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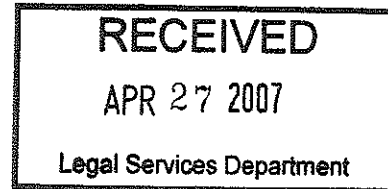
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April 26, 2007

VIA FED EX

Ms. Toni Wheeler
City Attorney
City of Lawrence
6 East 6th Street
Lawrence, KS 66044



Re: Proposed City of Wichita, Kansas
Health Care Facilities Refunding and Improvement Revenue Bonds, Series 2007
(Presbyterian Manors, Inc.)

Dear Ms. Wheeler:

We are serving as bond counsel to the City of Wichita, Kansas (the "Issuer"), with respect to the above-referenced bond issue. It is anticipated that at its regular meeting of May 1, 2007, the Governing Body of the Issuer will approve a request from Presbyterian Manors, Inc. ("PMI") for a letter of intent to issue health care facilities refunding and improvement revenue bonds in an amount not to exceed \$28,000,000 (the "Proposed 2007 Bonds"), for the purpose of paying the costs of (i) refunding, redeeming and retiring the Issuer's outstanding Health Care Facilities Refunding Revenue Bonds, Series VIII-A 2001 (Presbyterian Manors, Inc.) issued for the benefit of PMI (the "Existing Bonds") and (ii) paying the costs of renovating, expanding and equipping certain PMI facilities, including its facilities located in the City of Lawrence, Kansas (the "City").

In 1990, the Issuer first authorized the issuance of industrial revenue bonds to finance or refinance improvements to PMI facilities throughout the state of Kansas for the purpose of allowing PMI to restructure its long-term indebtedness and to develop a consolidated plan of financing which would provide a vehicle for future needs. To enable the Issuer to issue bonds for facilities located outside its jurisdiction, the Issuer entered into Interlocal Cooperation Agreements with those cities in which PMI facilities are located, including the City. Each Interlocal Cooperation Agreement permits the Issuer to issue bonds on behalf of such city, provided the city consents to such issuance.

Pursuant to this plan of finance, the Issuer has issued several series of industrial revenue bonds for the benefit of PMI, including the Existing Bonds. For your convenience, a copy of the City's Interlocal Cooperation Agreement with the Issuer is enclosed.

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A portion of the proceeds of the Proposed 2007 Bonds (approximately \$776,000) are anticipated to be used for renovations to the PMI facilities in Lawrence, Kansas. A portion of the proceeds of the Proposed 2007 Bonds (approximately \$11,000,000) are anticipated to be used for major renovations to the PMI facilities in Newton, Topeka and Clay Center, as well as minor capital improvements at other facilities. The issuance of the Proposed 2007 Bonds will have no effect on the property tax situation of any PMI facilities. Furthermore, the Proposed 2007 Bonds will be limited obligations of the Issuer, payable from rental payments made by PMI to the Issuer and not from the faith and credit or taxing power of the Issuer, the City, the State of Kansas or any other municipality or political subdivision thereof.

In addition to the consent of the City to the issuance of the Proposed 2007 Bonds which is required by its Interlocal Cooperation Agreement with the Issuer, the Internal Revenue Code requires public approval from each jurisdiction in which the facilities to be financed with the proceeds of the Proposed 2007 Bonds are located. This public approval requirement is met by holding a public hearing (with notice published two weeks before the public hearing in a newspaper of general circulation in the jurisdiction), followed by approval of the governing body of the jurisdiction. Closing on the Proposed 2007 Bonds is currently scheduled for June 22, 2007, subject to approval by the cities of Arkansas City, Clay Center, Dodge City, Emporia, Fort Scott, Hutchinson, Newton, Parsons, Salina, Topeka, the Unified Government of Wyandotte County/Kansas City, Kansas and the Issuer, and adoption of a Bond Ordinance by the Issuer.

We have drafted and enclosed for your review a proposed notice of public hearing and a proposed resolution approving the issuance of the Proposed 2007 Bonds. If the form of the notice and resolution meet with your approval, we ask that you allow us to publish the notice of public hearing on May 8, 2007, in The Lawrence Daily Journal-World and that the resolution be placed on the governing body's agenda for consideration at its meeting of May 22, 2007. It is anticipated that the Preliminary Official Statement offering the Proposed 2007 Bonds will be distributed prior to the approval of the City. Our firm will handle all publications and will provide the City Clerk with execution copies of the approving resolution. If you would like anyone from our office or from PMI to attend the Commission's meeting, please let us know.

Please do not hesitate to contact us with any questions or concerns you may have. We appreciate your assistance in this matter.

Sincerely,



Janet S. Garms

crs

Enclosure