

RESOLUTION No. 11- -21

A RESOLUTION OF THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, APPROVING A SALE AND AN ASSIGNMENT OF THE OWNERSHIP INTEREST IN HOSPITAL HILL MEDICAL OFFICE BUILDING, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO PHYSICIANS REALTY L.P. A DELAWARE LIMITED PARTNERSHIP, AS PART OF A MERGER TRANSACTION INVOLVING A PORTFOLIO OF PROPERTIES; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF MERGER AND LOAN RELEASE 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;

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;

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;

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

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 is 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;

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");

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;

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");

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");

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;

WHEREAS, the Authority adopted Resolution No. 8-5-15 on August 26th, 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;

WHEREAS, the Authority adopted Resolution No. 8-1-20 dated August 26, 2020, approving an extension of the Permanent Loan maturity date from October 16, 2020, to December 30, 2020;

WHEREAS, the Authority adopted Resolution No. 12-1-20 dated December 9, 2021, approving a refinancing of the Permanent Loan, as evidenced by the: (a) Loan Agreement (Amended and Restated) dated as of December 30, 2020 among the Authority, as Borrower, MOB Redeveloper, as Master Lessee, and Lender; (b) Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated December 30, 2020 and recorded as Document No. 2020E0003245; (c) Ground Lessor's Estoppel, Consent, and Non-Disturbance Agreement dated December 30, 2020 among the Authority, the MOB Redeveloper, TMC, and the Lender and recorded as Document No. 2020E0003246; (d) Promissory Note dated December 30, 2020 in the original principal amount of \$37,500,000; (e) UCC Financing Statement filed with the Missouri Secretary of State; and (g) other related certificates and documents, which collectively, are referred to as the Permanent Loan Documents;

WHEREAS, the MOB Redeveloper desires to sell its interest in the MOB and related improvements through a merger transaction with a wholly owned subsidiary of Physicians Realty L.P., a Delaware limited partnership ("Physicians Realty"), together with MOB Redeveloper's

interest in a portfolio (“Portfolio”) of other properties across the county (“Merger”). Upon the filing of Certificates of Merger with the Delaware Secretary of State, Physicians Realty will own the upstream interests in the MOB Redeveloper. Physicians Realty intends to rename to the MOB Redeveloper to DOC-2101 Charlotte St MOB, LLC, a Delaware limited liability company, and all references to the MOB Redeveloper shall include the newly named MOB entity (the “Renaming”);

WHEREAS, Physicians Realty is the operating partnership of Physicians Realty Trust, a Maryland real estate investment trust, which is a publically-traded real estate investment trust specializing in the ownership and operation of medical office buildings;

WHEREAS, the Permanent Loan, which is scheduled to mature on December 30, 2024, will be repaid in full by Physicians Realty at the closing of its acquisition of the Portfolio, which includes the MOB (the “Permanent Loan Payoff” and together with the Merger and the Renaming, collectively, the “PRLP Transaction”);

WHEREAS, TMC desires to facilitate the PRLP Transaction;

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

WHEREAS, the Authority desires to approve the assignment of the ownership interest in the MOB Redeveloper through the Merger; provided, however, that any payment or performance obligation of the Authority in connection with the Merger and associated financing (if any) 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 documents to be entered into in connection with the PRLP Transaction: (a) Memorandum of Amendment to Master Lease; (b) Amendment to Sale/Leaseback and Redevelopment Contract; (c) Affirmation of Funding Agreement; (d) Amendment to Master Lease; and (e) such other documents as the Lender or title company may require to effectuate a release of the Permanent Loan and any and all obligations of the Authority under the Permanent Loan (collectively, the “PRLP Transaction 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 assignment and sale of the ownership interest in the MOB Redeveloper and to the MOB and related improvements to Physicians Realty through the Merger.

2. The Authority hereby approves the Merger and the PRLP Transaction 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 PRLP Transaction 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, including, without limitation, releasing the Permanent Loan and the Authority from any and all obligations under the Permanent Loan, with such execution being conclusive evidence of the acceptability of the terms and conditions thereof.

5. This Resolution shall take effect immediately.

ADOPTED by the Land Clearance for Redevelopment Authority of Kansas City, Missouri this _____ day of November, 2021.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Rob Gardner, Chairman

ATTEST:

Dan Moye, Secretary