400; (c) Leasehold Deed of Trust/Deed of Trust and Security Agreement dated July 25, 2014 and recorded as Document No. 2014E0063993; (d) Assignment of Rents and Leases Dated July 25, 2014 and recorded as Document No. 2014E0063994; (e) Ground Lessor’s Estoppel, Consent, and Non-Disturbance Agreement dated July 25, 2014 and recorded as Document No. 2014E0064041; (f) UCC Financing Statements filed with the Delaware Secretary of State and recorded as Document No. 2014E0063995; (g) and other related certificates and documents (collectively, “Construction Loan Documents”); and

WHEREAS, the Construction Loan Documents were executed to facilitate construction of the Project in accordance with: (a) **as to the MOB**: (i) Sale/Leaseback and Redevelopment Contract (“MOB Redevelopment Contract”) dated July 25, 2014 between the Authority and MOB Redeveloper and recorded as Document No. 2014E0062716; (ii) Assignment and Assumption of Lessee’s Interest in Ground Lease (“Assignment”) dated July 25, 2014 between the Authority and MOB Redeveloper and recorded as Document No. 2014E062718; (iii) Master Lease (“Master Lease”) dated July 25, 2014 between the Authority, as landlord, and MOB Redeveloper, as tenant, pursuant to which the Authority leased back the Ground Leased Property to MOB Redeveloper and MOB Redeveloper assumed and agreed to perform all of the Authority’s obligations and liabilities as “Lessee” under the Ground Lease, and as evidenced by the Memorandum of Master Lease dated July 25, 2014 and recorded as Document No. 2014E0063360; (iv) Non Disturbance, Recognition, and Attornment Agreement (“Agreement”) dated July 25, 2014 among the Authority, MOB Redeveloper and TMC and recorded as Document No. 2014E0063992; and (iv) such other documents as the parties or the title company deemed necessary or desirable to complete the transactions (collectively, the “MOB Transaction Documents”); and (b) **as to the Parking Structure**: (i) Sale/Leaseback and Redevelopment Contract (“Parking Structure Redevelopment Contract”) dated July 25, 2014 between the Authority and TMC and recorded as Document No. 2014E0062717; (ii) after TMC conveyed fee title to the Parking Structure Property to the Authority by deed, Lease Purchase Agreement

(“TMC Lease”) dated July 25, 2014 between the Authority and TMC, pursuant to which the Authority leased back the Parking Structure Property to TMC, and as evidenced by the Memorandum of Lease Purchase Agreement dated July 25, 2014 and recorded as Document No. 2014E0063361; and (iii) such other documents as the parties or the title company deemed necessary or desirable to complete the transactions (collectively, the “Parking Structure Transaction Documents”); and

WHEREAS, to fund the Authority’s costs and expenses, including reasonable attorney’s fees, incurred to complete the transactions and implement the tax incentives contemplated by this Resolution, the Authority entered into the Funding Agreement (“Funding Agreement”) effective July 25, 2014, pursuant to which the MOB Redeveloper and TMC agree to jointly and severally fund costs and expenses incurred in connection with the MOB Transaction Documents, the Parking Structure Transaction Documents, and the Construction Loan Documents; and

WHEREAS, the Authority adopted Resolution No. 8-5-15 on August 26, 2015 authorizing a permanent loan (“Permanent Loan”) to refinance the Construction Loan, including the following loan agreements: (a) Amendment to Hospital Hill Documents dated October 14, 2015 and recorded as Document No. 2015E0094023 updating the legal description of the Construction Loan Documents to conform with the Plat of Hospital Hill North, Block 2 recorded on September 28, 2015 as Document No. 2015E0087282; (b) Promissory Note dated October 16, 2015 in the original principal amount of \$33,500,000; (c) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated October 16, 2015 and recorded as Document No. 2015E0094024; (d) Assignment of Rents and Leases Dated October 16, 2015 and recorded as Document No. 2015E0094025; (e) Loan Agreement dated October 16, 2015 among the Authority, as Borrower, MOB Redeveloper, as Master Lessee, and Capital One, National Association (successor to General Electric Capital Corporation) (“Lender”); (f) UCC Financing Statements filed with the Missouri Secretary of State; and (g) other related certificates and documents (collectively, “Permanent Loan Documents”); and

WHEREAS, the MOB Redeveloper desires to transfer an indirect interest in the MOB and related improvements to Welltower Inc., a Delaware corporation (“Welltower”), together with MOB Redeveloper’s interest in a portfolio of other properties across the county. The MOB Redeveloper’s planned sale was subject to a right-of-first-refusal of TMC under the Ground Lease. TMC declined to accept the MOB Redeveloper’s offer; and

WHEREAS, Welltower is a national Real Estate Investment Trust specializing in the development and operation of medical office buildings. Welltower will acquire an indirect, controlling interest in Hospital Hill Medical Office Building, LLC so the tenant entity’s name will not change. After the sale is completed, references to the MOB Redeveloper will include Welltower as the new controlling owner of developer; and

WHEREAS, the Permanent Loan is scheduled to mature in October 2020. As part of the planned sale of its portfolio, the MOB Redeveloper further desires to refinance the Permanent Loan, which financing will include Welltower’s acquisition of the MOB and related improvements and other MOB Redeveloper properties (“Refinancing Loan”) with the Lender. The principal amount of the Refinancing, in the aggregate, is expected to be approximately

\$288.9 million, of which approximately \$34.5 million is allocated to the MOB and related improvements; and

WHEREAS, TMC desires to facilitate the Refinancing Loan; and

WHEREAS, the Funding Agreement remains in full force and effect and shall apply to the services provided by the Authority to facilitate the Permanent Loan Refinancing; and

WHEREAS, the Authority desires to obtain the Refinancing Loan for the purpose of refinancing the Permanent Loan and to fund such other eligible Project costs on an ongoing bases within the tax-exemption period as originally approved; provided, however, that any payment or performance obligation of the Authority in connection with the Permanent Loan shall be non-recourse and all payment and performance obligations shall be solely the responsibility of the MOB Redeveloper, TMC and their respective guarantors, as applicable; and

WHEREAS, the Authority desires to approve in substantial form the following Refinancing Loan documents necessary to effectuate the Refinancing Loan and to release the Permanent Loan: (a) Promissory Note; (b) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing; (c) Loan Agreement; (d) Assignment of Leases and Rents; (e) Ground Lessor's Estoppel; Consent, and Non-Disturbance Agreement; and (f) such other documents as the lender or title company may require (collectively, the "Refinancing Loan Documents").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, AS FOLLOWS:

1. The Authority hereby approves the indirect sale of a controlling interest in the MOB and related improvements to Welltower.

2. The Authority hereby approves the Refinancing Loan and the Refinancing Loan Documents in substantially the form delivered to the Board on this date, or as may be delivered to the Chairman or Executive Director of the Authority by the parties, subject to such changes, additions or deletions that may be deemed necessary or desirable by the staff of the Authority or its legal counsel.

2. Each of the Chairman, Vice Chairman and Executive Director is authorized to execute and deliver the Refinancing Loan Documents, the execution of which shall be conclusive evidence of their approval of the same.

3. Each of the Chairman, Vice Chairman, Executive Director and/or Assistant Secretary is further authorized and directed to execute and deliver for and on behalf of the Authority any and all additional certificates, agreements, documents or papers and to perform all other acts as the Authority, the Lender or the title company may deem necessary or appropriate in order to close these transactions or otherwise implement and carry out the matters authorized

by this Resolution, with such execution being conclusive evidence of the acceptability of the terms and conditions thereof.

5. This Resolution shall take effect and be in full force immediately after its adoption by the Authority.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this 26th day of February, 2020.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
_____, Chairman

ATTEST:

Daniel Moye, Secretary