This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 23, 2026

NEW ISSUE **NOT RATED**
BOOK-ENTRY ONLY **BANK QUALIFIED**

In the opinion of Gilmore & Bell, P.C., bond counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and not an item of tax preference for purposes of the federal alternative minimum tax, (2) the interest on the Series 2026 Bonds is exempt from income taxation by the State of Kansas, and (3) the Series 2026 Bonds are "qualified tax exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" herein. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

$1,885,000*
CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION
REVENUE BONDS, SERIES 2026 (CITY FACILITIES PROJECT)

DATED: As of the Delivery Date shown below **DUE: October 1, As shown on the inside cover**

The Revenue Bonds (Swimming Pool Project), Series 2026 (the "Series 2026 Bonds") will be issued by the City of Lebo, Kansas Public Building Commission (the "Issuer" or "PBC") as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2026 Bonds. Purchases of the Series 2026 Bonds will be made in book-entry form, in the denominations of $5,000 or any integral multiple thereof (the "Authorized Denomination") and shall be numbered in such manner as the Bond Registrar shall determine. Purchasers will not receive certificates representing their interests in the Series 2026 Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee for DTC, references herein to the Bond owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Series 2026 Bonds. Principal will be payable upon presentation and surrender of the Series 2026 Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar (the "Paying Agent" and "Bond Registrar"). Interest payable on each Bond shall be paid to the persons who are the registered owners of the Series 2026 Bonds as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner, or in the case of an interest payment to a registered owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Series 2026 Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Principal of the Series 2026 Bonds will be payable on each October 1, beginning in 2027, and semiannual interest will be payable on April 1 and October 1, beginning on April 1, 2027 (the "Interest Payment Dates").

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto herein or in "APPENDIX C – SUMMARY OF PRINCIPAL FINANCING DOCUMENTS."

The Series 2026 Bonds shall be special limited obligations of the Issuer payable solely from, and secured as to the payment of Debt Service Requirements on the Series 2026 Bonds by a pledge of, certain property, which consists primarily of rental payments to be received by the Issuer under a Lease Agreement between the Issuer and the City of Lebo, Kansas (the "City"). THE SERIES 2026 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER, NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER. See "THE 2026 BONDS – Security for the Series 2026 Bonds". Additional Bonds may be issued by the Issuer on a parity with the Series 2026 Bonds.

MATURITY SCHEDULE ON INSIDE COVER PAGE*

The Series 2026 Bonds are subject to redemption and payment prior to maturity at the option of the Issuer on or after October 1, 2033. See "THE SERIES 2026 BONDS - Redemption Provisions" herein.

The Series 2026 Bonds are offered when, as, and if, issued and delivered by the Issuer, subject to the receipt of the approval of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about December 23, 2026.

SEALED BIDS WILL BE ACCEPTED ON BEHALF OF
THE CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION BY:
RANSON FINANCIAL GROUP, LLC
ON DECEMBER 7, 2026 UNTIL 11:00 A.M. C.T.
AT 200 W. DOUGLAS, SUITE 110
WICHITA, KANSAS 67202
VOICE (316) 264-3400 FAX (316) 265-5403

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE PRELIMINARY OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. "APPENDIX C - SUMMARY OF PRINCIPAL FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS PRELIMINARY OFFICIAL STATEMENT.

*Subject to change.

$1,885,000*
CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION
REVENUE BONDS, SERIES 2026 (CITY FACILITIES PROJECT)

MATURITY SCHEDULE*

SERIAL BONDS

Stated Maturity October 1	Principal Amount*	Annual Rate of Interest	Yield	CUSIP [(1)] Base:
2027	$110,000	____%	____%	
2028	95,000	____%	____%	
2029	100,000	____%	____%	
2030	100,000	____%	____%	
2031	105,000	____%	____%	
2032	110,000	____%	____%	
2033	115,000	____%	____%	
2034	120,000	____%	____%	
2035	125,000	____%	____%	
2036	135,000	____%	____%	
2037	140,000	____%	____%	
2038	145,000	____%	____%	
2039	155,000	____%	____%	
2040	160,000	____%	____%	
2041	170,000	____%	____%	

[TERM BONDS

Stated Maturity October 1	Principal Amount*	Annual Rate of Interest	Yield	CUSIP [(1)] Base:
2041		____%	____%	]

(all plus accrued interest, if any)

[(1)] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, the Borrower, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

*Subject to change.

REGARDING THIS PRELIMINARY OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Series 2026 Bonds other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Preliminary Official Statement does not constitute an offer to sell or solicitation of an offer to buy the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The Underwriter has reviewed the information in this Preliminary Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Preliminary Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Series 2026 Bonds.

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Governing Body – City of Lebo, Kansas Public Building Commission
City Hall
9 E 4th St
Lebo, KS 66856
Phone No. (620) 256-6622

Jim Jones, Member
Eric Ferguson, Member
Will Baker, Member
Amanda Hopkins, Member
Hatti Wright, Member
Cameron Smith, Member

Governing Body – City of Lebo, Kansas
Eric Ferguson, Mayor
Will Baker, Councilmember
Amanda Hopkins, Councilmember
Jim Jones, Councilmember
Cameron Smith, Councilmember
Hatti Wright, Councilmember

City Staff
Catherine Griffin, City Clerk

Paying Agent/Bond Registrar
Office of State Treasurer
Topeka, Kansas

Bond Counsel
Gilmore & Bell, P.C.
Wichita, Kansas

Financial Advisor
Ranson Financial Group LLC
Wichita, Kansas

Underwriter

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2026 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SERIES 2026 BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2026 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS PRELIMINARY OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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APPENDIX C – SUMMARY OF PRINCIPAL FINANCING DOCUMENTS
APPENDIX D – FORM OF DISCLOSURE UNDERTAKING

$1,885,000*
CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION
REVENUE BONDS, SERIES 2026 (CITY FACILITIES PROJECT)

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Lebo, Kansas Public Building Commission (the "Issuer" or the "PBC"), the Issuer's Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), dated December 23, 2026 (the "Dated Date"), and other matters relating thereto.

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

Brief descriptions of the Series 2026 Bonds, the Issuer, the City, the Project and anticipated sources and uses of funds are included herein. Summaries of the principal financing documents relating to the authorization, issuance of and security for the Series 2026 Bonds (collectively the "Principal Financing Documents") are described in "APPENDIX C – SUMMARY OF FINANCING DOCUMENTS." Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and the Series 2026 Bonds are subject to the actual provisions of such documents. Copies of such documents may be examined at the principal offices of the City or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

The Issuer

The Issuer is a municipal corporation organized in 2026 by the City Council of the City pursuant to K.S.A. 12-1757 *et seq*.. The Issuer's governing body consists of six (6) members. The Issuer's principal function and responsibility is to finance the acquisition and construction of building facilities for lease to governmental entities. The current members of the governing body are set forth on the inside cover of this Preliminary Official Statement. The Series 2026 Bonds are being issued for the purpose of paying the costs to acquire, construct and equip facilities for the construction of a swimming pool facility in the City of Lebo and all improvements related thereto (the "Facility").

The PBC and the City will enter into a Base Lease Agreement, dated as of the Dated Date, wherein the County leases the site on which the Facility will be located (the "Land") to the Issuer for a term ending October 1, 2045 (the "Base Lease"), and facilitates the construction and operation of the Facility. The Issuer and the City will enter into a Lease Agreement, dated as of the Dated Date (the "Lease"), wherein the Issuer will lease the Land and the Facility (collectively, the "Project") to the City for lease payments sufficient to provide funds to the Issuer to pay the Debt Service Requirements on the Series 2026 Bonds. The term of the Lease, and schedule of Basic Rent payments to be made thereunder will coincide with the maturity schedule for the Series 2026 Bonds, with the final Basic Rent payment retiring the final maturity of the Series 2026 Bonds. The City will operate the Project and upon retirement of the Series 2026 Bonds, the Base Lease and Lease will terminate and title to the Project will be in the City.

The Series 2026 Bonds are payable solely from the rentals payable by the City under the Lease, and not from any other fund or source of the Issuer. The Pledged Property, as defined by the Bond Resolution, which is comprised primarily of such rental payments, is pledged to the payment of the Series 2026 Bonds. Rental payments under the Lease are intended to be sufficient when added to other funds available for such purpose to pay the principal of, premium if any, and interest on the Series 2026 Bonds when due.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by the Issuer and the City. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned "LEGAL MATTERS," Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

The City

The City is a municipal corporation organized under the laws of the State. The current members of the governing body and certain other officials of the City are set forth on the inside cover of this Preliminary Official Statement.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "APPENDIX C – SUMMARY OF PRINCIPAL FINANCING DOCUMENTS."

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Series 2026 Bonds, the City will enter into a continuing disclosure undertaking (the "Disclosure Undertaking") wherein the City covenants to annually provide certain financial information and operating data (collectively the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the MSRB. Pursuant to the Disclosure Undertaking, the City has agreed to file its Annual Report with the national repository ("EMMA") not later than November 1 of each year, commencing after the year ending December 31, 2026. In the Lease, the City covenants with the Issuer to apply the provisions of the Disclosure Undertaking to the Series 2026 Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Bonds.

The City has not been subject to any continuing disclosure requirements under the Rule in the past five years, so it has not filed any Annual Reports during that time period.

For more information regarding the Disclosure Undertaking, see "APPENDIX D — FORM OF DISCLOSURE UNDERTAKING."

Additional Information

All of the summaries of statutes, opinions, financial and statistical data, and other related reports and documents described in this Preliminary Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the City Hall, 9 E 4th St, Lebo, Kansas 66856. Additional information regarding the City or the Issuer, or the Series 2026 Bonds may be obtained from the City's Financial Advisor, Ranson Financial Group, LLC, 200 W. Douglas, Suite 110, Wichita, Kansas 67202, Attention: Larry Kleeman, by phone ((316) 264-3400) or e-mail (larry@citycode.com).

THE SERIES 2026 BONDS

General

The Series 2026 Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2026 Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid on the Interest Payment Dates in the manner hereinafter set forth.

Authority and Purpose

The Series 2026 Bonds are being issued pursuant and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive, K.S.A. 10-620 *et seq*., K.S.A. 12-1757 *et seq*., as amended (collectively the "Act") for the purpose of paying all or a portion of the costs to construct, equip, and furnish a new swimming pool facility in the City (the "Facility" and together with the site on which the Facility is located, the "Project").

Security for the Series 2026 Bonds

The Series 2026 Bonds and any Additional Bonds (collectively the "Bonds") are special limited obligations of the Issuer payable solely from, and secured as to the payment of the Debt Service Requirements on the Bonds, by a pledge of the Pledged Property established pursuant to the Bond Resolution. The Pledged Property includes: (a) all right, title and interest of the Issuer in and to the Project; (b) all right, title and interest, of the Issuer in, to and under the Base Lease, Lease, all Basic Rent or Additional Rent derived by the Issuer pursuant to the Lease, subject to the provisions of the Lease; and (c) all moneys and Investment Securities from time to time held under the terms of the Bond, including, without limitation, Bond proceeds and income from the temporary investment thereof, proceeds from insurance and condemnation awards, any and all real or personal property of every kind and nature from time to time hereafter, by delivery or by right of any kind, pledged, assigned or transferred as and for additional security for the Bonds by the Issuer.

Pursuant to the Act, the obligations of the City to make Rental Payments under the Lease are legal, valid and binding obligations of the County specifically exempted from the provisions of the Kansas cash-basis and budget laws, are **not** subject to annual appropriation, early cancellation or termination and the City is obligated to pay such Rental Payments from whatever source is legally available to make such Rental Payments. The City anticipates sales tax revenues will provide support for the rental payments under the Lease, in addition to property tax levies as needed

THE SERIES 2026 BONDS DO NOT IN ANY RESPECT REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FULL FAITH AND CREDIT OF THE ISSUER OR THE CITY (EXCEPT TO THE EXTENT THAT RENTALS PAYABLE BY THE CITY UNDER THE LEASE CONSTITUTES AN UNCONDITIONAL OBLIGATION OF THE CITY THAT MAY BE MADE FROM TAX LEVIES).

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Bond Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Series 2026 Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

Method and Place of Payment of the Bonds

The principal of, or Redemption Price, and interest on the Series 2026 Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Bond shall be paid at Maturity to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the

proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE SERIES 2026 BONDS – Book-Entry Bonds; Securities Depository."

Payments Due on Saturdays, Sundays and Holidays

In any case where a Bond Payment Date is not a Business Day, then payment of principal, redemption price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

The Series 2026 Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2026 Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Series 2026 Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Series 2026 Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2026 Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Series 2026 Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2026 Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Series 2026 Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to

the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of the Series 2026 Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Bond Resolution.

Registration, Transfer and Exchange of Bonds

As long as any of the Bonds remain Outstanding, each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Series 2026 Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Bonds

If (a) any mutilated Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Bond instead of issuing a new Bond. Upon the issuance of any new Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Resolution or on, or with respect to, said Bond. If any Bond is not presented for payment within four (4) years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the Issuer, upon instructions from the City, the Series 2026 Bonds maturing October 1, 2034 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2033 and thereafter, as a whole or in part (selection of the amount of Series 2026 Bonds to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

[***Mandatory Redemption***. [(a) *[____] Term Bonds*.]The [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [____] Term Bonds:

Principal Amount	**Year**
$	*

_____
*Final Maturity]

[(b) *[____] Term Bonds*. The [____] Term Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements hereinafter set forth at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The payments which are to be deposited into the Debt Service Account shall be sufficient to redeem, and the Issuer shall redeem on October 1 in each year, the following principal amounts of such [____] Term Bonds:

Principal Amount	**Year**
$	*

_____
*Final Maturity]

Extraordinary Optional Redemption. The Series 2026 Bonds shall be subject to redemption and payment prior to the stated maturity thereof by the Issuer, at the option of the City, as a whole or in part on any date, at a redemption price of 100% of the principal amount of the Series 2026 Bonds being called for redemption, plus accrued interest thereon to the redemption date, upon the occurrence of any of the following conditions or events:

(1) if title to, or the use for a limited period of, substantially all of the Project is condemned by any authority having the power of eminent domain;

(2) if title to substantially all of the Project is found to be deficient or nonexistent to the extent that the efficient utilization of such Project by the City is impaired;

(3) if substantially all of the Project is damaged or destroyed by fire or other casualty; or

(4) if as a result of changes in the Constitution of the State, or of legislative or administrative action by the State or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Lease shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City, or the Issuer.

Selection of Bonds to be Redeemed. The Series 2026 Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Series 2026 Bonds are to be redeemed and paid prior to their Stated Maturity, such Series 2026 Bonds shall be redeemed in such manner as the Issuer shall determine, Series 2026 Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denomination in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Series 2026 Bonds by lot when Series 2026 Bonds of denominations

greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Series 2026 Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of a minimum Authorized Denomination of face value represented by any Series 2026 Bond is selected for redemption, then upon notice of intention to redeem a minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Series 2026 Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of a minimum Authorized Denomination of face value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Series 2026 Bond or Series 2026 Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Series 2026 Bond. If the Owner of any such Series 2026 Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Series 2026 Bond shall, nevertheless, become due and payable on the redemption date to the extent of a minimum Authorized Denomination of face value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, if the Issuer shall call any Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Bonds to the Bond Registrar [, the Bond Insurer] and the Underwriter. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Series 2026 Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Series 2026 Bonds or portions of Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Series 2026 Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2026 Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the foregoing notice, the City shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Series 2026 Bonds, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing

for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2026 Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Series 2026 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2026 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER

The City of Lebo, Kansas Public Building Commission, a municipal corporation, was organized in 2026 by the City Council of the City. The PBC's governing body consists of six members, which members shall consist of the Mayor and each duly elected or appoint City councilmember. The PBC's principal function and responsibility is to finance the acquisition and construction of building facilities for lease to governmental entities. The PBC has authority to issue the Series 2026 Bonds under the Act.

THE CITY

The City of Lebo, Kansas, is a municipal corporation organized under the laws of the State of Kansas. Additional information regarding the City is contained in ***Appendix A*** to this Official Statement. Attached hereto as ***Appendix B*** are the Audited Financial Statements of the City for the fiscal year ended December 31, 2025. Michael D. Peroo, CPA, has performed the audit for such financial statements, but has not participated in the preparation of this Official Statement, other than the information contained in ***Appendix B***. In the opinion of the City, there has been no material adverse change in the financial condition of the County since December 31, 2025, the date of the last audited financial statements.

THE PROJECT

Proceeds of the Series 2026 Bonds will be applied to pay the costs and expenses incurred in connection with the Facility, consisting of the acquisition, construction, furnishing, and equipping of a new public swimming pool facility in the City, and all improvements related thereto. The total estimated cost of the Facility is $2,800,000. Costs of the Facility not paid proceeds of the Series 2026 Bonds shall be paid from available funds of the City.

Contemporaneously with the issuance of the Bonds, the Issuer and the City will enter into the Base Lease, wherein the City leases the Site to the Issuer for a term ending on October 1, 2041 (the "Base Lease"), and permits the construction and operation of the Facility thereon. The Issuer and the City will also enter into the Lease Agreement wherein the Issuer will lease the Project to the City for lease payments sufficient to provide funds to the Issuer to pay the Debt Service Requirements on the Bonds. The Lease shall be effective as of the Dated Date of the Series 2026 Bonds and shall remain in place so long as any Bonds are outstanding. The City will operate the Project and upon retirement of the Bonds, the Base Lease and Lease will terminate and title to the Project will be in the City.

The City anticipates sales tax revenue to provide support for debt service in addition to property tax levies as needed. City sales tax revenues are not pledged to Debt Service Requirements on the Series 2026 Bonds.

APPLICATION OF BOND PROCEEDS

The following table itemizes the sources of funds available for the Project, including the proceeds from the sale of the Series 2026 Bonds, and how such funds are expected to be used:

Sources of Funds	
Proceeds of the Series 2026 Bonds*	$1,885,000
Available Funds of the City	
Total	**$**
Uses of Funds	
Deposit to Project Fund	$
Costs of issuance	
Underwriter's Discount	
Total	**$**

* Subject to change.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE SERIES 2026 BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE SERIES 2026 BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2026 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS PRELIMINARY OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE UNDERWRITER.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2026 Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the taxing authority of the City. Changes in laws effecting the taxing authority of the City could limit the ability of the City to collect revenue sufficient to make Rental Payments under the Lease.

Special Obligations

The Series 2026 Bonds are special limited obligations of the Issuer. Neither the Series 2026 Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the Issuer or any governmental subdivision, agency or instrumentality. The Series 2026 Bonds are not payable in any manner from tax revenues, other than tax revenues that may be utilized by the City to make Lease Payments under the Lease.

Debt Service Source

The Bonds are payable solely from rental payments payable by the City under the Lease. The Bonds are secured by a pledge of the Pledged Property, which is comprised primarily of such rental payments. Under the Act, the City is authorized to enter into long-term leases with the Issuer for use of facilities, such as the Project. The obligation of the City to make Rental Payments under the Lease is **not** subject to annual appropriation and is exempt from the application of the Kansas cash basis and budget laws.

While the future ability of the County to meet its obligations under the Lease and are based upon assumptions and business which the County believe are reasonable and appropriate, they are subject to conditions which may change in the future to an extent that presently cannot be determined.

Property Tax Collection

The Kansas Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the City's property tax collections. If a taxpayer valuation challenge is successful, the liability of the City to refund property taxes previously paid under protest may have a material impact on the City's financial situation and ability to make payments under the Lease.

Title to Project, Lack of Title Insurance

The Facility is located on land that is owned by the City. The Facility will be leased to the PBC pursuant to the Base Lease. Upon termination of the Base Lease, for any reason, the ownership of the land reverts back to the City. No title insurance policies have been or will be obtained to insure the PBC's interest in the land or improvements subject to the Lease. Similarly, the Base Lease does not require the City to obtain or maintain title insurance on the land or improvements subject to the Base Lease.

Matters Relating to the Security for the Bonds

The remedies available to the PBC or the Bond owners upon an Event of Default under Lease are, in many respects, dependent upon judicial actions which are often subject to discretion and delay. Based upon existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Lease may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds and the delivery of the Base Lease and Lease will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws heretofore or hereinafter enacted affecting the rights of creditors generally.

Environmental Matters

Even though the City operations do not involve any unusual environmental hazards, and the City believes that it is currently in compliance with all federal, state and local regulations regarding potential contaminants, the potential for spills and other contamination of the air, soil or groundwater on the Project or in the vicinity may result in potential exposure to liability under federal and state environmental and regulatory laws which require remedial action. No environmental site assessment of the Project has been conducted. Under some circumstances, lenders and other third parties may be named as "potentially responsible parties" and be subjected to liability for payment of cleanup costs. The liability of third parties to such exposure is not well defined. It is not currently possible to assess accurately either the nature or the extent of such potential liability.

Liquidation of Security in the Event of Default

The Project consists of real property and the improvements located thereon. In the event of a forced liquidation or other reletting or disposition of the Project, there is no assurance this will produce funds sufficient to pay the principal of the Series 2026 Bonds and the interest accrued thereon.

Abandonment of Project after Event of Default

The Issuer has certain remedies under the Lease if an Event of Default under the Lease occurs and continues, including the ability to take possession of the Project and relet it, with the proceeds being available to pay principal and interest on the respective Series 2026 Bonds. The Lease gives the Issuer the option, under such circumstances, not to re-enter or take possession of the Project, thereby abandoning a part of the security for the respective Series 2026 Bonds. In the event that the Project should become contaminated by the presence of Hazardous Substances, the Tenant is the subject of a remedial action under an Environmental Law as a result of such contamination, the Issuer would have the discretion to abandon the Project, and probably would abandon it if its market value were substantially impaired by the presence of the contamination or if re-entering or taking possession of the Project would probably expose the Issuer or the Owners to liability for costs of a remedial action under an Environmental Law.

Limitations on Remedies Available to Owners of Series 2026 Bonds

The enforceability of the rights and remedies of the owners of Series 2026 Bonds, and the obligations incurred by the City in issuing the Series 2026 Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Series 2026 Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Taxation of Interest on the Series 2026 Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under current provisions of the Code, and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2026 Bonds includable in gross income for federal income tax purposes.

The Issuer and the City have respectively covenanted in the Lease and in other documents and certificates to be delivered in connection with the issuance of the Series 2026 Bonds to comply with the provisions of the Code, including those which require the City to take or omit to take certain actions after the issuance of the Series 2026 Bonds. Because the existence and continuation of the excludability of the interest on the Series 2026 Bonds depends upon events occurring after the date of issuance of the Series 2026 Bonds, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the City with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2026 Bonds in the event of noncompliance with such provisions. The failure of the Issuer or the City to comply with the provisions described above may cause the interest on the Series 2026 Bonds to become includable in gross income as of the date of issuance.

Market for the Series 2026 Bonds

Bond Rating. The Bonds are **not** rated and no application has been made for a rating.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Series 2026 Bonds. Prices of municipal Series 2026 Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit market. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal Series 2026 Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the City, or a material adverse change in the financial condition of the City, whether or not the subject Series 2026 Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Premium on Series 2026 Bonds

[The initial offering price of the Series 2026 Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof.] Any person who purchases a Series 2026 Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Series 2026 Bonds are subject to redemption at par under the various circumstances described under "THE SERIES 2026 BONDS - Redemption Provisions."

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Bond Resolution does not provide for the payment of additional interest or penalty on the Series 2026 Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Bond Resolution does not provide for the payment of any additional interest or penalty on the Series 2026 Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Kansas Public Employees Retirement System

As described in "***APPENDIX A*** – FINANCIAL INFORMATION – Pension and Employee Retirement Plans," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Public Employees Retirement System – Local Group (the "Plan"). Under existing law, employees make contributions and the Issuer makes all employer contributions to the Plan; neither the employees nor the Issuer are directly responsible for any unfunded accrued actuarial liability ("UAAL"). However, the Plan contribution rates may be adjusted by legislative action over time to address any UAAL. According to KPERS' Valuation Reports, the Local Group had an UAAL of approximately $2.173 billion in calendar year 2025.

Suitability of Investment

The tax exempt feature of the Series 2026 Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Preliminary Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2026 Bonds are an appropriate investment.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the City, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the City and its systems and infrastructure, and interrupt services or otherwise impair operations of the City.

Potential Impacts Resulting from Epidemics or Pandemics

The Issuer's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The Issuer cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the local, State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the Issuer, including but not limited to the payment of debt service on any of its outstanding debt obligations.

THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2026 BONDS.

Future Changes in Law

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond

Counsel expresses no opinion.

Legislation affecting municipal debt obligations is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal debt obligations is considered from time to time by the Kansas legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The PBC cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from the City or the Financial Advisor.

LEGAL MATTERS

Approval of the Series 2026 Bonds

All matters incident to the authorization and issuance of the Series 2026 Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and the City and their certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Preliminary Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Preliminary Official Statement captioned "THE SERIES 2026 BONDS," "LEGAL MATTERS," "TAX MATTERS" and "***APPENDIX C*** – SUMMARY OF PRINCIPAL FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Series 2026 Bonds.

TAX MATTERS

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Series 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes

Alternative Minimum Tax. Interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2026 Bonds are "qualified tax-exempt obligations" for purposes of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the Series 2026 Bonds is exempt from income taxation by the State of Kansas.

No Other Opinions. Bond Counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the Issuer and City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Code § 1288, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.

Sale, Exchange or Retirement of Series 2026 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent the Series 2026 Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Series 2026 Bonds, and to the proceeds paid on the sale of Series 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain

S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws. Bond Counsel notes that the interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

EXEMPTION FROM REGISTRATION

The offering, sale and delivery of the Series 2026 Bonds, including the obligations of the City under the Lease, are being made under the assumption by the Underwriter that they do not require registration of the Series 2026 Bonds under the Securities Act of 1933, as amended, and the offering, sale and delivery of the Series 2026 Bonds do not require registration or qualification of the Resolution and the Lease under the Trust Indenture Act of 1939, as amended. No opinion is expressed with respect to the necessity of registering the Series 2026 Bonds under the "blue sky" or securities laws of any state.

BOND RATING

The Issuer has **not** applied for a rating on the Series 2026 Bonds herein offered for sale.

ABSENCE OF LITIGATION

The City, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the City, any judgment rendered against the City in such proceedings would not materially adversely affect the financial position of the City.

There is no controversy, suit or other proceedings of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the issuing municipality or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the transcript leading up to the issuance of the Series 2026 Bonds, or the constitutionality or validity of the indebtedness represented by the Series 2026 Bonds shown to be authorized in said transcript, or the validity of the Series 2026 Bonds or any of the proceedings in relation to the issuance or sale thereof, , or the pledging of the Pledged Property pay the principal of and interest thereon.

FINANCIAL ADVISOR

Ranson Financial Group LLC, Wichita, Kansas (the "Financial Advisor") has acted as financial advisor to the Issuer in connection with the sale of the Series 2026 Bonds. The Financial Advisor has assisted the Issuer in the preparation of this Preliminary Official Statement and in other matters relating to the issuance of the Series 2026 Bonds. Ranson Financial Group LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The fees of the Financial Advisor are contingent upon the issuance of the Series 2026 Bonds.

INITIAL PURCHASE

On December 7, 2026, the Issuer received _____ (__) bids for the purchase of the Series 2026 Bonds. The Series 2026 Bonds were awarded by the Issuer's Governing Body to _____, _____, (the "Underwriter"). The Underwriter submitted the lowest bid for the purchase of the Series 2026 Bonds with a true interest cost of ____%.

The Series 2026 Bonds will be offered to the public initially at the prices determined to produce the yield set forth on the inside cover page of this Preliminary Official Statement. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Series 2026 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

ADDITIONAL INFORMATION

Additional information with respect to the City, the Issuer, and the Series 2026 Bonds may be obtained upon request to the City's Municipal Advisor, Ranson Financial Group LLC, 200 W. Douglas, Ste. 110, Wichita, Kansas 67202.

Any statements in this Preliminary Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

This Preliminary Official Statement is submitted only in connection with the sale and delivery of the Series 2026 Bonds and may not be reproduced or used in whole or in part for any other purpose.

AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT

The preparation of this Preliminary Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Preliminary Official Statement is submitted in connection with the issuance of the Series 2026 Bonds and may not be reproduced or used as a whole or in part for any other purpose. This Preliminary Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Series 2026 Bonds

CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION

CITY OF LEBO, KANSAS

APPENDIX A

GENERAL INFORMATION CONCERNING THE ISSUER AND THE CITY

THE CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION

The Public Building Commission of the City of Lebo, Kansas (the "Issuer" or "PBC") was organized in July of 2026 pursuant to K.S.A. 12-1757 *et seq*. and Ordinance No. 641 of the City. The PBC's principal function and responsibility is to finance the acquisition and construction of building facilities for lease to governmental entities.

The Issuer consists of six (6) voting members, with the Mayor and each City Council Member acting as members of the Issuer. City staff provides administrative services to the Issuer. The names and titles of the PBC members are as follows:

NAME	TITLE
Jim Jones	Member
Eric Ferguson	Member
Will Baker	Member
Amanda Hopkins	Member
Hatti Wright	Member
Cameron Smith	Member

GENERAL INFORMATION CONCERNING THE CITY

Size and Location

The City of Lebo, Kansas (the "City") is located in the northwest corner of Coffey County, Kansas. The City encompasses approximately one square mile and has a current estimated population of 918 people.

Government and Organization of the City

The City of Lebo, Kansas, incorporated in 1886 is a city of the third class under the laws of the State of Kansas and has a Mayor-Council form of government. The Mayor and five Councilmembers are elected at large and serve staggered four-year terms.

The principal officials and officers of the City as of the submission date of this report are as follows:

Title	Name	Term Expires
Mayor	Eric Ferguson	11/2029
Council Members:	Will Baker	11/2029
	Amanda Hopkins	11/2027
	Jim Jones	11/2027
	Cameron Smith	11/2027
	Hatti Wright	11/2029
City Clerk	Catherine Griffin	N/A

Management Personnel

The Mayor appoints, confirmed by the City Council, the City Clerk. Once appointed the City Clerk is viewed as an employee of the City. Together these positions carry out the provisions of the City services.

Public Safety

The City of Lebo maintains a Police Department consisting of five part-time sworn officers, including the Chief of Police, and one part-time Records Clerk. Fire protection and emergency medical services are provided through Coffey County.

Municipal Services and Other Utilities

The City provides water, sewer, and trash utility services to residents of the City. Electricity is provided to residents by Evergy Energy. Natural gas is provided by Kansas Gas Service. Telephone, internet, and cable service is provided by AT&T Kansas Telephone Company, Cox Communications, and IdeaTek. Other various service providers offer local telephone, internet, and cable service.

Transportation Facilities

Lebo is adjacent to Interstate 35, giving residents easy access to the labor market of Emporia, located 15 miles west. Topeka Regional Airport is a joint civil-military public airport and is located 45 miles northeast of the City. Kansas City International Airport is located 107 miles northeast of the City and provides regularly scheduled air service.

Educational Institutions and Facilities

Unified School District No. 243 operates two elementary schools, and two high schools in the City and surrounding area. The district has a full-time equivalent enrollment of approximately 473 students for the 2025/26 school year.

The following universities or colleges offering bachelor's or advanced degrees are also located in the region:

Name	Location	Estimated Distance from City (in Miles)	Estimated Enrollment (FTE)
Emporia State University	Emporia, KS	18	3,864
Allen County Community College	Iola, KS	42	1,073
Washburn University	Topeka, KS	44	4,717
Baker University	Baldwin City, KS	45	1,365
University of Kansas	Lawrence, KS	50	24,276
Kansas State University	Manhattan, KS	67	17,166

Medical and Health Facilities

Coffey County Hospital is located within 20 miles of the City and provides major medical services to the City and surrounding area. Osage Nursing and Rehabilitation Center and Peterson Nursing Home provide rehabilitation care, short and long-term care, hospice care and assisted living within 20 miles of the City.

Recreational, Cultural and Religious Facilities

The City offers sporting events, public parks that feature playground equipment, picnic facilities, including shelter houses, summer recreational programs, and many different clubs and other organizations.

A wide variety of cultural and entertainment options are available to residents at the Coffey County Library Lebo Branch and Arvonia Historic Preservation Society. There are six historical sites registered with the Kansas Historical Society located within Coffey County.

The City has two churches that serve the community.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City follows a cash basis of accounting for all tax funds of the City, including the General Fund, which is designed to show compliance with the cash-basis and budget laws of the State of Kansas.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in

addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the City prior to August 25 of each year (or September 20 if the City must conduct a public hearing to levy taxes in excess of its revenue neutral rate described below). Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79 2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the City) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body. The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year (or by July 1 for tax year 2024), each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must notify the county clerk by July 20 of the taxing subdivision's intent to exceed the revenue neutral rate and provide to the county clerk the date, time and location of the related public hearing and the taxing subdivision's proposed tax rate. The county clerk is required to provide notice of such intent to exceed the revenue neutral rate to each taxpayer with property in the taxing subdivision at least 10 days in advance of the public hearing. The notice must include the following information: (1) the heading "NOTICE OF PROPOSED PROPERTY TAX INCREASE AND PUBLIC HEARINGS"; (2) a statement that the notice contains estimates of the property tax and proposed property tax increases, actual taxes may increase or decrease from the estimates provided, the governing body will vote at a public hearing to exceed the revenue neutral rate, taxpayers may attend and comment at the hearing, and property tax statements will be issued after mill rates are finalized and taxes are calculated; (3) the appraised value and assessed value of the taxpayer's property for the current year and the previous year; (4) the amount of property tax of the taxing subdivision on the taxpayer's property from the previous year's tax statement; (5) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the revenue neutral rate of the taxing subdivision; (6) the estimated amount of property tax for the current year of the taxing subdivision on the taxpayer's property based on the proposed tax rate provided by the taxing subdivision; (7) the difference between the amount of the current year's maximum tax and the previous year's tax, reflected in dollars and a percentage, for the taxing subdivision; (8) the date, time and location of the public hearing of the taxing subdivision; and (9) the difference between the current year's maximum tax and the estimated amount of property tax based on the revenue neutral rate of the taxing subdivision.

The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the county clerk's notices to the taxpayer will be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by governing body approval of a resolution or ordinance, and thereafter the taxing subdivisions will adopt the budget by majority vote of its governing body. The amount of tax to be levied and the adopted budget must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate. However, if a taxing subdivision does not comply with the notice and hearing requirements of the Revenue Neutral Tax Act because it did not intend to exceed its revenue neutral rate, but the final assessed valuation of such taxing subdivision used to calculate the actual levy is less than the estimated assessed valuation used to calculate the revenue neutral rate, such taxing subdivision is permitted to levy a tax rate that generates the same amount of property tax revenue as levied the prior year or less.

The City cannot predict the impact of the Revenue Neutral Tax Act on the ratings on the Bonds, or the general rating of the City. A change in the rating on the Bonds or a change in the general rating of the City may adversely impact the market price of the Bonds in the secondary market.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is

made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Michael D. Peroo CPA, PA. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended December 31, 2025 is attached hereto as ***APPENDIX B***.

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties under the direction of state statutes. The Coffey County Appraisers' offices determines the fair market value of all taxable property within Coffey County and the assessed valuation thereof that is to be used as a basis for the mill levy on property located in the City.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the City's property tax collections. If a taxpayer valuation challenge is successful, the liability of the City to refund property taxes previously paid under protest may have a material impact on the City's financial situation.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

Levy Year	Budget Year	Real Property	Personal Property	Utilities	Motor Vehicles	Total Valuation
2026	2027	$7,821,857[(1)]	$587,697[(1)]	$805,624[(1)]	$1,439,949[(2)]	$10,655,127
2025	2026	7,661,253	685,111	786,353	1,439,949	10,572,666
2024	2025	6,417,961	527,731	600,866	1,436,842	8,983,400
2023	2024	5,740,599	587,361	559,743	1,399,548	8,287,251
2022	2023	5,330,885	453,780	583,252	1,317,303	7,685,220

[(1)] Preliminary valuation figures as of July 15, 2026 for budgeting purposes.
[(2)] Motor vehicle valuation for 2026 is not yet available. Motor vehicle valuation for 2025 was used for estimation purposes.

Source: Coffey County Clerk

Property Tax Levies and Collections

Tax Collections. Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before September 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Tax Rates. The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The following table shows the City's mill levies by fund (per $1000 of assessed valuation) for each of the years indicated and the current year:

Levy Year	Budget Year	General	Employee Benefits	Law Enforcement	Special Liability	Total Levy
2025	2026	17.566	5.222	1.109	0.439	24.336
2024	2025	21.039	7.037	1.123	0.279	29.478
2023	2024	23.945	7.004	0.980	0.483	32.412
2022	2023	26.456	4.972	0.995	0.490	32.913
2021	2022	27.133	5.674	0.047	0.248	33.102

Source: Coffey County Clerks

Aggregate Tax Levies. The aggregate tax levies (per $1000 assessed valuation) of the City for Coffey County residents and overlapping jurisdictions for the years indicated are included in the following table:

Tax Year	Budget Year	City	Coffey County	State	USD No. 243	Fire Dist. No. 1	Lincoln Township Cemetery	Total
2025	2026	24.336	54.642	1.500	47.445	1.851	0.329	130.103
2024	2025	29.478	55.781	1.500	45.696	1.876	0.371	134.702
2023	2024	32.412	57.127	1.500	45.469	1.744	0.401	138.653
2022	2023	32.913	55.479	1.500	46.286	1.646	0.426	138.250
2021	2022	33.102	52.761	1.500	46.112	1.720	0.464	135.659

Source: Coffey County Clerk

Tax Collection Record. The following table sets forth tax collection information (not including special assessments) for the City for the years indicated:

Levy Year	Collection Year	Total Levy	Total Taxes Levied ($)	Current Taxes Collected ($)	Current Taxes Collected (%)
2024	2025	24.336	$231,790	In Process	N/A
2023	2024	29.478	222,616	$221,067	99.30%
2022	2023	32.412	222,884	222,144	99.67%
2021	2022	32.913	223,995	223,585	99.82%
2020	2021	33.102	210,195	210,161	99.98%

Source: Coffey County Clerks & Treasurers

Major Taxpayers. The following tables set forth the ten largest taxpayers in the City based on total assessed valuation and total taxes levied in the most recent tax collection period (2024/25):

Taxpayer	Assessed Valuation	Taxes Levied
1. Hodges Farm	$309,358	$39,003
2. Casey's Retail Comp	295,034	37,550
3. Individual (1)	262,737	32,574
4. Individual Trust (1)	212,605	27,059
5. VanArsdale Funeral Serv	131,999	16,628
6. EMP Shield Inc	129,273	16,453
7. BNSF	N/A[(1)]	N/A[(1)]
8. Evergy Kansas Central	N/A[(1)]	N/A[(1)]
9. Union Pacific RR	N/A[(1)]	N/A[(1)]
10. Kansas Gas Service	N/A[(1)]	N/A[(1)]

[(1)] State assessed, no valuations or taxes given.

Source: Coffey County Clerks

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System ("KPERS") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq*., to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members, each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERS and manage a staff to carry out daily operations of the system.

As of June 30, 2024, KPERS serves approximately 356,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS

administers the following three statewide, defined benefit retirement plans for public employees:

(a) Kansas Public Employees Retirement System;
(b) Kansas Police and Firemen's Retirement System; and
(c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The City's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2004, 2015 and 2021, the Kansas Development Finance Authority, on behalf of the State, issued pension obligation bonds and contributed the proceeds thereof to KPERS to assist with improving the status of the unfunded actuarial pension liability. In 2022 the Legislature provided for additional contributions totaling $1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. For more information about the Legislature's actions related to KPERS, please see the 2022 Valuation Report referenced below.

The City's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The City's contribution is 9.71% of the employee's gross salary for calendar year 2025, and is projected to change to 9.59% of the employee's gross salary for calendar year 2026. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2025 (the "2025 Valuation Report") the KPERS Local Group, of which the City is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately $2.173 billion at the end of 2025. The amount of the UAAL in 2025 was similar to the previous year's amount due to the factors discussed in the 2025 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2025 Valuation Report is available on the KPERS website at www.kspers.gov/about/reports. The City has no means to independently verify any of the information set forth on the KPERS website or in the 2025 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2025 Valuation Report sets the employer contribution rate for the period beginning January 1, 2028, for the KPERS Local Group, and KPERS' actuaries identified that an employer contribution rate of 9.35% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2025 Valuation Report. The statutory contribution rate of employers currently equals the 2025 Valuation Report's actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The City has not implemented GASB 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB 27, because the City's financial statements are prepared on a regulatory basis of accounting which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. KPERS, however, has implemented GASB 67 – Financial Reporting for Pension Plans – An Amendment of GASB Statement 25, and is required annually to provide its participants the proportional share of the net pension liability of KPERS allocated to each participant

as of the end of the prior fiscal year. The KPERS' Schedule of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer (the "GASB 68 Report") provides the net pension liability allocated to each KPERS participant, including the City. The GASB 68 Report is available on the KPERS website at kpers.org/about/reports.html. Because the City has not implemented GASB 68, the net pension liability calculated by KPERS for the City is not reflected as a liability on the City's financial statements. The City has no means to independently verify any of the information set forth on the KPERS website or in the GASB 68 Report. It is important to note that under existing State law, the City has no legal obligation for the UAAL or the net pension liability calculated by KPERS, and such figures are for informational purposes only.

History of Employment

The City has 5 full-time and 6 part-time employees. Employee relations are characterized as good.

Risk Management

The City is insured against the risks arising from general liability through EMC Insurance Companies, through TrustPoint Insurance and employee medical coverage by Blue Cross Blue Shield of Kansas.

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations[1]	$19,782,984
Legal limitation of Bonded Debt[2]	$5,934,895
Outstanding general obligation debt as of December 23, 2026	$0
Exempt Debt	$0
Net Debt against Statutory Debt limit capacity	$0
Additional debt capacity	$5,934,895
Direct debt per capita	$0
Overlapping Indebtedness	$283,993
Direct and overlapping debt	$283,993
Direct and overlapping debt per capita	$309
Direct debt as a percentage of Assessed Valuation	0.00%
Direct and overlapping debt as a percentage of Assessed Valuation	1.44%
Statutory direct debt as a percentage of Equalized Assessed Valuation	0.00%

[1] The assessed value of all tangible taxable property within the City, as certified to the County Clerk on the preceding August 25. Also includes the taxable value of motor vehicles within the City. See K.S.A. 10-301 *et seq*.

[2] See K.S.A. 10-301 *et seq*.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 23, 2026, and the percent attributable (on the basis of assessed valuation not including motor vehicle valuation) to the City:

Taxing Jurisdiction	2025 Assessed Valuation	Outstanding General Obligation Indebtedness[1]	Percent Applicable to The City	Amount Applicable to The City
Coffey County	$676,270,622	$21,000,000	1.35%	$283,993
U.S.D. No. 243	44,629,081	0	20.49%	0
TOTAL				$283,993

[1] Revenue bonds and capital leases are not considered a general obligation indebtedness under Kansas law and are not included in the total stated herein for underlying indebtedness.

Source: County Clerk

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The following tables set forth all of the outstanding obligations of the City:

GENERAL OBLIGATION BONDS

As of December 23, 2026, the City had no general obligation bonds outstanding.

TEMPORARY NOTES

As of December 23, 2026, the City had no temporary notes outstanding.

CERTIFICATES OF PARTICIPATION

As of December 23, 2026, the City had no certificates of participation outstanding.

REVENUE BONDS OUTSTANDING

As of December 23, 2026, the City had no revenue bonds outstanding.

CAPITAL LEASE OBLIGATIONS
(As of December 23, 2026)

Description	Year	Maturity Date	Original Amount	Amount Outstanding
Street Project	2018	12/04/2028	$231,000	$46,437

LOAN OBLIGATIONS
(As of December 23, 2026)

Description	Year	Maturity Date	Original Amount	Amount Outstanding
KDHE Water Supply Loan	2012	08/01/2034	$409,864	$185,302

PUBLIC BUILDING COMMISSION REVENUE BONDS OUTSTANDING
(As of December 23, 2026)

Description of Indebtedness	Series	Maturity Date	Original Amount	Amount Outstanding
Public Building Commission Revenue Bonds[(1)]	2026	10/01/2041	$1,885,000	$1,885,000

[(1)] This issue and subject to change.

Debt Payment Record

The City has never been delinquent in any payments of its debt agreements.

Future Indebtedness

Periodically, the City will complete issues to: 1) finance public infrastructure needs with ongoing temporary note financing and eventually bonded indebtedness; 2) lease small equipment and such leases may or may not have a purchase option in accordance with the terms of said lease; and 3) will refinance or refund outstanding debt as needed when sufficient savings can be achieved. Other than the potential projects listed above, the City does not have any plans to issue additional debt at this time.

ECONOMIC INFORMATION CONCERNING THE CITY

Population Trends

The following table shows the approximate population of Coffey County and the City in the years indicated:

Year	County Population	City Population
2025	8,467	918
2024	8,301	887
2023	8,251	875
2022	8,280	882
2020	8,360	885
2010	8,601	940

Source: State of Kansas – Division of Budget (2022-2025); U.S. Census Bureau (2010, 2020)

Labor Force

The following table sets forth labor force figures for Coffey County and the State of Kansas:

COFFEY COUNTY

Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2025	3,879	3,710	169	4.4%
2024	3,810	3,654	156	4.1%
2023	3,672	3,551	121	3.3%
2022	3,783	3,652	131	3.5%
2021	3,960	3,832	128	3.2%

STATE OF KANSAS

Average For Year	Total Labor Force	Employed	Unemployed	Unemployment Rate
2025	1,572,150	1,512,600	59,550	3.8%
2024	1,545,790	1,490,553	55,237	3.6%
2023	1,510,988	1,470,936	40,052	2.7%
2022	1,504,932	1,464,834	40,098	2.7%
2021	1,495,665	1,447,323	48,342	3.2%

Currently, the Kansas Department of Labor estimates an unemployment rate of 4.4% for Coffey County and 3.8% for the State of Kansas for the month of September 2026.

Source: Kansas Department of Labor

Retail Sales and Use Tax Collections

The following table lists State of Kansas sales tax collections (excluding local sales tax) for the years indicated for sales occurring in Coffey County:

Year	Sales and Use Tax Collections	Per Capita Sales and Use Tax
2025	$12,811,024	$1,695.73
2024	15,130,984	1,484.18
2023	11,469,704	1,689.47
2022	15,312,383	1,727.53
2021	14,177,591	1,641.17

Source: Kansas Statistical Abstract

The statewide sales and use tax is 6.50%, effective July 1, 2015. Starting January 1, 2023, the state sales and use tax rate for food items was reduced from 6.5% to 4.0%, lowered to 2% in 2024, and 0% as of January 1, 2025.

Local Citywide Sales Tax

The City has imposed the following citywide retailers' sales taxes:

(a) 1.00% perpetual sales tax for an adequate level of public services, commenced April 1, 2013;
(b) 1.00% special sales tax for a swimming pool, other park capital improvements and the maintenance of the City parks' infrastructure. The tax originally became effective on April 1, 2020, for a five-year term and was subsequently renewed effective April 1, 2025 and expiring after 10 years on March 31, 2034; and
(c) 1.00% perpetual sales tax for general infrastructure improvements, commencing April 1, 2027.

The following table provides the amount of citywide retailers' sales and compensating use taxes collected and received by the City during the years indicated. The amounts reflect revenues generated from the City's combined 2.00% sales and use tax rate in effect at the time.

Year	Total City Sales and Use Tax Collections
2025	$368,889
2024	344,790
2023	367,747
2022	319,887
2021	300,981

Source: Kansas Department of Revenue

Oil Production

The oil production (in number of barrels) for Coffey County for the years listed is indicated in the following table:

Year	Oil Production
2025	157,002
2024	167,679
2023	186,434
2022	187,710
2021	185,592

Source: Kansas Geological Survey

Financial and Banking Institutions

There are currently four banks, with eleven different branch locations, located in Coffey County. During a five-year period, bank deposits of Coffey County's banks are as follows:

Year	Total Bank Deposits (thousands of dollars)
2026	$393,965
2025	365,153
2024	358,327
2023	361,467
2022	376,754

Source: FDIC

Personal Income Trends

The following table lists Coffey County's personal and per capita incomes and per capita income for the State of Kansas for the years indicated:

Year	Coffey County Personal Income ($000)	Coffey County Per Capita Income	State Per Capita Income
2024	$486,052	$58,553	$65,856
2023	481,342	58,337	66,115
2022	460,556	55,623	60,424
2021	490,834	58,867	58,924
2020	464,906	56,988	56,099

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Source: U.S. Bureau of Economic Analysis

APPENDIX B

CITY OF LEBO, KANSAS FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR YEAR ENDED DECEMBER 31, 2025



CITY OF LEBO, KANSAS

Financial Statements for the Year Ended December 31, 2025 And Independent Auditors' Report

CITY OF LEBO, KANSAS

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Michael D. Peroo CPA, PA



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Lebo, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Lebo, Kansas (City), as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. General Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis

receipts and expenditures-actual and budget (Schedules 1-2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Lebo, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated November 2, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Michael D. Peroo, CPA, PA
September 4, 2026

Olathe, Kansas

Michael D. Peroo, CPA
Michael D. Peroo, CPA
In Charge of and Actively Engaged
on this Audit

CITY OF LEBO, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance
General Fund	$ 1,770,458	$ 1,121,622	$ 1,003,958	$ 1,888,122
Special Purpose Funds:				
Economic Development Fund	34,832	51,247	34,315	51,764
Law Enforcement Fund	36,580	9,393	-	45,973
Employee Benefit Fund	21,816	59,756	57,564	24,008
Special Highway Fund	13,370	23,845	23,977	13,238
Special Liability Fund	1,464	2,584	2,940	1,108
Special Park and Recreation Fund	1,014	40,803	37,977	3,840
Capital Project Funds				
Capital Improvement Reserve	606,738	280,000	173,043	713,695
Municipal Equipment Reserve	85,964	82,368	76,654	91,678
Business Funds				
Gas Fund	260,817	88,982	349,799	-
Water Fund	283,458	307,911	334,846	256,523
Sewer Fund	150,658	122,495	195,828	77,325
Solid Waste	15,709	76,815	73,900	18,624
Total Reporting Entity	$ 3,282,878	2,267,821	2,364,801	$ 3,185,898
Less Transfers:		556,774	556,774	
Net Receipts and Disbursements		$ 1,711,047	$ 1,808,027	

COMPOSITION OF CASH:	
Farmers State Bank of Aliceville - Operating Account	$ (767)
Farmers State Bank of Aliceville -Savings	916,968
Farmers Sate Bank of Aliceville - Debit Card	2,300
Farmers State Bank of Aliceville - Economic Development	51,822
Farmers State Bank of Aliceville - Utility Deposit Savings	7,700
Farmers State Bank of Aliceville - Community Building	551
Farmers State Bank of Aliceville -Sequicentennial	940
Farmers State Bank of Aliceville - Certificates of Deposit	2,206,364
Cash Drawer	20
Total Reporting Entity	$ 3,185,898

CITY OF LEBO, KANSAS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - Fund Accounting - The accounts of the City of Lebo, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2025.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special purpose funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Bond and interest funds – to account for the payment of interest and principal on long-term general debt obligation.

Business funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

b. Regulatory Basis of Accounting and Departure from Accounting Principles General Accepted in the United States of America - This financial statement is presented on a basis of accounting that demonstrates compliance with the KMAAG regulatory basis and budget laws of Kansas. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

c. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.

3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25.

If the City is holding a revenue neutral rate hearing, the public hearing shall be no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for the year ending December 31, 2025.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2025.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Economic Development Fund

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

d. Comparative Amounts - The amounts shown for the year ended December 31, 2024 in the accompanying financial statements are included to provide a basis for comparison with 2025 and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of Kansas.

2. DEPOSITS

At December 31, 2025 the carrying amounts of the City's deposits were $3,185,899 and the bank balances were $3,192,104. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

K.S.A. 9-1401 establishes the depositories, which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments.

Custodial Credit Risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a Joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

Certificate of Deposits:

	Maturity Date	Interest Rate	Amount
Farmers State Bank	6/24/2026	4.00%	$ 6,364
Farmers State Bank	10/3/2026	4.00%	100,000
Farmers State Bank	11/10/2026	4.00%	100,000
Farmers State Bank	12/1/2026	4.00%	100,000
Farmers State Bank	1/3/2027	3.75%	100,000
Farmers State Bank	2/1/2027	3.75%	100,000
Farmers State Bank	3/1/2027	3.75%	100,000
Farmers State Bank	4/1/2027	3.75%	100,000
Farmers State Bank	5/1/2027	3.75%	100,000
Farmers State Bank	6/1/2027	3.75%	100,000
Farmers State Bank	7/1/2027	3.75%	100,000
Farmers State Bank	8/1/2026	4.00%	100,000
Farmers State Bank	9/3/2026	4.00%	100,000
Farmers State Bank	1/10/2026	3.75%	250,000
Farmers State Bank	1/10/2026	3.75%	250,000
Farmers State Bank	1/10/2026	3.75%	250,000
Farmers State Bank	1/10/2026	3.75%	250,000
			$ 2,206,364

3. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

Motor Vehicle Taxes **–** Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2025, the City received the following from county and state taxes:

	General Fund	Law Enforcement	City Special Liability	Special Highway Fund	Employee Benefit Fund	Totals
Property Taxes	$ 157,647	$ 8,442	$ 2,223	$	$ 51,499	$ 219,811
Motor Vehicle Taxes	23,423	951	361		8,257	32,992
Sales Taxes	368,890					368,890
State Highway Aid				23,845		23,845
	$ 549,960	$ 9,393	$ 2,584	$ 23,845	$ 59,756	$ 645,538

The mill levies are as follows:

	2025	**2024**
General Fund	20.943	24.316
Employee Benefit Fund	7.004	7.112
Law Enforcement Fund	1.117	0.995
Special Liability	0.278	0.49
	29.342	32.913

The assessed valuation for 2024 was $6,888,319 and $7,608,362 in 2025.

4. UTILITIES

The City provides water, sewer, gas and trash services. The City mails their utility bills between the 23rd and the 25th of each month. The utility bills are due by the 1st of the following month. Bills not paid by the 10th are subject to a late charge fee of 10%. If service is disconnected the customer shall pay said bill and penalty and further service charge in the sum of $50 before turning the water back on.

The water rates for 2025 are as follows:

Inside City (residential):

0-1,000 gallons	$ 29.00	
All above 1,000 gallons	$ 10.25	per 1,000 gallons
Minimum bill	$ 29.00	

Outside City and Commercial:

0-1,000 gallons	$ 39.00	
All above 1,000 gallons	$ 11.00	per 1,000 gallons
Minimum bill	$ 39.00	

Wholesale

0 - 10,000	$ 10.00	per 1,000 gallons
11,000 - 100,000	$ 9.25	per 1,000 gallons
101,000 - 250,000	$ 8.25	per 1,000 gallons
all above 250,000	$ 7.25	per 1,000 gallons

Any person making application for water service is required to make a deposit of $75 for property owners or $125 for renters.

The sewer rates for 2025 are as follows:

$22 for the first 1,000 gallons and $.80 for each additional 1,000 gallons.

The trash rates for 2025 are as follows:

$14.25 per month for residential solid waste removal. There is a charge of $4 for a trash tote, and $5 per additional tote. The rate was increased to $18.50 for one tote, and $9 per additional tote.

5. LONG-TERM DEBT

The City's long-term debt is comprised of two loans from Kansas Department of Health.

Kansas Water Pollution Control Revolving Fund

In July 2005, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a sewer main extension. The total cost of the project was $467,079.

The amount of the loan is up to $467,079 ($0 and $15,462 outstanding at December 31, 2025 and 2024, respectively) bearing interest at a rate of 2.81%, principal and interest payments made on a semi-annual basis beginning one year after the completion of the project.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	$ 15,462
Payments	15,462
Ending Balance	$ 0
Interest Payments	$ 237
Total Payments	$ 15,699

Kansas Water Supply Revolving Fund

In December 2012, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the replacement of approximately 7,000 feet of aging asbestos cement waterlines with PVC waterlines and install an altitude valve on the elevated storage tank. The total cost of the project was estimated at $406,496.

The amount of the loan is up to $409,864 ($206,305 and $226,861 outstanding at December 31, 2025 and 2024, respectively) bearing interest at a rate of 2.16%, principal and interest payments made on a semi-annual basis beginning February 1, 2015.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	$ 226,861
Payments	20,556
Ending Balance	$ 206,305
Interest Payments	$ 4,790
Total Payments	$ 25,346

Payments susbsequent to 2025:

	Principal	Interest	Total
2026	$ 21,003	$ 4,343	$ 25,346
2027	21,459	3,887	25,346
2028	21,925	3,421	25,346
2029	22,401	2,945	25,346
2030	22,888	2,458	25,346
2031	23,385	1,961	25,346
2032	23,892	1,454	25,346
2033	24,411	935	25,346
2034	24,943	403	25,346
	$ 206,305	$ 21,806	$ 228,112

6. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale District No. 12, (District) to buy a minimum amount of 3,000,000 gallons per month. The City is to pay the District $3.42 per 1,000 gallons purchased. Starting January 2006, the rate per 1,000 increased to $3.45. In December 2007 there was another amendment to the contract when the City of Lebo annexed customers of Coffey County RWD #3 that were within the District's territory. In December 2012 the contract was amended to reduce the minimum to 1,750,000 gallons per month, and the maximum to 3,500,000 per month. The District increased the water rate from $3.75 to $4.00 in 2013. The District increased the rate to $4.50 per 1,000 gallons in September 2017 and to $5.50 in 2025. In 2025 and 2024, respectively, the City purchased 21,351,000 and 23,120,000 gallons from the Public Wholesale District.

7. COMPENSATED ABSENCES FOR EMPLOYEES

Full time employees of the City will be eligible for vacation and sick leave after six months of service. Eligible employees shall take at least 6 vacation days each year. An employee may carry-over vacation days to the next year, with a maximum carry-over amount allowance of 30 days.

Years of Service	Per year
0-9 years	1 day per month
10-19 years	1 ½ day per month
After 19	2 days per month

Full time employees will receive a maximum of 2 weeks (10 working days) paid sick leave per year. Sick leave is cumulative up to a maximum of 480 hours. On termination an employee will receive one-sixth (1/6) a maximum of 80 hours accrued sick leave paid. At December 31, 2025, City employees had a combined balance of 561 hours of sick leave, a cash value of $12,993 and a balance of 675 hours of vacation leave, a cash value of $15,632.

8. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, gas and trash to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral.

9. CAPITAL PROJECTS

The City did not have capital projects in 2025.

Although not part of a capital project, the City made expenditures on the following large items in 2025:

Infrastructure	
Street chip & seal and asphalting	$ 260,644
	$ 260,644
Sewer	
New lift station	$ 78,378
Capital Equipment	
Bobcat track loader	$ 35,000
Vermeer Vacuum Trailer	38,730
	$ 73,730
Capital Improvement	
Dam rehabilitation	$ 126,381
Consulting for pool	20,930
Roof replacement	31,775
	$ 179,086
Water	
Tower Maintenance	$ 26,430
General	
Police equipment	$ 6,695
Geotech for pool	4,400
	$ 11,095

10. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2025, for the funds that were part of this audit, except for the Gas Fund exceeding its budget authority due to the closing of the fund.

11. RELATED PARTY

The city was not aware of any related party transactions during the year of 2025.

12. PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial

statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414 (h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% and 9.26% for the fiscal year ended December 31, 2025 and 2024, respectively.

The City has six employees that participate in the Plan. The payroll for the employees covered by the System for 2025 and 2024 was $259,048 and $247,948, respectively and the City's total payroll for 2025 and 2024 was $372,870 and $347,814.

The contribution requirement for the year ended December 31, 2025 and 2024 was $40,696 and $37,837, which consisted of $15,543 and $14,877 from the employee, respectively, and $25,153 and $22,960 from the City, respectively. The City also contributed $2,591 for insurance.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $207,399. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kspers.gov or can be obtained as described above.

13. INFRASTRUCTURE

The City has elected not to comply with Governmental Accounting Standard No. 34 (GASB 34) regarding the capitalization and tracking of infrastructure or capital assets.

14. RISK MANAGEMENT

The City is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, job-related injuries and illnesses to employees. To insure against the various risks, the City has obtained various insurance coverage through EMC Insurance Companies.

15. ADEQUACY OF UTILITY RATES

To determine whether the city was charging adequate rates for sewer, trash, water, and gas the City calculated the operating ratio and debt service ratio as applicable. The target minimum for both of these ratios is 1.20 and 1.25 respectively. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

	Water	Sewer	Trash
Operating Revenues	$ 306,384	$ 122,495	$ 76,815
Operating Expenses	$ 325,510	$ 98,588	$ 73,900
Operating Ratio	0.94	1.24	1.04

The Debt Service Ratios for the Sewer and Water Funds are as follows:

Debt Service	Sewer Fund	Water Fund
Net Receipts	$ (73,331)	$ (26,935)
Add Back:		
Debt Service	15,699	25,346
Capital Outlay	81,571	9,336
Transfer Out	-	-
Available for debt service	$ 23,939	$ 7,747
Debt service	$ 15,699	$ 25,346
Debt Service Ratio	1.52	0.31

16. COMMITMENTS AND CONTINGENCIES

The City is not involved in any litigation.

17. TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Gas Fund	General Fund	K.S.A. 12-825d	$ 246,774
General Fund	Municipal Equipment Reserve	K.S.A. 12-1,117	30,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	280,000
			$ 556,774

18. LEASE

The City (lessee) entered into a lease purchase agreement with Flint Hills Bank (lessor) on December 4, 2018. The purpose of the lease is for the upgrade to the downtown of the City. The lessee will pay $14,453 semiannually beginning June 2, 2019 through December 1, 2028. The interest rate is based on the

ten-year treasury plus 150 basis points. Outstanding balance at December 31, 2025 and 2024 was $62,610 and $87,898, respectively.

Subsequent payments are as follows:

Year	Payment
2026	$ 28,906
2027	28,906
2028	7,290
	65,102
Less interest	(2,492)
	$ 62,610

19. ECONOMIC DEVELOPMENT

The City's Economic Development program provides loans to businesses in the City. The terms of the loans are 10 years and the interest rate is 4%. The City had outstanding loans of $237,651 at December 31, 2025.

Note receivable, business, monthly installments of $1,000, beginning September 1, 2018 and ending August 1, 2028. Interest rate of 4%.	18,598
Note receivable, business, monthly installments of $306, beginning April 8, 2019 and ending November 8, 2028. Interest rate of 4%.	15,222
Note receivable, business, monthly installments of $456, beginning January 1, 2024 and ending December 1, 2034. Interest rate of 4%	37,333
Note receivable, business, monthly installments of $405 beginning August 1, 2024 and ending July 1, 2034. Interest rate of 4%.	35,256
Note receivable, business, monthly installments of $304, beginning January 1, 2025 and ending December 1, 2034. Interest rate of 4%.	26,621
Note receivable, business, monthly installments of $412, beginning December 1, 2024 and ending November 1, 2034. Interest rate of 4%.	22,060
Note receivable, business, monthly installments of $540 beginning April 1, 2025 and ending March 1, 2035. Interest rate of 4%.	49,686
Note receivable, business, monthly installments of $335, beginning January 1, 2026 and ending December 1, 2035. Interest rate of 4%.	32,875
	$ 237,651

20. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the District has evaluated events and transactions for potential recognition or disclosure through September 4, 2026, the date the financial statements were available to be issued. There are no additional events or transactions that require adjustment to or disclosure in these financial statements.

* * * * * *

Schedule 1

CITY OF LEBO, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Expenditures Chargeable to Current Year	Certified Budget	Variance Favorable (Unfavorable)
General Fund	$ 1,003,958	$ 1,920,310	$ 916,352
Special Purpose Funds:			
Law Enforcement Fund	-	46,289	46,289
Employee Benefit Fund	57,564	61,464	3,900
Special Highway Fund	23,977	24,000	23
Special Liability Fund	2,940	3,600	660
Special Parks and Recreation Fund	37,977	40,000	2,023
Business Funds:			
Gas Fund	349,799	322,133	(27,666)
Water Fund	334,846	336,000	1,154
Sewer Fund	195,828	198,139	2,311
Solid Waste Fund	73,900	91,480	17,580
Total Budgeted Funds	$ 2,080,789	$ 3,043,415	$ 962,626

CITY OF LEBO, KANSAS Schedule 2-A

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property Tax	$ 165,396	$ 158,614	$ 159,346	$ (732)
Sales Tax	344,741	368,890	360,000	8,890
Motor Vehicle Tax	25,357	23,423	26,675	(3,252)
Intergovernmental Receipts	155,710	155,710	155,710	-
Franchise Tax	52,010	62,969	43,000	19,969
Licenses and Fees	6,371	5,951	5,600	351
Swimming Pool	6,363	6,073	8,700	(2,627)
Fines	965	2,919	1,600	1,319
Reimbursements and other	36,877	16,681	15,000	1,681
Transferred In	39,000	246,774	20,000	226,774
Sale of gas system	1,000,000	-		-
Interest on Idle Funds	30,898	73,618	23,635	49,983
Total Receipts	1,863,688	1,121,622	$ 819,266	$ 302,356
EXPENDITURES:				
General Administration				
Personnel Services	69,083	75,805	91,400	15,595
Contractual Services	61,562	56,194	60,900	4,706
Commodities	22,780	30,677	35,700	5,023
Miscellaneous	278	265		(265)
Capital Outlay		1,573		(1,573)
	153,703	164,514	188,000	23,486
Law Enforcement				
Personnel Services	63,884	71,038	59,850	(11,188)
Contractual Services	12,906	15,323	9,345	(5,978)
Commodities	11,985	8,526	13,125	4,599
Capital Outlay	6,740	6,695	20,000	13,305
	95,515	101,582	102,320	738
Street Lights				
Contractual Services	20,929	18,474	20,948	2,474
	20,929	18,474	20,948	2,474
Streets				
Personnel Services				-
Contractual Services	641	160,944	-	(160,944)
Capital Outlay			400,000	400,000
	641	160,944	400,000	239,056
Parks and Recreation				
Personnel Services	2,225	4,142	3,150	(992)
Contractual Services	2,827	11,711	26,775	15,064
Capital Outlay	114,500	20,930	31,500	10,570
Commodities	34,616	27,509		(27,509)
	154,168	64,292	61,425	(2,867)
Infrastructure	346,357	114,737	159,990	45,253
	346,357	114,737	159,990	45,253
Swimming Pool				
Personnel Service	22,711	23,993	24,150	157
Contractual Service	4,556	5,548	7,770	2,222
Commodities	14,652	10,847	16,800	5,953
Commodities-concessions	944	-		-
Sales Tax	73	120		(120)
Capital Outlay	-	-	600,000	600,000
	42,936	40,508	648,720	608,212
Debt Service	28,907	28,907	28,907	-
Transfer Out	180,000	310,000	310,000	-
Total Expenditures	1,023,156	1,003,958	$ 1,920,310	$ 916,352
Receipts over Expenditures	840,532	117,664		
UNENCUMBERED CASH, BEGINNING	929,926	1,770,458		
UNENCUMBERED CASH, ENDING	$ 1,770,458	$ 1,888,122		

Schedule 2-B

CITY OF LEBO, KANSAS

ECONOMIC DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
RECEIPTS:		
Loan Payments	$ 64,715	$ 37,942
Interest Payments	8,453	8,741
Miscellaneous	403	4,564
Total Receipts	73,571	51,247
EXPENDITURES:		
Investments		500
Contracual		20
Economic Development Loan	84,016	33,795
Total Expenditures	84,016	34,315
Receipts over (under) Expenditures	(10,445)	16,932
UNENCUMBERED CASH, BEGINNING	45,277	34,832
UNENCUMBERED CASH, ENDING	$ 34,832	$ 51,764

CITY OF LEBO, KANSAS

LAW ENFORCEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
County Tax	$ 7,683	$ 9,393	$ 9,503	$ (110)
Total Receipts	7,683	9,393	$ 9,503	$ (110)
EXPENDITURES:				
Capital Outlay		-	46,289	46,289
Total Expenditures	-	-	$ 46,289	$ 46,289
Receipts over Expenditures	7,683	9,393		
UNENCUMBERED CASH, BEGINNING	28,897	36,580		
UNENCUMBERED CASH, ENDING	$ 36,580	$ 45,973		

CITY OF LEBO, KANSAS

EMPLOYEE BENEFIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property and Vehicle Taxes	$ 53,018	$ 59,756	$ 58,305	$ 1,451
Total Receipts	53,018	59,756	$ 58,305	$ 1,451
EXPENDITURES:				
Employee Benefit	37,757	57,564	61,464	3,900
Total Expenditures	37,757	57,564	$ 61,464	$ 3,900
Receipts over Expenditures	15,261	2,192		
UNENCUMBERED CASH, BEGINNING	6,555	21,816		
UNENCUMBERED CASH, ENDING	$ 21,816	$ 24,008		

CITY OF LEBO, KANSAS

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
State Tax	$ 23,875	$ 23,845	$ 24,000	$ (155)
Total Receipts	23,875	23,845	$ 24,000	$ (155)
EXPENDITURES:				
Personnel Services	8,448	19,649	14,000	(5,649)
Contract Expense	2,751	-		-
Commodities	11,874	4,328	10,000	5,672
Total Expenditures	23,073	23,977	$ 24,000	$ 23
Receipts over (under) Expenditures	802	(132)		
UNENCUMBERED CASH, BEGINNING	12,568	13,370		
UNENCUMBERED CASH, ENDING	$ 13,370	$ 13,238		

CITY OF LEBO, KANSAS

SPECIAL LIABILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR FOR THE YEAR ENDED DECEMBER 31, 2025
(With **(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)**

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Property and Vehicle Taxes	$ 3,793	$ 2,584	$ 2,604	$ (20)
Total Receipts	3,793	2,584	$ 2,604	$ (20)
EXPENDITURES:				
Contractual Services	3,343	2,940	$ 3,600	$ 660
Total Expenditures	3,343	2,940	$ 3,600	$ 660
Receipts over (under) Expenditures	450	(356)		
UNENCUMBERED CASH, BEGINNING	1,014	1,464		
UNENCUMBERED CASH, ENDING	$ 1,464	$ 1,108		

CITY OF LEBO, KANSAS

SPECIAL PARK AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Coffey County Receipt	$ 37,868	$ 37,868	$ 37,868	$ -
Grant Received	14,175	-		-
Miscellaneous	4,960	2,935	2,500	435
Total Receipts	57,003	40,803	$ 40,368	$ 435
EXPENDITURES:				
Personal Cost	9,342	8,072	$ 8,302	$ 230
Contractual Service	7,423	12,408	6,000	(6,408)
Commodities	8,405	17,497	12,000	(5,497)
Capital Outlay	58,213	-	13,698	13,698
Total Expenditures	83,383	37,977	$ 40,000	$ 2,023
Receipts over (under) Expenditures	(26,380)	2,826		
UNENCUMBERED CASH, BEGINNING	27,394	1,014		
UNENCUMBERED CASH, ENDING	$ 1,014	$ 3,840		

Schedule 2-H

CITY OF LEBO, KANSAS

CAPITAL IMPROVEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
RECEIPTS:		
Donations received	$ 6,000	$ -
Transferred from Other Funds	185,757	280,000
Total Receipts	191,757	280,000
EXPENDITURES:		
Capital outlay	62,600	173,043
Total Expenditures	62,600	173,043
Receipts over (under) Expenditures	129,157	106,957
UNENCUMBERED CASH, BEGINNING	477,581	606,738
UNENCUMBERED CASH, ENDING	$ 606,738	$ 713,695

Schedule 2-I

CITY OF LEBO, KANSAS

MUNICIPAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
RECEIPTS:		
Sale of Equipment		52,368
Transferred from General	$ 30,000	$ 30,000
Total Receipts	30,000	82,368
EXPENDITURES:		
Capital Outlay	15,836	76,654
Transfer to Capital Improvement Fund	35,757	-
Total Expenditures	51,593	76,654
Receipts under Expenditures	(21,593)	5,715
UNENCUMBERED CASH, BEGINNING	107,557	85,964
UNENCUMBERED CASH, ENDING	$ 85,964	$ 91,678

CITY OF LEBO, KANSAS

GAS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	$ 266,989	$ 86,463	$ 275,000	$ (188,537)
Sales Tax	7,530	2,519	6,200	(3,681)
Interest Income	9	-	11	(11)
Reimbursed Expenses and Other Income	2,010	-	1,000	(1,000)
Total Receipts	276,538	88,982	$ 282,211	$ (193,229)
EXPENDITURES:				
Personnel Services	82,892	55,736	$ 75,033	$ 19,297
Contractual Services	167,887	40,241	215,270	175,029
Commodities	25,113	4,624	15,450	10,826
Stored Gas Property Tax	55	6	80	74
Sales Tax and Other	14,484	2,418	6,300	3,882
Capital Outlay	1,296	-		-
Transfer	20,000	246,774	10,000	(236,774)
Total Expenditures	311,727	349,799	$ 322,133	$ (27,666)
Receipts under Expenditures	(35,189)	(260,817)		
UNENCUMBERED CASH, BEGINNING	296,006	260,817		
UNENCUMBERED CASH, ENDING	$ 260,817	$ -		

Schedule 2-K

CITY OF LEBO, KANSAS

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Water Sales - Customer	$ 290,287	$ 304,187	$ 294,632	$ 9,555
Sales tax	2,078	2,197	-	2,197
Reimbursed Expenses and Other Income	3,836	1,517	-	1,517
Interest on Idle Funds	19	10	-	10
Total Receipts	296,220	307,911	$ 294,632	$ 13,279
EXPENDITURES:				
Personnel	75,743	90,454	$ 105,000	$ 14,546
Contractual Services	160,976	169,729	150,000	(19,729)
Commodities	23,460	36,804	50,000	13,196
Debt Service	25,346	25,346	26,000	654
Other	5,275	3,177	5,000	1,823
Capital Outlay	1,296	9,336	-	(9,336)
Total Expenditures	292,096	334,846	$ 336,000	$ 1,154
Receipts over (under) Expenditures	4,124	(26,935)		
UNENCUMBERED CASH, BEGINNING	279,334	283,458		
UNENCUMBERED CASH, ENDING	$ 283,458	$ 256,523		

CITY OF LEBO, KANSAS

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	$ 119,898	$ 121,698	$ 107,000	$ 14,698
Special Assessments	797	797	797	-
Interest Income	339	-		-
Total Receipts	121,034	122,495	$ 107,797	$ 14,698
EXPENDITURES:				
Personnel Services	42,473	53,046	$ 59,440	$ 6,394
Contractual Services	22,892	21,902	18,000	(3,902)
Commodities	16,451	23,610	15,000	(8,610)
Capital Outlay	5,146	81,571	80,000	(1,571)
Debt Service	31,397	15,699	15,699	-
Transfer to General	10,000	-	10,000	10,000
Total Expenditures	128,359	195,828	$ 198,139	$ 2,311
Receipts under Expenditures	(7,325)	(73,333)		
UNENCUMBERED CASH, BEGINNING	157,983	150,658		
UNENCUMBERED CASH, ENDING	$ 150,658	$ 77,325		

Schedule 2-M

CITY OF LEBO, KANSAS

SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	Variance Favorable (Unfavorable)
RECEIPTS:				
Sales - Customers	$ 74,235	$ 76,815	$ 84,000	$ (7,185)
Total Receipts	74,235	76,815	$ 84,000	$ (7,185)
EXPENDITURES:				
Contractual Services	72,837	73,900	$ 81,480	$ 7,580
Transfers Out	9,000	-	10,000	10,000
Total Expenditures	81,837	73,900	$ 91,480	$ 17,580
Receipts over (under) Expenditures	(7,602)	2,915		
UNENCUMBERED CASH, BEGINNING	23,311	15,709		
UNENCUMBERED CASH, ENDING	$ 15,709	$ 18,624		

APPENDIX C

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS

APPENDIX C

SUMMARY OF PRINCIPAL FINANCING DOCUMENTS

The following, in addition to the information provided elsewhere herein, summarizes certain provisions of the Base Lease, the Lease, and the Bond Resolution to which reference is made for the detailed provisions thereof.

DEFINITIONS

In addition to the words and terms defined elsewhere in this Official Statement, in the Base Lease, the Lease and the Bond Resolution, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" means K.S.A. 12-1757 *et seq*., as amended and supplemented from time to time.

"Additional Bonds" means any Bonds issued in addition to the Series 2026 Bonds specifically authorized pursuant to the Bond Resolution.

"Additional Rent" means all Impositions, all Maintenance Costs, all amounts required to be rebated to the United States pursuant to the Bond Resolution, all other payments of whatever nature payable or to become payable pursuant to the Bond Resolution or which Tenant has agreed to pay or assume under the provisions of the Lease and any and all expenses (including reasonable attorney's fees) incurred by Issuer in connection with the issuance of the Bonds or the administration or enforcement of any rights under the Lease or the Bond Resolution.

"Authorized Tenant Representative" means the City's Clerk or such other person as is designated to act on behalf of the Tenant as evidenced by a written certificate furnished to the PBC, containing the specimen signature of such person. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Tenant Representative.

"Base Lease" means the Base Lease dated as of the Dated Date between the City, as Lessor, and the PBC, as Lessee.

"Basic Rent" means the semi-annual amount which, when added to Basic Rent Credits, will be sufficient to pay, on any Bond Payment Date, all principal of, redemption premium, if any, and interest on the Bonds which is due and payable on such Bond Payment Date.

"Basic Rent Credits" means all funds on deposit in the Principal and Interest Payment Account and available for the payment of principal of, redemption premium, if any, and interest on the Bonds on any Bond Payment Date.

"Basic Rent Payment Date" means the Business Day prior to each Bond Payment Date until the principal of, redemption premium, if any, and interest on the Bonds have been fully paid or provision made for their payment in accordance with the provisions of the Bond Resolution.

"Basic Term" with respect to the Lease means that term commencing as of the date of the Lease and ending on October 1, 2041, subject to prior termination as specified in the Lease, but terminating in any event when all of the principal of, redemption premium, if any, and interest on all Outstanding Bonds shall have been paid in full or provision made for their payment in accordance with the provisions of the Bond Resolution and the City has exercised its option to purchase the Project.

"Bond" or **"Bonds"** means the Series 2026 Bonds and any Additional Bonds.

"Bond Counsel" means the firm of Gilmore & Bell, P.C., Wichita, Kansas, or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to Issuer and Tenant.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable.

"Bond Register" means the books for the registration, transfer and exchange of Bonds kept at the office of the Bond Registrar.

"Bond Registrar" means the Treasurer of the State of Kansas, Topeka, Kansas, and its successors and assigns.

"Bond Resolution" means collectively the resolution of the Issuer authorizing the issuance of the Series 2026 Bonds, as amended and supplemented, and any Supplemental Resolutions adopted in accordance with the provisions of the Bond Resolution.

"Business Day" means a day which is not a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which banks in the City of New York or in the State are not authorized to be closed.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq*.

"Certificate of Completion" means a written certificate signed by the Authorized Tenant Representative stating that: (a) the Project has been completed in accordance with the plans and specifications prepared or approved by Issuer or Tenant, as the case may be; (b) the Project has been completed in a good and workmanlike manner; (c) no mechanic's or materialmen's liens have been filed, nor is there any basis for the filing of such liens, with respect to the Project; (d) the Facility is located upon the Land; and (e) if required by applicable building codes, that an appropriate certificate of occupancy has been issued with respect to the Project.

"City" means the City of Lebo, Kansas.

"Code" means the Internal Revenue Code of 1986, as amended, together with the regulations promulgated thereunder by the United States Department of the Treasury.

"Compliance Account" means that account authorized and established pursuant to the Bond Resolution.

"Costs of Issuance" means all costs of issuing the Bonds, including all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, all expenses incurred in connection with receiving ratings on the Bonds, and any premiums or expenses incurred in obtaining municipal bond insurance on the Bonds.

"Costs of Issuance Account" means that account authorized and established pursuant to the Bond Resolution and designated "Costs of Issuance Account for City of Lebo, Kansas Public Building Commission Revenue Bonds, Series 2026 (City Facilities Project)".

"Dated Date" means December 23, 2026.

"Defeasance Obligations" means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently "Aaa") or Standard & Poor's (presently "AAA").

"Default" means any event or condition the occurrence of which, with the lapse of time or the giving of notice or both, constitutes an Event of Default.

"Defaulted Interest" means interest on any Bond which is payable but not paid on any Interest Payment Date.

"Derivative" means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

"Disclosure Undertaking" means the Continuing Disclosure Undertaking of the City (as may be amended from time to time) to be delivered at the time of issuance and delivery of the Series 2026 Bonds, relating to certain matters within the scope of the SEC Rule, in accordance with its terms.

"Environmental Law" means CERCLA, SARA, and any other federal, state or local environmental statute, regulation or ordinance presently in effect or coming into effect during the term of the Lease.

"Event of Bankruptcy" means an event whereby the Tenant shall: (a) admit in writing its inability to pay its debts as they become due; or (b) file a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code as now or in the future amended, or file a pleading asking for such relief; or (c) make an assignment for the benefit of creditors; or (d) consent to the appointment of a trustee or receiver for all or a major portion of its property; or (e) be finally adjudicated as bankrupt or insolvent under any federal or state law; or (f) suffer the entry of a final and nonappealable court order under any federal or state law appointing a receiver or trustee for all or a major part of its property or ordering the winding-up or liquidation of its affairs, or approving a petition filed against it under the Bankruptcy Code, which order, if the Tenant has not consented thereto, shall not be vacated, denied, set aside or stayed within 60 days after the day of entry; or (g) suffer a writ or warrant of attachment or any similar process to be issued by any court against all or any substantial portion of its property, and such writ or warrant of attachment or any similar process is not contested, stayed, or is not released within 60 days after the final entry, or levy or after any contest is finally adjudicated or any stay is vacated or set aside.

"Event of Default" with respect to the Lease means any one of the following events:

(a) Failure of Tenant to make any payment of Basic Rent at the time and in the amounts required under the Lease; or

(b) Failure of Tenant to make any payment of Additional Rent at the times and in the amounts required under the Lease, or failure to observe or perform any other covenant (other than covenants related to the Continuing Disclosure Undertaking), agreement, obligation or provision of this Lease on the Tenant's part to be observed or performed, and the same is not remedied within thirty (30) days after the Issuer has given the Tenant written notice specifying such failure (or such longer period as shall be reasonably required to correct such default; provided that (1) Tenant has commenced such correction within said 30-day period, and (2) Tenant diligently prosecutes such correction to completion); or

(c) An Event of Bankruptcy; or

(d) Abandonment of the Project by Tenant.

"Event of Default" with respect to the Bond Resolution means any one of the following events:

(a) Default in the due and punctual payment of the principal of, premium, if any, and interest on the Bonds whether at the stated maturity or accelerated maturity thereof, or at the redemption date thereof;

(b) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer under the Bond Resolution (other than the covenants relating to the Continuing Disclosure Undertaking) or the Bonds, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the Issuer by the City, or to the Issuer and the City by the Owners owning not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the City within such period and diligently pursued until the default is corrected; or

(c) An Event of Default as defined in the Lease shall have occurred.

"Facility" means the improvements to acquire, construct, furnish and equip a swimming pool facility in the City and all improvements related thereto, funded in part from the proceeds of the Series 2026 Bonds.

"Fiscal Year" means the twelve month period ending on December 31.

"Full Insurable Value" means the full actual replacement cost less physical depreciation as determined from time to time upon the request of Issuer or Tenant (but not more frequently than once in every 24 months) by an architect, appraiser, appraisal company or one of the insurers, selected and paid by Tenant.

"Hazardous Substances" shall mean "hazardous substances" as defined in CERCLA.

"Impositions" means all taxes and assessments, general and special, which may be lawfully taxed, charged, levied, assessed or imposed upon or against or payable for or in respect of the Project or any part thereof, or any improvements at any time thereon or Tenant's interest therein, including any new lawful taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen.

"Interest Payment Date(s)" means the Stated Maturity of an installment of interest on any Bond which, with respect to the Series 2026 Bonds, shall be April 1 and October 1 of each year, commencing April 1, 2027.

"Investment Securities" shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the City which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

"Issuer" means the PBC, its successors and assigns.

"Land" means the real property (or interests therein) described in ***Schedule I*** attached to the Lease.

"Lease" means the Lease dated as of the Dated Date between the Issuer and the Tenant, as from time to time amended and supplemented in accordance with the provisions thereof and of the Bond Resolution.

"Maintenance Costs" means all costs and expenses of every kind of operating and maintaining the Project during the Term of the Lease.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"Original Purchaser" means the financial institution or investment banking firm that is the original purchaser of the Series 2026 Bonds.

"Outstanding" means, when used with reference to the Bonds, as of a particular date of determination, all Bonds theretofore authenticated and delivered, except the following Bonds:

(a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Resolution.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means the Treasurer of the State of Kansas, Topeka, Kansas, and any successors and assigns.

"PBC" means the City of Lebo, Kansas Public Building Commission.

"Person" means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"President" means the duly appointed and/or elected President or, in the President's absence, the duly appointed Vice President or Acting President of the Issuer.

"Pledged Property" means: (a) all right, title and interest, of the Issuer in, to and under the Base Lease and Lease, all Basic Rent or Additional Rent derived by the Issuer pursuant to the Lease, subject to the provisions of the Lease and Base Lease; provided that the pledge and assignment hereby made shall not impair or diminish the obligations of the Issuer under the provisions of the Lease and Base Lease; and (b) all moneys and Investment Securities from time to time held under the terms of the Bond Resolution, including, without limitation, Bond proceeds and income from the temporary investment thereof, proceeds from insurance and condemnation awards, any and all real or personal property of every kind and nature from time to time hereafter, by delivery or by right of any kind, pledged, assigned or transferred as and for additional security for the Bonds by the Issuer.

"Principal and Interest Payment Account" means that account authorized and established pursuant to the Bond Resolution and designated the "Principal and Interest Payment Account for City of Lebo, Kansas Public Building Commission Revenue Bonds, Series 2026 (City Facilities Project)".

"Principal Payment Date" means October 1, commencing October 1, 2026 and continuing until such time as the aggregate principal amount of the Bonds has been paid or provisions is made for the payment thereof, whether at Stated Maturity or Redemption date.

"Project" means and includes the interest of Issuer in the Land and the Facility acquired, constructed or installed with the proceeds of the Series 2026 Bonds, together with any Project Additions.

"Project Additions" means any additions to the Project acquired, constructed or installed from proceeds of any series of Additional Bonds authorized and issued pursuant to the Bond Resolution. It also includes any alterations or additions made to the Project to the extent provided in the Lease.

"Project Costs" means those costs incurred in connection with the Project, including:

(a) All costs and expenses necessary or incident to the acquisition of the Land and such of the Facility as are acquired, constructed or in progress at the date of such acquisition.

(b) Fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction, furnishing and equipping of the Project or the issuance of the Bonds.

(c) All costs and expenses of every nature incurred in constructing, acquiring or installing the remaining portion of the Project.

(d) Payment of interest actually incurred on any interim financing obtained from a lender unrelated to the Tenant for performance of work on the Project prior to the issuance of the Bonds.

(e) The cost of the title insurance policies and the cost of any insurance and performance and payment bonds required by the Lease.

(f) Interest accruing on the Bonds during the period of construction of the Facility.

(g) Costs of Issuance.

"Project Fund" means the account authorized and established pursuant to the Bond Resolution and designated the "Project Fund for City of Lebo, Kansas Public Building Commission Revenue Bonds, Series 2026 (City Facilities Project)".

"Rental Payments" means the aggregate of the Basic Rent payments and Additional Rent payments provided for pursuant to the Lease.

"Replacement Bonds" means Bonds issued to the Beneficial Owners of the Bonds in accordance with the Bond Resolution.

"SARA" means the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended.

"SEC Rule" means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Securities Depository" means, initially, DTC, and its successors and assigns.

"Secretary" means the duly appointed and/or elected Secretary or, in the Secretary's absence, the duly appointed Deputy Secretary or Acting Secretary of the Issuer.

"Series 2026 Bonds" means the City of Lebo, Kansas Public Building Commission Revenue Bonds, Series 2026 (City Facilities Project), dated as of the Dated Date.

"Standard & Poor's" means Standard & Poor's Ratings Services, a division of S&P Global Ratings Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

"State" means the state of Kansas.

"State Treasurer" means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

"Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Resolution as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"Supplemental Resolution" means any amendment or supplement to the Bond Resolution entered into as provided in the Bond Resolution.

"Tenant" means the City, its successors and assigns.

"Term" means collectively the Basic Term and any additional term of the Lease.

"Term Bonds" means any Bonds designated as Term Bonds in the Bond Resolution or in any supplemental resolution authorizing the issuance of Additional Bonds.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

THE BASE LEASE

LEASE OF LAND; ISSUANCE OF BONDS

The City owns the Land, and has leased the Land to the PBC pursuant to the Base Lease in conjunction with the issuance of the Series 2026 Bonds. The Issuer will issue the Series 2026 Bonds to pay the costs to construct the Facility, subject to the City entering into the Lease with the Issuer under which the City will operate the Project.

TERM OF BASE LEASE

The term of the Base Lease will commence on the Dated Date and will end, subject to early termination, on October 1, 2045.

ASSIGNMENTS AND SUBLEASES

If an "Event of Default" under the Lease occurs, the Issuer shall have the right to possession of the Land for the remainder of the term of the Base Lease and shall have the right to sublease the Project or sell its interest in the Project and the Base Lease upon whatever terms and conditions it deems prudent and in the interest of the Owners of the Bonds.

TAXES AND ASSESSMENTS

The parties agree that the ownership and occupancy of the Project shall be by entities exempt from the payment of ad valorem real estate taxes. In the event the Project is deemed to be subject to the payment of ad valorem taxes or special assessment taxes, all such taxes shall be the sole responsibility of the Issuer. Under the terms of the Lease, the City has agreed to pay any and all assessments of any kind or character and all taxes levied or assessed upon the Project.

TITLE AND CONSIDERATION

The City shall have title to the Land during the Term of the Base Lease. For the term of the Base Lease, the Issuer shall own all improvements constructed by the Issuer on the Land. Upon termination of the Base Lease, for any reason, title to all such improvements shall immediately vest in the City.

THE LEASE

LEASE OF PROJECT; ISSUANCE OF THE BONDS; PAYMENT OF RENT

The Issuer agrees to lease the Project to the City pursuant to the Lease and to issue the Series 2026 Bonds to provide funds for the payment of Project Costs. The City, pursuant to the Lease, agrees to make semi-annual payments of Basic Rent on the Basic Rent Payment Dates. The City has agreed also, and from time to time is required, to pay Additional Rent.

DEPOSIT AND APPLICATION OF PROCEEDS FROM THE SALE OF THE BONDS

From the proceeds of the Series 2026 Bonds an amount equal to any accrued interest and premium, if any, received from the sale of the Series 2026 Bonds will be deposited into the Principal and Interest Payment Account. The remainder of the proceeds received from the sale of each series of Series 2026 Bonds will be deposited in the Costs of Issuance Account and the Project Fund as provided in the Bond Resolution.

APPLICATION OF FUNDS IN THE PROJECT FUND

The moneys in the Project Fund will be disbursed for the payment of Project Costs upon a proper system of voucher certificates submitted by the City.

COMPLETION OF PROJECT

The Issuer covenants and agrees to proceed diligently to complete the Project on or before the Completion Date. Upon completion of the Project, the Issuer shall cause the Authorized Tenant Representative to deliver a Certificate of Completion. In the event funds remain on hand in the Project Fund on the date the Certificate of Completion is furnished or on the Completion Date, whichever shall first occur, such remaining funds shall be transferred to the respective Principal and

Interest Payment Account on the Completion Date and shall be applied in accordance with the provisions of the Bond Resolution.

ASSIGNMENT OF THE LEASE BY THE CITY

The City may not assign its interest in the Lease without the prior written consent of the Issuer. Any such assignment must be to a governmental entity authorized to be a tenant in accordance with the Act. In the event of assignment, the City shall remain fully liable, except to the extent provided thereunder. If, in connection with an assignment by the City of its interests in the Lease, (a) the Issuer and the Owners of ninety percent (90%) in aggregate principal amount of the Outstanding Bonds (including any Additional Bonds) shall file with the City their prior written consent to such assignment, and (b) the proposed assignee shall expressly assume and agree to perform all of the obligations of the City under the Lease, then the City shall be fully released from all obligations accruing under the Lease after the date of such assignment.

SUBLEASE BY THE CITY

The City may not sublease the Project to a single party or entity, without the prior written consent of Issuer. The City may sublease portions of the Project for use by others in the normal course of its business without Issuer's prior consent or approval. Any such subtenant must be an entity permitted to be a Tenant under the provisions of the Act. In the event of any such subleasing, the City shall remain fully liable for the performance of its duties and obligations hereunder, and no such subleasing and no dealings or transactions between Issuer and any such subtenant shall relieve the City of any of its duties and obligations thereunder. Any such sublease shall be subject and subordinate in all respects to the provisions of the Lease.

SPECIAL TAX COVENANTS

The City agrees that it will not take or permit any action to be taken which will cause the Bonds to be "private activity bonds" within the meaning of Section 141(b) of the Code or to cause the interest on the Bonds to become subject to federal income taxation pursuant to the provisions of the Code.

ENVIRONMENTAL MATTERS

The City acknowledges that it is responsible for maintaining the Project in compliance with all Environmental Laws. In the event that the City does not expeditiously proceed with any compliance required by any local, state or federal authority under the applicable Environmental Law, the Issuer, immediately after notice to the City, may elect (but may not be required) to undertake such compliance. Any moneys expended by Issuer in efforts to comply with any applicable Environmental Law (including the cost of hiring consultants, undertaking sampling and testing, performing any cleanup necessary or useful in the compliance process and attorneys' fees) shall be due and payable as Additional Rent hereunder with interest thereon at the average rate of interest per annum on the Bonds, plus two (2) percentage points, from the date such cost is incurred.

To the extent permitted by law, the City covenants to indemnify Issuer and the Owners and defend and hold them harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs associated therewith incurred in the investigation, defense and settlement of claims) that they may incur, directly or indirectly, as a result of or in connection with the assertion against them or any of them of any claim relating to the presence, escape or removal of any hazardous substance or other material regulated by any applicable Environmental Law, or compliance with any applicable Environmental Law, whether before, during or after the term of the Lease, including claims relating to personal injury or damage to property.

REPAIR AND MAINTENANCE

The City covenants and agrees that it will, during the Term of the Lease, keep and maintain the Project and all parts thereof in good condition and repair, including but not limited to the furnishing of all parts, mechanisms and devices required to keep the furnishings, equipment and personal property constituting a part of the Project in good mechanical and working order, and that during said period of time it will keep the Project and all parts thereof free from nuisance or conditions unreasonably increasing the danger of fire.

REMOVAL, DISPOSITION AND SUBSTITUTION OF MACHINERY AND EQUIPMENT

The City shall have the right, if not in default in the payment of Basic Rent and Additional Rent, to remove and sell or otherwise dispose of any furnishings or equipment which constitute a part of the Project and which are no longer used by

the City or, in the opinion of the City, are no longer suitable for use by the City in its operations (whether by reason of obsolescence, depreciation or otherwise), subject, however, to certain conditions set out in the Lease.

REMEDIES ON DEFAULT

Whenever any Event of Default shall have happened and be continuing, the Issuer may take any one or more of the following remedial actions:

(a) By written notice to the City upon acceleration of maturity of the Bonds as provided in the Bond Resolution, if any, the Issuer may declare the aggregate amount of all unpaid Basic Rent or Additional Rent then or thereafter required to be paid under the Lease to be immediately due and payable as liquidated damages from the City, whereupon the same shall become immediately due and payable by the City;

(b) Give the City written notice of its intention to terminate the Lease on a date specified therein, which date shall not be earlier than thirty (30) days after such notice is given and, if all Events of Default have not then been cured on the date so specified, the Tenant's rights to possession of the Project subject to the Base Lease shall cease, and the Lease shall thereupon be terminated, and the Issuer may reenter and take possession of the Project; or

(c) Without terminating the Lease, conduct inspections or an Environmental Assessment of the Project, and re-enter the Project or take possession thereof pursuant to legal proceedings or any notice provided for by law and the Lease. The Issuer may refuse to re-enter or take possession of the Project if it has reasonable cause for such refusal. "Reasonable cause" shall include the presence on the Project of conditions which are in violation of any Environmental Law or the existence or threat of a remedial action against the Tenant under any Environmental Law resulting from conditions on the Project.

Having elected to reenter or take possession of the Project as described in subsection (c) above, the Issuer may (subject, however, to any restrictions against termination of the Lease in the Bond Resolution or the Base Lease), by notice to the City given at any time thereafter while the City is in default in the making of Rental Payments or in the performance of any other obligation under the Lease, elect to terminate the Lease in accordance with subsection (b) above and thereafter proceed to sell its interest in the Project subject to the Base Lease. If, in accordance with any of the foregoing provisions, the Issuer has the right to reenter and take possession of the Project, subject to the Base Lease, the Issuer may enter and expel the City and remove the property and effects of the City (forcibly, if necessary) without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenant. Net proceeds of any reletting shall be deposited in the Principal and Interest Payment Account.

SURVIVAL OF OBLIGATIONS

The City covenants and agrees that until the Bonds and the interest thereon and redemption premium, if any, are paid in full or provision made for the payment thereof, City's obligations under the Lease shall survive the cancellation and termination of the Lease for any cause and that City shall continue to make Basic Rent and Additional Rent and perform all other obligations provided for in the Lease, all at the time or times provided in the Lease.

NO REMEDY EXCLUSIVE

No remedy conferred upon or reserved to the Issuer in the Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof.

PERFORMANCE OF THE CITY'S OBLIGATIONS BY THE ISSUER

If the City fails to keep or perform any of its obligations as provided under the Lease, the Issuer may (but shall not be obligated to do so) upon the continuance of such failure on the City's part for ninety (90) days after notice of such failure is given the City by the Issuer, make any such payment or perform any such obligation, and all sums so paid by the Issuer and all necessary or incidental costs and expenses incurred by the Issuer in performing such obligations shall be paid to the Issuer on demand, and if not paid within ten (10) days of demand, the Issuer shall have the same rights and remedies provided in the Lease in the case of an Event of Default.

OPTIONS TO PURCHASE THE PROJECT

Subject to the provisions of the Lease, the City shall have the option to purchase the Project at any time during the Term of the Lease or within 120 days thereafter. The City must exercise its option by giving the Issuer written notice of the City's election to exercise its option and specifying the date, time and place of closing, which shall neither be earlier than thirty (30) days nor later than one hundred eighty (180) days after the notice is given.

If notice of election to purchase is given, the Issuer covenants and agrees to sell and convey the Project to the City free and clear of all liens and encumbrances except (a) those to which the title was subject on the date of the City's conveyance to the Issuer of the Project, or to which title became subject with the City's written consent, or which resulted from failure of the City to perform any of its covenants or obligations under the Lease, (b) taxes and assessments, if any, and (c) the rights of any party having condemned or who is attempting to condemn title to, or the use for a limited period of, all or any part of the Project, for the full amount which is required to provide the Issuer with funds or securities sufficient to pay at maturity or to redeem and pay in full (A) the principal of all of the Outstanding Bonds, (B) all interest due thereon to date of maturity or redemption, whichever first occurs, and (C) all costs, expenses and premiums incident to the redemption and payment of said Bonds in full, plus $100.00.

CLOSING OF PURCHASE

On the closing date the Issuer will deliver to the City its quitclaim deed or other instrument or instruments of conveyance conveying the Project to the City free and clear of all liens and encumbrances except as set forth in the preceding section above. However, the Issuer is not required to deliver its instrument of conveyance to the City until after all duties and obligations of the City under the Lease to the date of such delivery have been fully performed and satisfied. Upon the delivery to the City of the Issuer's instrument or instruments of conveyance and payment of the purchase price by the City, the Lease shall, *ipso facto*, terminate.

INSURANCE

The City shall be required to maintain in full force and effect general accident and public liability insurance, workers' compensation, fire and extended coverage casualty insurance, and such other insurance policies as are reasonably related to the Project as provided in the Lease.

AMENDMENTS, CHANGES AND MODIFICATIONS OF THE LEASE

The Lease may be amended, changed or modified in the following manner:

(a) With respect to an amendment, change or modification which reduces the Basic Rent or Additional Rent, or any amendment which reduces the percentage of Owners whose consent is required for any such amendment, change or modification, by an agreement in writing executed by the Issuer and the City and consented to in writing by the Owners of one hundred percent (100%) of the aggregate principal amount of the Bonds then Outstanding;

(b) With respect to any other amendment, change or modification which will materially adversely affect the security or rights of the Owners, by an agreement in writing executed by the Issuer and the City and consented to in writing by the Owners of sixty-six and two-thirds percent (66-2/3%) of the aggregate principal amount of the Bonds then Outstanding; and

(c) With respect to all other amendments, changes, or modifications, by an agreement in writing executed by the Issuer and the City.

THE BOND RESOLUTION

APPLICATION OF BOND PROCEEDS-PROJECT FUND

The proceeds from the sale of the Series 2026 Bonds will be received by the Issuer simultaneously with the original delivery of the Series 2026 Bonds, and the Issuer will deposit accrued interest and premium, if any, in the respective Principal and Interest Payment Account, a sum sufficient to pay Costs of Issuance related to each series of Series 2026 Bonds in the Cost of Issuance Account and the balance of the proceeds in the Project Fund.

PRINCIPAL AND INTEREST PAYMENT ACCOUNT

Moneys paid into the Principal and Interest Payment Account will include all Rental Payments, excess amounts in the Project Fund upon completion of the Project and interest and other income from investment of the Principal and Interest Payment Account.

Moneys in the Principal and Interest Payment Account will be expended solely for the payment of principal of, premium, if any, and interest on the Bonds, except that any balance remaining after the Bonds have been paid in full, or provision made for payment in accordance with the Bond Resolution, will be paid to City. Payment of fees and expenses of the Paying Agent and Bond Registrar shall be subordinate to payments of principal and interest to the Owners of the Bonds.

INVESTMENT OF MONEYS IN FUNDS

Moneys held in the Project Fund and the Principal and Interest Payment Account shall be separately invested and reinvested in Investment Securities which mature or are subject to redemption by the owner prior to the date such funds will be needed; provided, however, that such moneys shall not be invested in such manner as will violate the provisions of the Bond Resolution. Any such Investment Securities shall be deemed at all times a part of the fund or account in which such moneys are originally held, and the interest accruing thereon and any profit realized from such Investment Securities shall be credited to and accumulated in such fund, and any loss resulting from such Investment Securities shall be charged to such fund. In determining the balance in any fund or account, investments in such fund or account shall be valued at their fair market value. No investments shall be made which would violate the provisions of Section 148 of the Code. The Issuer shall comply with the Tax Compliance Agreement and shall pay any rebate amounts due therefor.

ADDITIONAL BONDS

Additional Bonds may be issued under and equally and ratably secured by the Bond Resolution on a parity with the Series 2026 Bonds and any other Additional Bonds Outstanding at any time and from time to time, upon compliance with the conditions hereinafter provided, for any of the following purposes:

(a) To provide funds to pay the cost of completing the Project, the total of such costs to be evidenced by a certificate signed by an authorized representative of the City.

(b) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof.

(c) To provide funds to pay all or any part of the costs of acquisition, purchase or construction of such additions, improvements, extensions, alterations, expansions or modifications of the Project or any part thereof as the City may deem necessary or desirable and as will not impair the nature of the Project as a facility within the meaning and purposes of the Act.

(d) To provide funds for refunding all or any part of the Bonds then Outstanding of any series, including the payment of any premium thereon and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

Before any such Additional Bonds shall be issued, the Original Purchaser shall be given written notice thereof, and the Issuer shall adopt a Supplemental Resolution (i) authorizing the issuance of such Additional Bonds, fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Bonds are being issued or describing the Bonds to be refunded; and (ii) requiring the Issuer to enter into a supplemental lease with the City to provide for rental payments at least sufficient to pay the principal of, premium, if any, and interest on the Bonds then Outstanding (including the Additional Bonds to be issued) as the same become due, and for such other matters as are appropriate because of the issuance of the Additional Bonds proposed to be issued which, in the judgment of the Issuer, is not to the prejudice of the Issuer or the Owners of Bonds previously issued.

Except as provided in the Bond Resolution, the Issuer will not otherwise issue any obligations on a parity with the Series 2026 Bonds, but the Issuer may issue other obligations specifically subordinate and junior to the Series 2026 Bonds with the express written consent of the City.

LIMITATION ON EXERCISE OF REMEDIES BY OWNERS

No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution, for the execution of any trust under the Bond Resolution, or for the appointment of a receiver or any other remedy under the Bond Resolution, unless (i) a default has occurred, of which the Owners have been notified as provided in the Bond Resolution; (ii) such default shall have become an Event of Default; (iii) the Owners owning 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Issuer, shall have offered it

reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; and (iv) the Issuer has failed or refused to exercise the powers granted under the Bond Resolution or to institute such action, suit or proceeding in its own name. No Owner shall have any right in any manner to affect, disturb or prejudice the Bond Resolution by its, his or their action or to enforce any right thereunder except in the manner provided in the Bond Resolution. All proceedings shall be instituted and maintained in the manner provided and for the equal benefit of the Owners owning all Bonds then Outstanding.

RIGHT OF OWNERS TO DIRECT PROCEEDINGS

The Owners owning 25% in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Issuer, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Resolution, or for the appointment of a receiver or any other proceedings under the Bond Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of law and the Bond Resolution.

No remedy conferred by the Bond Resolution upon or reserved to the Issuer or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein. No waiver of any Event of Default under the Bond Resolution shall extend to or shall affect any subsequent Event of Default thereunder or shall impair any rights or remedies consequent thereon.

WAIVERS OF EVENTS OF DEFAULT

Any Event of Default under the Bond Resolution and its consequences may be waived and shall be waived upon the written request of the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding. In case of any such waiver or rescission, or in case any proceedings taken on account of any such default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Issuer, the City and the Owners shall be restored to their former positions, rights and obligations under the Bond Resolution.

SUPPLEMENTAL RESOLUTIONS NOT REQUIRING CONSENT OF OWNERS

The Issuer may from time to time, without the consent of or notice to any of the Owners, enter into such supplemental resolutions as shall be consistent with the terms and provisions of the Bond Resolution, for any one or more of the following purposes:

(a) To cure any ambiguity, formal defect or omission in the Bond Resolution or to make any other change not prejudicial to the Owners;

(b) To grant to or confer upon the Bond Registrar for the benefit of the Owners, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners;

(c) To more precisely identify the Project or to substitute or add additional property thereto;

(d) To subject to the Bond Resolution additional revenues, properties or collateral;

(e) To issue Additional Bonds as described herein under the caption "THE BOND RESOLUTION - Additional Bonds;" and

(f) To conform the provisions of the Bond Resolution to the provisions of the Code as the same now exists or may be hereafter amended.

SUPPLEMENTAL RESOLUTIONS REQUIRING CONSENT OF OWNERS

The Owners owning not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer of such other supplemental resolutions as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any supplemental resolution; provided, however, that nothing in the Bond Resolution shall permit: (a) an extension of the maturity of the principal of or the interest on any Bond; (b) a reduction in the principal amount of any Bond or the rate of interest thereon; (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or (d) a reduction in the aggregate principal amount of Bonds the Owners owning which are required for consent to any such supplemental resolution.

Any provision of the Bond Resolution or the Bonds may be amended with the written consent of the Owners owning 100% in aggregate principal amount of the Bonds then Outstanding.

No Supplemental Resolution which affects any rights of the City shall become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Resolution.

DEFEASANCE

When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Resolution and the pledge of the Pledged Property and all other rights granted in the Bond Resolution shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity: (a) the Issuer has elected to redeem such Bonds, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Bond Registrar to give such notice of redemption in compliance with the Bond Resolution.

PAYMENTS DUE ON NON-BUSINESS DAYS

Payments may be made on the next succeeding Business Day that the Bond Registrar and Paying Agent is open for business if such payment is due on a Saturday, Sunday, legal holiday or day on which the Paying Agent is authorized by law to close, and no interest shall accrue for the period after the stated due date.

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF DECEMBER 23, 2026

BY

CITY OF LEBO, KANSAS

in connection with

CITY OF LEBO, KANSAS PUBLIC BUILDING COMMISSION
REVENUE BONDS, SERIES 2026
(CITY FACILITIES PROJECT)
DATED DECEMBER 23, 2026

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of December 23, 2026 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by the **City of Lebo, Kansas** (the **"City"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the City in connection with the issuance by the City of Lebo, Kansas Public Building Commission (the "Issuer") of its Revenue Bonds, Series 2026 (City Facilities Project) (the "Bonds"), pursuant to a Resolution and adopted by the governing body of the Issuer (the "Bond Resolution").

2. The City is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **"Rule"**). The City is the only **"obligated person"** with responsibility for continuing disclosure hereunder, and the PBC has undertaken no responsibility with respect to any reports, notices or disclosures provide or required under this Continuing Disclosure Undertaking, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to the Rule.

The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the City pursuant to, and as described in, ***Section 2*** of this Continuing Disclosure Undertaking.

"Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the City to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the City a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not

include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

"Material Events" means any of the events listed in ***Section 3*** of this Continuing Disclosure Undertaking.

"**MSRB"** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

(a) The City shall, not later than November 1 of each year, commencing with the year ending December 31, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the "Annual Report"):

(1) The audited financial statements of the City for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Bonds. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Bonds. If such audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in ***Exhibit A*****,** in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the City.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under ***Section 3***, and the Annual Report deadline provided above shall automatically become the first day of the eleventh month after the end of the new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("Material Events"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in ***Section 2(a)***, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this ***Section 3***.

Section 4. Termination of Reporting Obligation. The obligations of the City under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the obligations of the City under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Material Event under ***Section 3***.

Section 5. Dissemination Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the City may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under ***Section 3***, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the City shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the City to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Bond Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF LEBO, KANSAS

(SEAL)

By: _____
Title: Mayor

ATTEST

By: _____
Title: City Clerk

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in tables in the following sections contained in ***Appendix A*** of the final Official Statement relating to the Bonds:

- Assessed Valuation
- Tax Collection Record
- Current Indebtedness of City