

RESOLUTION NO. 10/11/16-1

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A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF GARNETT, AS OWNER, OF A BILL OF SALE AND SPECIAL WARRANTY DEED AND AS LESSOR, TERMINATING THE LEASE AGREEMENT AND TRUST INDENTURE WITH THE BOARD OF TRUSTEES OF ANDERSON COUNTY HOSPITAL AND SECURITY BANK OF KANSAS CITY.

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WHEREAS, the City of Garnett, Kansas, issued industrial revenue bonds to finance a building and equipment for the Anderson County Hospital; and,

WHEREAS, the bonds thus issued have now been paid in full and according to the terms of the lease from the City of Garnett to Anderson County Hospital, the said hospital is entitled to exercise an option to purchase said building and equipment, which option has been exercised; and,

WHEREAS, documents have been prepared for execution by the City of Garnett to transfer title to said assets, in accordance with the said option so exercised and officials of the City of Garnett should be authorized to execute and deliver the same.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF GARNETT, KANSAS, that the mayor and city clerk be and they are hereby authorized and directed to execute and deliver a bill of sale for said equipment and a special warranty deed for said building and real estate, substantially in the form of Exhibit A and Exhibit B, respectively, attached hereto.

BE IT FURTHER RESOLVED that the mayor and city clerk be and they are hereby authorized and directed to execute the declaration of termination of the said lease agreement, substantially in the form of Exhibit C attached hereto.

ADOPTED this _____ day of October, 2016.

Greg A. Gwin, Mayor

Jody M. Cole, Commissioner

W. Gordon Blackie, Commissioner

ATTEST:

Kristina L. Kinney
City Clerk

BILL OF SALE

WITNESSETH: That **CITY OF GARNETT, KANSAS**, a municipal corporation duly organized, incorporated and existing under and by virtue of the laws of the State of Kansas ("Seller"), pursuant to the Lease Agreement dated as of December 15, 2006 (the "Lease Agreement"), between the Seller and **THE BOARD OF TRUSTEES OF ANDERSON COUNTY HOSPITAL**, a county hospital organized pursuant to K.S.A. 19-4601 et seq. ("Buyer"), for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, has **BARGAINED** and **SOLD**, and by these presents does now **GRANT** and **CONVEY**, unto Buyer and its successors and assigns, all of its right, title and interest, if any, in and to the machinery and equipment and other personal property, generally described on **Exhibit A** attached hereto, and constituting the "Project Equipment", as defined in the Lease Agreement.

TO HAVE AND TO HOLD the same unto Buyer, its successors and assigns.

The property is being conveyed "as is," "where is" and "with all faults" as of the date of this Bill of Sale, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose, merchantability, or any other warranty, express or implied.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed by its duly authorized officials as of October ____, 2016.

CITY OF GARNETT, KANSAS

Greg A. Gwin, Mayor

[SEAL]

ATTEST:

Kristina L. Kinney, City Clerk

Exhibit *A*

EXHIBIT A

PROJECT EQUIPMENT

All items of machinery, equipment and parts or other personal property installed or acquired or to be acquired for installation in the Medical Office Building and paid for in whole or in part from the proceeds of Bonds and all replacements thereof and substitutions therefor made pursuant to the Lease Agreement.

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED, is made October _____, 2016, between the **CITY OF GARNETT, KANSAS**, a municipal corporation duly organized, incorporated and existing under and by virtue of the laws of the State of Kansas (the "Grantor"), and **THE BOARD OF TRUSTEES OF ANDERSON COUNTY HOSPITAL**, a county hospital organized pursuant to K.S.A. 19-4601 et seq. whose notice address is 421 S. Maple, Garnett, Kansas 66032 (the "Grantee"):

WITNESSETH, THAT THE SAID GRANTOR, in consideration of the sum of **ONE HUNDRED DOLLARS (\$100.00)** and other good and valuable consideration, the receipt whereof is hereby acknowledged, does by these presents Sell and Convey unto **GRANTEE**, its successors and assigns, the **REAL ESTATE**, situated in the County of Anderson, State of Kansas, and legally described as follows:

Beginning at a point 360 feet West of the Northeast Corner of the Southeast Quarter (SE/4) of Section Twenty-five (25), Township Twenty (20) South, Range Nineteen (19) East of the Sixth Principal Meridian, thence west 201 feet, thence South 216 feet to a point which is on a line which would be an extension of the south edge of the alley between Fourth Avenue and Fifth Avenue in the City of Garnett, Kansas, thence East 201 feet on said extended alley line, thence North 216 feet to the place of beginning, subject to easements and restrictions of record, including but not limited to street right-of-way along the north side thereof.

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining forever.

And said **GRANTOR**, for itself, its successors and assigns, does hereby covenant, promise and agree, to and with **GRANTEE**, that at the delivery of these presents, said interest in said premises is free, clear, discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and encumbrances, of what nature and kind whatsoever, by, through or under Grantor, except as above stated, and that it will **WARRANT** and **FOREVER DEFEND** the same unto the Grantee, its successors and assigns, against the Grantor, its successors and assigns, and all and every person or persons whomsoever, lawfully claiming or to claim the same by, through or under the Grantor.

THIS CONVEYANCE IS SOLELY FOR THE PURPOSE OF RELEASING SECURITY FOR A DEBT OR OTHER OBLIGATION AND IS EXEMPT FROM THE REQUIREMENTS OF A SALES VALIDATION QUESTIONNAIRE PURSUANT TO K.S.A. 79-1437e(2)

Exhibit B

IN WITNESS WHEREOF, the GRANTOR has hereunto caused this Deed to be signed on its behalf by its Mayor and to be attested by its City Clerk, and has caused the corporate seal to be hereunto affixed, the day and year first above written.

CITY OF GARNETT, KANSAS

Greg A. Gwin
Mayor

[SEAL]
ATTEST:

Kristina L. Kinney
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF ANDERSON)

On this ____ day of October, 2016, before me, a Notary Public in and for said State, personally appeared GREG A. GWIN and KRISTINA L. KINNEY, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Garnett, Kansas, a municipal corporation duly authorized, incorporated and existing under and by virtue of the Constitution and laws of the State of Kansas, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its governing body, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Notary Public - State of Kansas

[SEAL]

My appointment expires _____.

TERMINATION OF LEASE AGREEMENT AND TRUST INDENTURE

This Termination of Lease Agreement and Trust Indenture dated as of October __, 2016 among the City of Garnett, Kansas (the "City"), The Board of Trustees of the Anderson County Hospital, a county hospital organized pursuant to K.S.A. 19-4601 et seq. (the "Company") and Security Bank of Kansas City, as trustee (the "Trustee").

A. The City has previously issued its of \$500,000 principal amount of Tax-Exempt Industrial Revenue Bonds (Anderson County Hospital - Medical Office Building Project), Series 2006A and \$145,000 principal amount of Taxable Industrial Revenue Bonds (Anderson County Hospital - Medical Office Building Project), Series 2006B (the "Bonds"), pursuant to a Trust Indenture dated as of December 15, 2006 (the "Indenture"), between the City and Security Bank of Kansas City (the "Trustee"), and used the proceeds of the Bonds to construct a Project (as defined in the Indenture).

B. The City leased the Project to the Company pursuant to a Lease Agreement dated as of December 15, 2006 (the "Lease Agreement"), between the Company and the City, and the Company and the City filed for record a Notice of Lease Agreement and Operating Agreement recorded December 19, 2006 in Book 81 at Page 216 and an Assignment of Lease recorded December 19, 2006 in Book 81 at Page 217.

C. The Company, the City and the Trustee entered into various other documents relating to the Bonds (the "Other Bond Documents"), a complete set of which is contained in the Transcript of Proceedings Relating to the Issuance of the Bonds (the "Transcript").

D. The Company has made provision for payment of all amounts payable under the Lease Agreement, including payment of all outstanding Bonds and all fees, taxes, penalties, costs and expenses of the Trustee and the City, and the City is conveying the Project to the Company;

NOW, THEREFORE, THE CITY, THE TRUSTEE AND THE COMPANY DO HEREBY STATE AND DECLARE:

That as of October 1, 2016 the Lease Agreement, the Indenture and the Other Bond Documents shall terminate and be of no further force and effect. The real property located in Anderson County, Kansas, affected by the Lease Agreement and Trust Indenture is described in Exhibit A attached hereto and incorporated herein by reference and such real property is hereby released from the lien and effect of the Lease Agreement, the Indenture and the Other Bond Documents.

IN WITNESS WHEREOF, the parties named above have caused this Termination of Lease and Trust Indenture to be duly executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers.

Exhibit C

CITY OF GARNETT, KANSAS

Greg A. Gwin
Mayor

[SEAL]
ATTEST:

Kristina L. Kinney
City Clerk

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF ANDERSON)

On this ____ day of October, 2016, before me, a Notary Public in and for said State, personally appeared **GREG A. GWIN** and **KRISTINA L. KINNEY**, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Garnett, Kansas, a municipal corporation duly authorized, incorporated and existing under and by virtue of the Constitution and laws of the State of Kansas, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed on behalf of said City by authority of its governing body, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said City.

free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Notary Public - State of Kansas

[SEAL]

My appointment expires _____.

SECURITY BANK OF KANSAS CITY,
A corporation organized under the laws of the
state of _____

By: _____
Name: Erica Lemon
Title: Trust Officer

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF WYANDOTTE)

BE IT REMEMBERED that on this _____ day of October, 2016, before me, a notary public in and for said county and state, came Erica Lemon, a Trust Officer of Security Bank of Kansas City, a state banking corporation organized under the laws of the state of Kansas, who is personally known to me to be the same person who executed, as such officer, the within instrument on behalf of said banking corporation, and such person duly acknowledged the execution of the same to be the act and deed of said banking corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Notary Public

[SEAL]

My appointment expires _____.

THE BOARD OF TRUSTEES OF ANDERSON
COUNTY HOSPITAL

By: _____

Chairperson

ACKNOWLEDGMENT

STATE OF KANSAS)
) SS.
COUNTY OF ANDERSON)

BE IT REMEMBERED, that on this ___ day of October, 2016, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____, Chairperson of The Board of Trustees of Anderson County Hospital, a Kansas county hospital, and who is personally known to me to be the same person who executed the within instrument on behalf of said county hospital, and he did duly acknowledge the execution of the same to be the act and deed of said county hospital.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

[SEAL]

Notary Public

My commission expires _____

EXHIBIT A

The following described real property located in Anderson County, Kansas:

Beginning at a point 360 feet West of the Northeast Corner of the Southeast Quarter (SE/4) of Section Twenty-five (25), Township Twenty (20) South, Range Nineteen (19) East of the Sixth Principal Meridian, thence west 201 feet, thence South 216 feet to a point which is on a line which would be an extension of the south edge of the alley between Fourth Avenue and Fifth Avenue in the City of Garnett, Kansas, thence East 201 feet on said extended alley line, thence North 216 feet to the place of beginning, subject to easements and restrictions of record, including but not limited to street right-of-way along the north side thereof.