

RESOLUTION NO. 26-02

OF THE

CITY OF ANDOVER, KANSAS

RELATING TO THE REDEMPTION OF
AND EXERCISE OF OPTION TO PURCHASE

NOT TO EXCEED \$2,320,000
CITY OF ANDOVER, KANSAS
TAXABLE HEALTH CARE FACILITY REVENUE BONDS
SERIES A, 2016
(ANDOVER FAMILY MEDICINE)

NOT TO EXCEED \$545,882
CITY OF ANDOVER, KANSAS
SUBORDINATED TAXABLE HEALTH CARE FACILITY REVENUE BONDS
SERIES B, 2016
(ANDOVER FAMILY MEDICINE)

DATED JANUARY 30, 2026

RESOLUTION NO. 26-02

A RESOLUTION OF THE CITY OF ANDOVER, KANSAS APPROVING THE SALE OF CERTAIN FACILITIES FINANCED WITH THE PROCEEDS OF REVENUE BONDS OF THE CITY; APPROVING THE CALL AND REDEMPTION OF SAID REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF (1) A SPECIAL WARRANTY DEED, (2) A BILL OF SALE, (3) A TERMINATION AND RELEASE OF LEASE, AND (4) A SATISFACTION, DISCHARGE AND RELEASE OF INDENTURE.

WHEREAS, the City of Andover, Kansas is a municipal corporation organized under the laws of the State of Kansas (the "Issuer"); and

WHEREAS, the Issuer is authorized pursuant to K.S.A. 12-1740 *et seq.* to issue its revenue bonds for the purpose of paying all or any portion of the cost of purchasing, acquiring, constructing and equipping facilities for commercial, hospital and recreational purposes and to enter into leases with any person, firm or corporation for such facilities; and

WHEREAS, the Issuer has previously issued its (i) Taxable Health Care Facility Revenue Bonds, Series A, 2026 (Andover Family Medicine) (the "Series A, 2016 Bonds") in the original aggregate principal amount of not to exceed \$2,320,000, and (ii) Subordinated Taxable Health Care Facility Revenue Bonds, Series B, 2016 (Andover Family Medicine) (the "Series B, 2016 Bonds") in the original aggregate principal amount of not to exceed \$545,882, for the purpose of paying the costs of purchasing, acquiring, constructing, furnishing, and equipping medical office facility (the "Project") and paying certain costs of issuance in connection with the Series A, 2016 Bonds and Series B, 2016 Bonds (collectively, the "Bonds"); and

WHEREAS, the Project is leased by the Issuer to LMLZ, LLC, a Kansas limited liability company (the "Tenant"), pursuant to a certain Lease Agreement, dated as of February 1, 2016, as supplemented and amended by a First Supplemental Lease Agreement, dated as of February 22, 2017 (collectively, the "Lease"); and

WHEREAS, the Bonds are payable from the Trust Estate created pursuant to a certain Trust Indenture, dated as of February 1, 2016, as supplemented and amended by a First Supplemental Trust Indenture dated as of February 22, 2017 (collectively, the "Indenture"), each by and between the Issuer and Security Bank of Kansas City, Kansas City, Kansas, as Trustee (the "Trustee"), which Trust Estate includes a pledge of the Project and revenue received from the fees charged and Basic Rent received pursuant to the Lease; and

WHEREAS, the payment of the principal of and interest on the Series A, 2016 Bonds is guaranteed by the Tenant pursuant to the terms of a certain Guaranty Agreement, dated as of February 1, 2016; and

WHEREAS, the payment of the principal of and interest on the Series A, 2016 Bonds is guaranteed by Andover Family Medicine, LLC (the "Additional Guarantor") pursuant to the terms of a certain Additional Guaranty Agreement, dated as of February 1, 2016; and

WHEREAS, the payment of the principal of and interest on the Series A, 2016 Bonds is guaranteed by Lindsay M. Landers D.O., Matthew G. Meschke, D.O., Brennan L. Lucas, M.D., and Timothy R. Zynda pursuant to the terms of a certain Individual Guaranty Agreement, dated as of February 1, 2016; and

WHEREAS, Section 15.1 of the Lease provides for the purchase of the Project by the Tenant upon the proper exercise of the Tenant's option to purchase and the payment (pursuant to Section 15.2) to the Trustee of the full amount necessary and incidental to the retirement and defeasance of the Bonds, plus the payment to the Issuer of \$1,000; and

WHEREAS, Sections 302(B) of the Indenture provides that the Series A, 2016 Bonds may be called for redemption prior to maturity at the option of the Issuer, upon instructions from the Tenant, at a redemption price set forth therein; and

WHEREAS, the Tenant has provided notice of its intent and has instructed the Issuer to redeem the Series A, 2016 Bonds on or about February 2, 2026 or such later date as the Tenant has received the proceeds of a loan sufficient to pay and redeem all outstanding Series A, 2016 Bonds (the "Closing Date"); and

WHEREAS, the Series B, 2016 Bonds have matured and are no longer outstanding; and

WHEREAS, the Tenant has provided notice of its election to purchase the Project on the Closing Date; and

WHEREAS, the Issuer finds it necessary to consent to the redemption of the Series A, 2016 Bonds and authorize the execution and delivery of (1) a Special Warranty Deed, (2) Bill of Sale, (3) Termination and Release of Lease, and (4) Satisfaction, Release and Discharge of Indenture, in connection with the exercise by the Tenant of its option to purchase the Facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ANDOVER, KANSAS, AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Lease and Indenture (all as defined above).

Section 2. Sale of the Facilities. The Issuer is hereby authorized to convey the Project (as defined above) to the Tenant upon (1) sufficient moneys having been deposited with the Trustee so as to completely defease and pay the Series A, 2016 Bonds in accordance with the terms of the Indenture, the sufficiency of which amount is to be acknowledged by the Trustee in writing, and surrender of the Series B, 2016 Bonds in satisfaction of the payment of all principal of, interest on, and premium, if any, due and payable at redemption, and (2) receipt by the Issuer of the \$1,000 to which it is entitled pursuant to Section 15.2 of the Lease.

Section 3. Authorization and Consent to Redemption. The governing body of the Issuer hereby declares its desire and consent to the redemption of the Series A, 2016 Bonds on the Closing

Date, or as soon thereafter as practicable, in accordance with the instructions from the Tenant (which shall also be deemed the Issuer's instructions to the Trustee). Issuer acknowledges proper notice of the Tenant's instructions to redeem the Series A, 2016 Bonds or otherwise waives any additional notice requirements under the Indenture.

Section 4. Authorization of Special Warranty Deed. The Issuer is hereby authorized to execute and deliver its Special Warranty Deed (the "Special Warranty Deed") for the real property portions of the Project to the Tenant, upon satisfaction of the conditions contained in the Lease and set forth in Section 2 hereof, and in substantially the same form as the deed before the governing body on this date.

Section 5. Authorization of Bill of Sale. The Issuer is hereby authorized to execute and deliver its Bill of Sale (the "Bill of Sale") for the personal property portions of the Project to the Tenant, upon satisfaction of the conditions contained in the Lease and set forth in Section 2 hereof, and in substantially the same form as the Bill of Sale before the governing body on this date.

Section 6. Authorization of Termination and Release of Lease. The Issuer is hereby authorized to execute and deliver a Termination and Release of Lease (the "Lease Termination") by and between the Tenant, the Issuer and the Trustee, upon satisfaction of the conditions contained in the Lease and set forth in Section 2 hereof, and in substantially the same form as the Lease Termination before the governing body on this date.

Section 7. Authorization of Satisfaction, Release and Discharge of Indenture. The Issuer is hereby authorized to execute and deliver a Satisfaction, Release and Discharge of Indenture (the "Indenture Release") by and between the Issuer and the Trustee, upon satisfaction of the conditions contained in the Lease and set forth in Section 2 hereof, and in substantially the same form as the Indenture Release before the governing body on this date.

Section 8. Execution of Documents. The Mayor of the Issuer is hereby authorized and directed to execute the Special Warranty Deed, Bill of Sale, Lease Termination and Indenture Release for and on behalf of and as the act and deed of the Issuer in substantially the forms as they are presented today with such minor corrections or amendments thereto as the Mayor of the governing body of the Issuer shall approve, which approval shall be evidenced by his execution thereof, and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Resolution, including specifically any applicable UCC Termination Statements. The City Clerk or any Deputy City Clerk of the Issuer are hereby authorized and directed to attest the execution of the Special Warranty Deed, Bill of Sale, Lease Termination and Indenture Release, on behalf of the Issuer and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 9. Delivery of Documents. The Special Warranty Deed, Bill of Sale, Lease Termination and Indenture Release shall be delivered by the Mayor, City Clerk or other appropriate staff member of the Issuer concurrently upon the satisfaction of the requirements set forth in the Lease and in Section 2 of this Resolution. Prior escrow delivery of the aforesaid documents may be made to Bond Counsel or upon the establishment of proper escrow arrangements for escrow of the

Special Warranty Deed, Bill of Sale, Lease Termination and Indenture Release with a licensed title company having offices within Butler County, Kansas, which title company expressly agrees to release such documents only upon written evidence of the satisfaction of the requirements of the Lease, Indenture and Section 2 of this Resolution.

Section 10. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Resolution and to carry out, comply with and perform the duties of the Issuer with respect to the Special Warranty Deed, Bill of Sale, Lease Termination and Indenture Release and the redemption, satisfaction and discharge of the Bonds, all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 11. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the Issuer.


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PASSED, ADOPTED AND APPROVED by the governing body of the City of Andover, Kansas this 27th day of January, 2026.

CITY OF ANDOVER, KANSAS

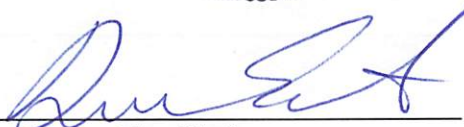
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Ronnie Price, Mayor

ATTEST:



Dana Engstrom, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Andover, Kansas met at the normal meeting place in the City on January 27, 2026 at 7:00 p.m., with the Mayor Ronnie Price presiding, and the following members of the governing body present: Colin Gallagher, Michael Henry, Jodi Ocadiz, Tim Brunson, and Paul Wemmer.

and the following members absent: Tim Berry

Thereupon, and among other business, there was presented to the governing body a Resolution entitled:

A RESOLUTION OF THE CITY OF ANDOVER, KANSAS APPROVING THE SALE OF CERTAIN FACILITIES FINANCED WITH THE PROCEEDS OF REVENUE BONDS OF THE CITY; APPROVING THE CALL AND REDEMPTION OF SAID REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF (1) A SPECIAL WARRANTY DEED, (2) A BILL OF SALE, (3) A TERMINATION AND RELEASE OF LEASE, AND (4) A SATISFACTION, DISCHARGE AND RELEASE OF INDENTURE.

Thereupon, the Resolution was considered and discussed; and on motion of Council President Henry, seconded by Council Member Ocadiz, the Resolution was adopted by a majority vote of all members present.

Thereupon, the Resolution having been adopted by a majority vote of the members of the governing body present, it was given No. 26-02 and was directed to be signed by the Mayor and attested by the City Clerk.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of the Minutes of the proceedings at the January 27, 2026, meeting of the governing body of the City of Andover, Kansas.

[seal]





Dana Engstrom, City Clerk