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Register of Deeds

Ray Penell

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement, made pursuant to the Interlocal Cooperation Act, K.S.A. 12-2901, et seq., as amended (the "Interlocal Cooperation Act"), is entered into by and between the City of Wichita, Kansas (hereinafter referred to as the "Issuer"), and the City of Lawrence, Kansas (hereinafter referred to as "Participant"), authorizing the City of Wichita, Kansas to issue certain Health Care Facilities Refunding and Improvement Revenue Bonds in one or more series pursuant to K.S.A. 12-1740 to 12-1749c, inclusive, and K.S.A. 10-116a, all as amended (collectively the "Act") for the purposes and in the aggregate amounts set forth herein.

WHEREAS, the Issuer has previously entered into other Interlocal Cooperation Agreements with certain participating cities including the City of Emporia, Kansas, the City of Newton, Kansas, the City of Salina, Kansas and the City of Hutchinson, Kansas (hereinafter collectively referred to as the "Previous Participants") for the purpose of issuing certain City of Wichita, Kansas, Health Care Facilities Refunding and Improvement Revenue Bonds, Series IX-A, 1990, Series IX-B, 1990 and Series IX-C, 1990 (Presbyterian Manors, Inc.) dated December 1, 1990 (the "1990 Bonds"); and

WHEREAS, it is possible that the Issuer will hereafter enter into other Interlocal Cooperation Agreements with participating cities (hereinafter collectively referred to as "Prospective Participants") for the purpose of issuing health care facilities refunding and/or improvement revenue bonds pursuant to the Act. (The Previous Participants, Prospective Participants and the Participant are collectively referred to herein as the "Participants"); and

WHEREAS, pursuant to the Act, all cities and counties in the State of Kansas are authorized to issue revenue bonds, the proceeds of which may be used for the purpose of paying all or part of the cost of purchasing, acquiring, constructing, reconstructing,

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Interlocal Cooperation Agreement

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301 N. Main
Wichita, KS 67202

improving, equipping, furnishing, repairing, enlarging or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes; and

WHEREAS, pursuant to the Act, any city or county which has issued revenue bonds under the provisions of the Act are further authorized to issue refunding revenue bonds in the manner prescribed by and subject to the provisions of K.S.A. 10-116(a) of the Act; and

WHEREAS, in accordance with the provisions of K.S.A. 12-1741a, the Issuer has authority to issue such revenue bonds to finance facilities located outside its boundaries as specifically provided therein; and

WHEREAS, the Previous Participants had previously issued, pursuant to the Act, certain revenue bonds for the purposes of financing facilities leased to Presbyterian Manors, Inc., and have subsequently provided for the refunding of the said bonds by becoming Participants in certain interlocal cooperation agreements executed and delivered in connection with the issuance of the 1990 Bonds; and

WHEREAS, certain of the Prospective Participants have previously issued, pursuant to the Act, certain revenue bonds for the purposes of financing facilities which have been or are now leased to Presbyterian Manors, Inc.; and

WHEREAS, the Interlocal Cooperation Act permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities, persons, associations and corporations on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, each of the Participants is a "public agency" as such term is defined in K.S.A. 12-2903(a); and

WHEREAS, Presbyterian Manors, Inc., a Kansas not-for-profit corporation, currently leases and operates numerous healthcare facilities located throughout the State of Kansas, as well as its corporate offices located in the City of Wichita, Kansas; and

WHEREAS, Presbyterian Manors, Inc. has requested that all the Participants cooperate with one another and the Issuer to facilitate the refunding of certain outstanding bonds previously issued by certain of the Participants pursuant to the Act, and to provide funds for constructing certain new facilities, as well as

improvements and additions to existing facilities located within the boundaries of the respective Participants, in order to secure to the Participants and to Presbyterian Manors, Inc. the economic and other benefits to be derived through the orderly and efficient financing of facilities and refunding of outstanding indebtedness issued for the purposes of financing certain facilities leased by the respective Participants to Presbyterian Manor, Inc.; and

WHEREAS, pursuant to the Interlocal Cooperation Act, the Participant is authorized and empowered to enter into this Interlocal Cooperation Agreement and its governing body has duly authorized the execution and delivery on its behalf of this Interlocal Cooperation Agreement for the purpose of establishing the relationships and respective duties and obligations of the parties hereto in accordance with the Act.

NOW, THEREFORE, in consideration of the premises set forth herein, and of the mutual benefits to the Participants and the Issuer which shall accrue by virtue of this Interlocal Cooperation Agreement, the parties hereto agree as follows:

Section 1. This Agreement shall remain in full force and effect until the principal of and interest on all revenue bonds and all sums of money with respect thereto have been paid in full or provision made for the payment thereof in accordance with the provisions of said bonds, and the indentures and related agreements authorizing and securing payment of said bonds; provided, however, that in no event shall the term of this Agreement extend past 11:59 p.m. on December 1, 2030.

Section 2. The Participant hereby covenants and agrees that:

(a) The City of Wichita, Kansas, as issuer shall authorize and issue its revenue bonds pursuant to the Act for the purpose of refunding outstanding bonds and to provide funds for constructing improvements and additions to existing facilities located within the boundaries of the Participant for commercial purposes to be leased to Presbyterian Manors, Inc., all in accordance with the Act.

(b) All bonds issued by Issuer shall recite therein that said bonds are issued by Issuer on behalf of and with the consent and approval of the Participant, and pursuant to the provisions of this Interlocal Cooperation Agreement.

(c) The Issuer is authorized to execute and deliver on behalf of the Participant, indentures of trust, leases and such other documents and agreements as the governing body of the Issuer may determine to be necessary or

desirable to secure payment of the bonds issued by Issuer and to evidence Issuer's security interests in the facilities financed through issuance of such bonds and such other revenues or property which may from time to time be pledged to secure payment of said bonds.

(d) The Issuer is further authorized to execute and deliver such other documents, agreements or certificates as shall be necessary to implement and carry out the intention of this Interlocal Cooperation Agreement.

Section 3. The Participant hereby authorizes the Issuer to engage in any and all acts and to exercise all of the authority and powers conferred upon the Participant by the Act and by the Interlocal Cooperation Act with respect to any property located within the Participant's boundaries and its authority to issue revenue bonds pursuant to the Act.

Section 4. Issuer covenants and agrees that it will take no action under and pursuant to the terms of this Interlocal Cooperation Agreement which would result in the abatement of ad valorem taxes levied by Participant on or with respect to facilities leased to Presbyterian Manors, Inc., without the express prior written approval of such Participant in accordance with the provisions of K.S.A. 12-1741a and 12-1741b. Issuer further covenants that any payments in lieu of taxes received by the Issuer with respect to facilities located within the boundaries of the Participant shall upon receipt be forthwith allocated and transmitted to the Participant in accordance with the provisions of K.S.A. 12-1742.

Section 5. During the term of this Agreement, the Issuer shall maintain a written record which shall allocate the amount of bonds issued by the Issuer hereunder among the respective Participants in accordance with the amount of proceeds of such bonds utilized to redeem outstanding bonds and to provide additional facilities within the jurisdiction of each Participant. In no event may the total amount of bonds allocated to the Participant exceed the total amount of bonds authorized by such Participant pursuant to this Agreement or a letter of intent or inducement resolution duly approved by its governing body. Participant hereby reserves the right to increase the amount of authorized bonds which may be allocated to it hereunder by adoption of either an additional letter of intent or inducement resolution.

Section 6. It is expressly understood and agreed that the Participant shall not be liable in any manner for the payment of any revenue bonds hereafter issued for Presbyterian Manors, Inc. by the Issuer, and that the authority and designation herein contained shall not relieve Presbyterian Manors, Inc. of its obligations to comply with any applicable ordinances of the Participant.

Section 7. It is not anticipated that the Issuer or the Participant will incur any significant operating or other expenses in connection with the implementation of this Interlocal Cooperation Agreement. The Participant hereby finds and determines that it is not necessary to provide for the financing or budget of any such expenditures in association herewith.

Section 8. This Interlocal Cooperation Agreement shall be in full force and effect upon execution by the parties hereto and shall not be dependent upon the other Participants entering into similar agreements.

Section 9. If one or more provisions of this Agreement are hereafter found void or unenforceable as provisions contrary to the law, the remaining provisions shall nevertheless continue in full force and effect, and only such provisions as are specifically found invalid shall be null and without effect.

[Remainder of this Page Left Blank Intentionally]

THIS INTERLOCAL COOPERATION AGREEMENT WAS EXECUTED AND
DELIVERED this 22nd day of September, 1993.

CITY OF WICHITA, KANSAS

Attest:

By: Elma Broadfoot
Elma Broadfoot, Mayor.

Pat Burnett
Pat Burnett, Deputy City Clerk

"ISSUER"

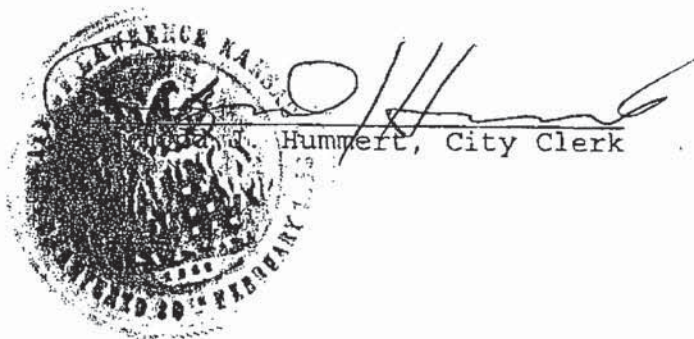
(Seal)



CITY OF LAWRENCE, KANSAS

Attest:

By: John Nalbandian
John Nalbandian, Mayor



"PARTICIPANT"

ATTORNEY GENERAL'S APPROVAL

The above and foregoing Interlocal Cooperation Agreement is in proper form and compatible with the laws of the State of Kansas and is hereby approved pursuant to K.S.A. 12-2904(f), as amended, this 28 day of Sept, 1993.

ROBERT T. STEPHEN
Attorney General of the State
of Kansas

By: Robert T. Stephen
Attorney General