

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 23, 2026

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. 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.

NEW ISSUE
NOT BANK QUALIFIED – THE SERIES 2026A BONDS
BOOK ENTRY ONLY

S&P RATING: AA+

In the opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and assuming the accuracy of certain representations and compliance with certain covenants, at the time of the issuance of the Series 2026A Bonds, the interest on the Series 2026A Bonds is excluded from gross income for federal income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions). Interest on the Series 2026A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or for purposes of the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Series 2026A Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Series 2026A Bonds or arising with respect to ownership of the Series 2026A Bonds. See "TAX EXEMPTION – THE SERIES 2026A BONDS" herein.

The City will NOT designate the Series 2026A Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The interest to be paid on the Series 2026B Bonds is includable in the income of the recipient for the purposes of the United States and State of Minnesota income tax. See "TAXABILITY OF INTEREST – THE SERIES 2026B BONDS" herein.

CITY OF EXCELSIOR, MINNESOTA

\$5,065,000* General Obligation Bonds, Series 2026A (the "Series 2026A Bonds")	\$2,490,000* Taxable General Obligation Capital Improvement Bonds, Series 2026B (the "Series 2026B Bonds")
(together "the Bonds")	

Dated Date	Date of Delivery (anticipated to be February 23, 2026)
Sale Date	Monday, February 2, 2026 until 10:30 A.M., Central Time
Consideration of Award	City Council meeting commencing at 6:30 P.M., Central Time on Monday, February 2, 2026.
Security	The Bonds will be general obligations of the City of Excelsior, Minnesota (the "City") for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge (i) available tax abatement revenues from certain abated parcels within the City for repayment of a portion of the Series 2026A Bonds and (ii) net revenues of the City's utility funds for repayment of a portion of the Series 2026A Bonds. See "Authority and Security" herein.
Authorization	<u>Series 2026A Bonds.</u> The Series 2026A Bonds are being issued pursuant to Minnesota Statutes, Chapters 444, 469, and 475, Sections 475.521 and 475.58 (Subd 3b), 469.1812 through 469.1815, and resolutions adopted on October 6, 2025 and January 5, 2026. <u>Series 2026B Bonds.</u> The Series 2026B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, and Section 475.521, and resolutions adopted on October 6, 2025 and January 5, 2026. See "Authority and Security" herein.
Purpose	<u>Series 2026A Bonds.</u> The proceeds of the Series 2026A Bonds will be used to (i) finance the acquisition and betterment of a new city hall building and acquisition and betterment of improvements to the fire hall located in the City, (ii) finance MCES Street Projects, (iii) finance various utility improvements throughout the City, (iv) finance pavement maintenance improvements throughout the City, and (v) pay costs of issuance on the Bonds. <u>Series 2026B Bonds.</u> The proceeds of the Series 2026B Bonds will be used to (i) finance the acquisition and betterment of a new city hall building and (ii) pay costs of issuance on the Bonds.

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 30 East Seventh Street, Suite 3025, Saint Paul, MN 55101 (651) 223-3000 or bids@bakertilly.com.

Principal and Interest Payments	<p><u>Series 2026A Bonds</u>. Principal will be paid annually on February 1, beginning February 1, 2028. Interest will be paid semiannually on February 1 and August 1, beginning February 1, 2027.</p> <p><u>Series 2026B Bonds</u>. Principal will be paid annually on February 1, beginning February 1, 2027. Interest will be paid semiannually on February 1 and August 1, beginning February 1, 2027.</p>
Redemption Provisions	<p>The City may elect on February 1, 2036 and on any day thereafter, to redeem Bonds due on or after February 1, 2037 at a price of par plus accrued interest.</p> <p>The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.</p>
Book Entry	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B for "Book Entry".
Denominations	The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.
Registrar and Paying Agent	U.S Bank Trust Company, National Association, located in St. Paul, Minnesota ("Registrar" and "Paying Agent").
Bidding Information	Interested bidders should review the Terms of Proposal for additional instructions. See Appendix G herein.

MATURITY SCHEDULE
(Base CUSIP(1) _____)

Series 2026A Bonds

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2028	\$ 60,000				
2029	\$ 80,000				
2030	\$115,000				
2031	\$150,000				
2032	\$175,000				
2033	\$200,000				
2034	\$245,000				
2035	\$245,000				
2036	\$255,000				
2037	\$270,000				
2038	\$280,000				
2039	\$285,000				
2040	\$300,000				
2041	\$310,000				
2042	\$325,000				
2043	\$325,000				
2044	\$345,000				
2045	\$350,000				
2046	\$370,000				
2047	\$380,000				

Series 2026B Bonds

<u>Maturity</u> <u>(February 1)</u>	<u>Principal(2)</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2027	\$ 90,000				
2028	\$ 85,000				
2029	\$ 90,000				
2030	\$ 90,000				
2031	\$ 95,000				
2032	\$100,000				
2033	\$100,000				
2034	\$105,000				
2035	\$110,000				
2036	\$115,000				
2037	\$120,000				
2038	\$125,000				
2039	\$130,000				
2040	\$140,000				
2041	\$145,000				
2042	\$155,000				
2043	\$160,000				
2044	\$170,000				
2045	\$180,000				
2046	\$185,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Preliminary subject to change. The City reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Taft Stettinius & Hollister LLP, Minneapolis, Minnesota Bond Counsel. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about February 23, 2026.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the City and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

CITY CONTACT INFORMATION

Additional information regarding the City may be obtained by contacting Jenny Palmer, Finance Director, City of Excelsior, Minnesota, 37 Water Street, Excelsior, MN 55331, phone (952) 653-3677, email: jpalmer@excelsiormn.org.

CITY OF EXCELSIOR, MINNESOTA

CITY COUNCIL

Gary Ringate	Mayor
Jennifer Caron	Council Member
Tim Bildsoe	Council Member
Chrystal O'Hanlon	Council Member
Anne Vogel	Council Member

CITY MANAGER

Kristi Luger

FINANCE DIRECTOR

Jenny Palmer

MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Saint Paul, Minnesota

BOND COUNSEL

Taft Stettinius & Hollister LLP
Minneapolis, Minnesota

REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
St. Paul, Minnesota

SERIES 2026A UNDERWRITER

SERIES 2026B UNDERWRITER

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OFFICIAL STATEMENT

CITY OF EXCELSIOR, MINNESOTA

**\$5,065,000* GENERAL OBLIGATION BONDS, SERIES 2026A
\$2,490,000* TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS, SERIES 2026B**

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE BONDS

Series 2026A Bonds

The proceeds of the Series 2026A Bonds will be used to (i) finance the acquisition and betterment of a new city hall building and acquisition and betterment of improvements to the fire hall located in the City (the "CIP Bonds"), (ii) finance MCES Street Projects (the "Street Reconstruction Bonds"), (iii) finance various utility improvements throughout the City (the "Utility Revenue Bonds"), (iv) finance pavement maintenance improvements throughout the City (the "Tax Abatement Bonds"), and (v) pay costs of issuance on the Series 2026A Bonds.

Series 2026B Bonds.

The proceeds of the Series 2026B Bonds will be used to (i) finance acquisition and betterment of a new city hall building and (ii) pay costs of issuance on the Series 2026B Bonds.

SOURCES AND USES OF FUNDS

Series 2026A Bonds

The composition of the Series 2026A Bonds is as follows:

	<u>CIP Bonds</u>	<u>Street Reconstruction Bonds</u>	<u>Utility Revenue Bonds</u>	<u>Tax Abatement Bonds</u>	<u>Total</u>
Sources of Funds:					
Principal Amount	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reoffering Premium	_____	_____	_____	_____	_____
Total Sources of Funds	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Uses of Funds:					
Deposit to Project Fund	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Costs of Issuance(1)	_____	_____	_____	_____	_____
Allowance for Discount Bidding [Underwriter's Compensation]	_____	_____	_____	_____	_____
Total Uses of Funds	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

Series 2026B Bonds.

The composition of the Series 2026B Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
Reoffering Premium	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Project Fund	\$ _____
Costs of Issuance(1)	_____
Allowance for Discount Bidding [Underwriter's Compensation]	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

INVESTMENT OF FUNDS

The proceeds of these issues are to be invested in accordance with the laws of the State of Minnesota ("State") relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bond proceeds.

DESCRIPTION OF THE BONDS

INTEREST CALCULATION

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," U.S. Bank Trust Company, National Association, St. Paul, Minnesota, at the written request of the registered owner thereof or the owner's attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

BOOK ENTRY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book entry only form. See Appendix B: Book Entry.

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the

payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants.

NOTICE OF REDEMPTION

Thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

OPTIONAL REDEMPTION

The City may elect on February 1, 2036, and on any day thereafter, to redeem Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

[MANDATORY REDEMPTION

The Term Bonds maturing on _____ [and _____] (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

<u>Year</u>	<u>[] Term Bonds</u>	<u>Year</u>	<u>[] Term Bonds</u>
	<u>Amount</u>		<u>Amount</u>
[first year]	\$ _____	[first year]	\$ _____
[second/last year]*	\$ _____	[second/last year]*	\$ _____
	<u>[] Term Bonds</u>		<u>[] Term Bonds</u>
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
[first year]	\$ _____	[first year]	\$ _____
[second/last year]*	\$ _____	[second/last year]*	\$ _____

* *Final Maturity.*

The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.]

AUTHORITY AND SECURITY

AUTHORITY

Series 2026A Bonds

The Series 2026A Bonds are being issued pursuant to Minnesota Statutes, Chapters 444, 469, and 475, Sections 475.521 and 475.58 (Subd 3b), 469.1812 through 469.1815, and a resolution adopted on January 5, 2026.

Series 2026B Bonds

The Series 2026B Bonds are being issued pursuant to Minnesota Statutes, Chapter 475, and Section 475.521, and a resolution adopted on January 5, 2026.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. See additional sources below.

Series 2026A Bonds

CIP Portion of the Series 2026A Bonds ("CIP Bonds")

Minnesota Statutes, Section 475.521, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to be not more than 0.16% of the estimated market value of property for taxes payable in the year in which the bonds are issued or sold. The statutory maximum allowable for annual debt service on the City's capital improvement plan bonds is \$1,438,989, based on the City's 2024/25 estimated market value of \$899,368,100. The maximum annual debt service for the City's outstanding capital improvement plan bond issues, including an estimate for the CIP Bonds and the Series 2026B Bonds, is approximately \$286,845 which is within the statutory limit.

The City previously made its first levy for the CIP Bonds in 2025 for collection in 2026. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Street Reconstruction Portion of the Series 2026A Bonds ("Street Reconstruction Bonds")

The City previously made its first levy for the Street Reconstruction Bonds in 2025 for collection in 2026. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

Utility Revenue Portion of the Series 2026A Bonds ("Utility Revenue Bonds")

The City does not anticipate the need to levy taxes for repayment of the Utility Revenue Bonds.

Pursuant to Minnesota Statutes, Chapter 444, and the resolution awarding the sale of the Series 2026A Bonds, the City will covenant to impose and collect charges for the service, use, availability and connection to the Water utility, Sewer utility, Surface Water utility (together the, "Utility") to produce net revenues in amounts sufficient to support the operation of the Utility to pay 105% of the debt service due on obligations to which it has pledged its Utility revenues, including the Utility Revenue Bonds. The City is required to annually review the budget of the Utility to determine whether current rates and charges are sufficient and to adjust such rates and charges as necessary.

Tax Abatement Portion of the Series 2026A Bonds ("Tax Abatement Bonds")

The City will pledge tax abatement revenues derived from certain abated parcels for a period of fifteen (15) years to repay a portion of the Tax Abatement Bonds. The City will also levy taxes for repayment of a portion of the Tax Abatement Bonds. The City previously made its first levy in 2025 for collection in 2026. Each year's collection of taxes and tax abatement revenues, if collected in full, will be sufficient to pay 105% of the debt service due on the Tax Abatement Bonds in each year.

Series 2026B Bonds

Minnesota Statutes, Section 475.521, limits the maximum amount of principal and interest to become due in any year on all outstanding capital improvement plan bonds to be not more than 0.16% of the estimated market value of property for taxes payable in the year in which the bonds are issued or sold. The statutory maximum allowable for annual debt service on the City's capital improvement plan bonds is \$1,438,989, based on the City's 2024/25 estimated market value of \$899,368,100. The maximum annual debt service for the City's outstanding capital improvement plan bond issues, including an estimate for the CIP Portion of the Series 2026A Bonds and Series 2026B Bonds, is approximately \$286,845 which is within the statutory limit.

The City previously made its first levy for the Series 2026B Bonds in 2025 for collection in 2026. Each year's collection of taxes, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York has assigned a rating of "AA+" to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

MAINTENANCE OF RATING

The Bonds have been rated as to their creditworthiness by S&P. While the City does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds decreases or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

SECONDARY MARKET

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

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 bonds 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 bonds is considered from time to time by the Minnesota 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 City 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.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, the owners of the Bonds litigations may have to enforce available remedies.

No Trustee. There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Resolution on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the 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 City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

CYBERSECURITY

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If

breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

PURCHASER/UNDERWRITING

Series 2026A Bonds.

The Series 2026A Bonds are being purchased by _____ (the "Series 2026A Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Series 2026A Bonds of \$_____, less the Series 2026A Underwriter's discount of \$_____, plus the [net] original issue premium/discount of \$_____, plus accrued interest \$_____.

The Series 2026A Underwriter intends to offer the Series 2026A Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2026A Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2026A Underwriter and other dealers depositing the Series 2026A Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2026A Bonds.

Series 2026B Bonds.

The Series 2026B Bonds are being purchased by _____ (the "Series 2026B Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Series 2026B Bonds of \$_____, less the Series 2026B Underwriter's discount of \$_____, plus the [net] original issue premium/discount of \$_____, plus accrued interest \$_____.

The Series 2026B Underwriter intends to offer the Series 2026B Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Series 2026B Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Series 2026B Underwriter and other dealers depositing the Series 2026B Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2026B Bonds.

CONTINUING DISCLOSURE

In order to assist the underwriters in complying with sec rule 15c2-12 (the "rule"), pursuant to the award resolution and continuing disclosure undertaking to be executed on behalf of the City on or before closing, the City has and will covenant (the "undertaking") for the benefit of holders or beneficial owners of the bonds to provide certain financial information and operating data relating to the City to certain information repositories annually, and to provide notices of the occurrence of certain events enumerated in the rule to certain information repositories or the municipal securities rulemaking board and to any state information depository. The specific nature of the undertaking, as well as the information to be contained in the annual report or the notices of material events, is set forth in the undertaking in substantially the form attached hereto as appendix D, subject to such modifications thereof or additions thereto as: (i) consistent with requirements under the rule, (ii) required by the purchaser of the bonds from the City, and (iii) acceptable to the mayor and manager of the City.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. A failure by the City to comply with the undertaking will not constitute an event of default on the bonds (although holders or other beneficial owners of the bonds will have the sole remedy of bringing an action for specific performance). Nevertheless, such a failure must be reported in accordance with the rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the bonds and their market price.

FUTURE FINANCING

As of the date of the Official Statement, the City does currently anticipate issuing additional debt for park improvements and pavement management in the approximate amount of \$8,000,000 in the calendar year 2026.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

LITIGATION

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The officers for the City will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings relating to the authorization, issuance and sale of the Bonds that would result in a material adverse impact on the financial condition of the City.

LEGAL MATTERS

The Bonds are subject to approval as to certain matters by Taft Stettinius & Hollister LLP, of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix C herein will be delivered at closing.

TAX EXEMPTION – THE SERIES 2026A BONDS

At closing Taft Stettinius & Hollister LLP, Bond Counsel, will render an opinion that, at the time of their issuance and delivery to the original purchaser, under present federal and State of Minnesota laws, regulations, rulings and decisions (which excludes any pending legislation which may have a retroactive effect) and assuming the accuracy of certain representations and compliance with certain covenants, the interest on each Series 2026A Bond is excluded from gross income for purposes of United States income tax and is excluded, to the same extent, in computing both gross income and taxable net income for purposes of State of Minnesota income tax (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and that interest on the Series 2026A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Series 2026A Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. No opinion will be expressed by Bond Counsel regarding other federal or state tax consequences caused by the receipt or accrual of interest on the Series 2026A Bonds or arising with respect to ownership of the Series 2026A Bonds. Preservation of the exclusion of interest on the Series 2026A Bonds from federal gross income and state gross and taxable net income, however, depends upon compliance by the City with all requirements of the Internal Revenue Code of 1986, as amended, (the "Code") that must be satisfied subsequent to the issuance of the Series 2026A Bonds in order that interest thereon be (or continue to be) excluded from federal gross income and state gross and taxable net income.

The City will not designate the Series 2026A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

The City will covenant to comply with requirements necessary under the Code to establish and maintain the Series 2026A Bonds as tax-exempt under Section 103 thereof, including without limitation, requirements

relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Series 2026A Bonds.

RELATED TAX CONSIDERATIONS – THE SERIES 2026A BONDS

PROPERTY AND CASUALTY INSURANCE COMPANIES

Property and casualty insurance companies are required to reduce the amount of their loss reserve deduction by 15% of the amount of tax-exempt interest received or accrued during the taxable year on certain obligations acquired after August 7, 1986, including interest on the Series 2026A Bonds.

FOREIGN INSURANCE COMPANIES

Foreign companies carrying on an insurance business in the United States are subject to a tax on income which is effectively connected with their conduct of any trade or business in the United States, including “net investment income.” Net investment income includes tax-exempt interest such as interest on the Series 2026A Bonds.

BRANCH PROFITS TAX

A foreign corporation is subject to a branch profits tax equal to 30% of the “dividend equivalent amount” for the taxable year. The “dividend equivalent amount” is the foreign corporation’s “effectively connected earnings and profits” adjusted for increase or decrease in “U.S. net equity.” A branch’s earnings and profits may include tax-exempt municipal bond interest, such as interest on the Series 2026A Bonds.

PASSIVE INVESTMENT INCOME OF S CORPORATIONS

Passive investment income, including interest on the Series 2026A Bonds, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than 25% of the gross receipts of such S corporation is passive investment income.

FINANCIAL INSTITUTIONS

For federal income tax purposes, financial institutions are unable to deduct any portion of the interest expense allocable to the ownership of certain tax-exempt obligations acquired after August 7, 1986, including the Series 2026A Bonds but for the designation as Qualified Tax-Exempt Obligations. See “NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.

GENERAL

The preceding is not a comprehensive list of all federal tax consequences which may arise from the receipt or accrual of interest on the Series 2026A Bonds. The receipt or accrual of interest on the Series 2026A Bonds may otherwise affect the federal income tax (or Minnesota income tax or franchise tax) liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items of income or deductions. All prospective purchasers of the Series 2026A Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Series 2026A Bonds.

NOT BANK-QUALIFIED TAX-EXEMPT BONDS

The City will not designate the Series 2026A Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

TAXABILITY OF INTEREST – THE SERIES 2026B BONDS

The interest to be paid on the Series 2026B Bonds is includable in the income of the recipient for the purposes of the United States and State of Minnesota income tax.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor” or “BTMA”) as municipal advisor in connection with certain aspects of the issuance of the Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP (“BTAG”) which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC (“H&F”), an investment adviser registered with the Securities and Exchange Commission (the “SEC”), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP (“Valeas”), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP (“BTUS”) is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the City to provide certain municipal advisory services to City and, in that capacity, has assisted the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility. The Municipal Advisor’s fees are expected to be paid from proceeds of the Bonds. BTMA provides certain specific municipal advisory services to the City but is neither a placement agent to the City nor a broker/dealer.

Other Financial Industry Activities and Affiliations:

Baker Tilly Wealth Management, LLC (“BTWM”), an SEC registered investment adviser, Moss Adams Wealth Advisors, LLC, an SEC registered investment adviser and Baker Tilly Capital, LLC (“BTC”), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

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GENERAL INFORMATION OF THE CITY

CITY PROPERTY VALUES

Trend of Values(1)

Assessment/ Collection <u>Year</u>	Assessor's Estimated Market Value	Sales <u>Ratio</u> (2)	Economic Market Value(3)	Market Value Homestead <u>Exclusion</u>	Taxable Market Value	Adjusted Taxable Net Tax Capacity
2024/25	\$899,368,100	97.0%	\$927,758,623	\$ 671,305	\$898,096,795	\$10,399,708
2023/24	831,224,900	96.3	866,309,448	202,432	830,422,468	9,643,141
2022/23	734,929,700	95.1	771,356,519	358,465	733,971,235	8,394,485
2021/22	641,983,400	93.1	690,044,429	764,655	640,618,745	7,230,003
2020/21	608,817,000	97.0	627,693,612	1,040,370	607,176,630	6,870,258

(1) For a description of the Minnesota property tax system, see Appendix E.

(2) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values-reports>.

(3) Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, <https://www.revenue.state.mn.us/economic-market-values-reports>.

Source: Hennepin County, Minnesota, April 2025, except as otherwise noted.

2024/25 Adjusted Taxable Net Tax Capacity: \$10,399,708

Real Estate:			
Residential Homestead	\$ 6,725,267	58.2%	
Commercial/Industrial and Public Utility	3,160,557	27.3	
Residential Non-Homestead	1,206,654	10.4	
Agricultural, Commercial & Residential, and Seasonal/Recreational	405,719	3.5	
Personal Property	<u>65,061</u>	<u>0.6</u>	
2024/25 Net Tax Capacity	\$11,563,258	100.0%	
Less: Captured Tax Increment	(285,007)		
Contribution to Fiscal Disparities	(1,080,086)		
Plus: Distribution from Fiscal Disparities	<u>201,543</u>		
2024/25 Adjusted Taxable Net Tax Capacity	\$10,399,708		

Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2024/25 Net Tax Capacity</u>
Waters of Excelsior	Apartments	\$ 241,525
KTJ 207 LLC	Commercial	147,250
Tailwind 687 Excelsior LLC	Commercial	135,450
Excelsior Prop Owner LLC	Apartments	120,625
Southshore Properties LLC	Commercial	103,870
Tonkaway Partners II LLC	Apartments	101,863
Kowalski's Re-Excelsior LLC	Commercial	93,850
200 Water LLC	Commercial	91,050
Individual	Residential	88,669
Individual	Residential	<u>80,221</u>
Total		\$1,204,373(1)

(1) Represents 11.6% of the City's 2024/25 adjusted taxable net tax capacity.

CITY INDEBTEDNESS

Legal Debt Limit and Debt Margin(1)

Legal Debt Limit (3% of 2024/25 Estimated Market Value)	\$26,981,043
Less: Outstanding Debt Subject to Limit	<u>(12,075,000)</u>
Legal Debt Margin as of February 23, 2026	\$14,906,043

(1) The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix E – Debt Limitations.

General Obligation Debt Supported Solely by Taxes(1)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
9-18-19	\$5,570,000	Street Reconstruction	2-1-2040	\$ 4,360,000(3)
7-16-20	1,445,000	Street Reconstruction	2-1-2041	1,170,000(2)
8-19-21	3,140,000	Street Reconstruction	2-1-2042	2,690,000(2)
2-23-26	1,365,000	Street Reconstruction and Capital Improvement (the CIP and Street Reconstruction Portions of the Series 2026A Bonds)	2-1-2047	1,365,000
2-23-26	2,490,000	Capital Improvement (the Series 2026B Bonds)	2-1-2046	<u>2,490,000</u>
Total				\$12,075,000

(1) These issues are subject to the legal debt limit.

(2) The City expects to use available special assessment collections to pay a portion of these issues. The special assessments are not pledged for repayment of these issues.

(3) While not pledged repayment sources, the City expects to repay a portion of this issue with available special assessment collections as well as net revenues from its water, sewer, and surface water enterprise funds.

General Obligation Special Assessment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
6-14-17	\$1,450,000	Street Improvements	2-1-2033	\$750,000

General Obligation Tax Increment Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
7-13-23	\$6,325,000	Improvement	2-1-2051	\$6,205,000

General Obligation Tax Abatement Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
8-19-21	\$890,000	Parking Lot Improvements	2-1-2042	\$760,000
2-23-26	145,000	Abatement (the Tax Abatement Portion of the Series 2026A Bonds)	2-1-2042	<u>145,000</u>
Total				\$905,000

General Obligation Utility Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
6-2-14	\$ 837,361	Water and Sewer Revenue (PFA)	8-20-2034	\$ 399,000
6-14-17	2,520,000	Utility Revenue	2-1-2033	1,305,000
7-16-20	1,330,000	Utility Revenue	2-1-2041	1,075,000
8-19-21	2,890,000	Utility Revenue	2-1-2042	2,455,000
2-23-26	3,555,000	Utility Revenue (the Utility Portion of the Series 2026A Bonds)	2-1-2047	<u>3,555,000</u>
Total				\$8,789,000

General Obligation Sales Tax Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 2-23-26</u>
7-21-22	\$5,380,000	Improvements	2-1-2032	\$3,435,000

Estimated Calendar Year Debt Service Payments

<u>Year</u>	<u>G.O. Debt Supported by Taxes</u>		<u>G.O. Special Assessment Debt</u>	
	<u>Principal</u>	<u>Principal & Interest(1)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2026 (at 2-23)	(Paid)	\$ 103,909	(Paid)	\$ 10,619
2027	\$ 540,000	987,272	\$100,000	119,988
2028	570,000	914,511	100,000	117,488
2029	615,000	933,145	105,000	119,794
2030	640,000	934,370	105,000	116,775
2031	680,000	954,358	110,000	118,550
2032	700,000	957,023	115,000	120,175
2033	710,000	950,645	115,000	116,725
2034	730,000	953,515		
2035	745,000	950,340		
2036	770,000	956,131		
2037	785,000	951,452		
2038	805,000	950,950		
2039	825,000	949,018		
2040	850,000	950,917		
2041	505,000	586,084		
2042	435,000	500,444		
2043	245,000	296,814		
2044	265,000	304,308		
2045	275,000	300,841		
2046	285,000	296,634		
2047	<u>100,000</u>	<u>102,175</u>		
Total	\$12,075,000(2)	\$15,784,856	\$750,000	\$840,114

(1) Includes estimated debt service on the CIP Portion of the Series 2026A Bonds, the Street Reconstruction Portion of the Series 2026A Bonds, and the Series 2026B Bonds.

(2) 55.5% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments

<u>Year</u>	G.O. Tax Increment Debt		G.O. Tax Abatement Debt	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal</u>	<u>Principal & Interest(1)</u>
2026 (at 2-23)	(Paid)	\$ 130,125	(Paid)	\$ 9,293
2027	\$ 70,000	328,500	\$ 35,000	62,014
2028	80,000	334,750	45,000	67,176
2029	90,000	340,500	45,000	64,926
2030	100,000	345,750	55,000	72,426
2031	110,000	350,500	55,000	70,126
2032	125,000	359,625	55,000	68,704
2033	135,000	363,125	55,000	67,686
2034	150,000	371,000	60,000	71,591
2035	165,000	378,125	60,000	70,416
2036	180,000	384,500	60,000	69,191
2037	200,000	396,000	60,000	67,998
2038	215,000	402,700	60,000	66,751
2039	230,000	408,800	60,000	65,382
2040	245,000	414,300	65,000	68,948
2041	265,000	424,100	65,000	67,457
2042	285,000	433,100	70,000	70,855
2043	300,000	436,400		
2044	325,000	448,900		
2045	345,000	455,500		
2046	370,000	466,200		
2047	390,000	471,000		
2048	415,000	479,900		
2049	445,000	492,700		
2050	470,000	499,400		
2051	<u>500,000</u>	<u>510,000</u>		
Total	\$6,205,000(2)	\$10,425,500	\$905,000(3)	\$1,100,940

(1) Includes estimated debt service on the Tax Abatement Portion of the Series 2026A Bonds.

(2) 19.4% of this debt will be retired within ten years.

(3) 58.0% of this debt will be retired within ten years.

Estimated Calendar Year Debt Service Payments

<u>Year</u>	G.O. Utility Revenue Debt		G.O. Sales Tax Revenue Debt	
	<u>Principal</u>	<u>Principal & Interest(1)</u>	<u>Principal</u>	<u>Principal & Interest</u>
2026 (at 2-23)	\$ 43,000	\$ 106,808	(Paid)	\$ 60,573
2027	398,000	738,882	\$ 520,000	630,745
2028	448,000	707,322	540,000	629,545
2029	474,000	716,880	565,000	632,445
2030	504,000	728,715	585,000	632,370
2031	540,000	746,975	605,000	634,218
2032	570,000	761,350	620,000	629,920
2033	611,000	786,620		
2034	441,000	602,122		
2035	400,000	548,635		
2036	415,000	551,115		
2037	425,000	549,443		
2038	440,000	553,241		
2039	440,000	541,051		
2040	465,000	553,238		
2041	475,000	549,729		
2042	405,000	466,455		
2043	240,000	290,108		
2044	250,000	289,878		
2045	255,000	284,209		
2046	270,000	287,985		
2047	<u>280,000</u>	<u>286,090</u>		
Total	\$8,789,000(2)	\$11,646,851	\$3,435,000	\$3,849,816

(1) Includes estimated debt service on the Utility Revenue Portion of the Series 2026A Bonds.

(2) 50.4% of this debt will be retired within ten years.

Overlapping Debt

<u>Taxing Unit(1)</u>	<u>2024/25 Adjusted Taxable Net Tax Capacity</u>	<u>Est. G.O. Debt As of 2-23-26(2)</u>	Debt Applicable to Tax Capacity in City	
			<u>Percent</u>	<u>Amount</u>
Hennepin County I.S.D. No. 276 (Minnetonka)	\$2,835,449,560	\$1,148,215,000	0.4%	\$ 5,530,300
Metropolitan Council	133,003,523	136,645,000	7.8	13,523,250
Metropolitan Transit	6,330,160,330	12,100,000	(3)	24,200
	5,029,751,815	223,650,000	(4)	<u>447,300</u>
Total				\$19,525,050

(1) Only those units with outstanding general obligation debt are shown here.

(2) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.

(3) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.

(4) Excludes general obligation grant anticipation notes.

Debt Ratios(1)

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
2024/25 Estimated Market Value (\$899,368,100)	2.22%	4.39%
Per Capita (2,296 – 2024 U.S. Census Estimate)	\$8,682	\$17,186

(1) Excludes general obligation utility revenue debt, revenue debt, and other debt obligations. Includes lease obligations.

CITY TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates for a Resident in Independent School District No. 276 (Minnetonka)

	2024/25					
	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>	<u>For Debt Only</u>
Hennepin County	38.210%	38.535%	34.542%	34.681%	37.081%	3.830%
City of Excelsior	29.256	30.311	27.712	26.542	25.757	6.366
I.S.D. No. 276 (Minnetonka)(1)	20.923	21.002	17.720	17.823	19.943	7.876
Special Districts(2)	<u>7.813</u>	<u>7.849</u>	<u>6.944</u>	<u>6.723</u>	<u>7.246</u>	<u>1.863</u>
Total	96.202%	97.697%	86.918%	85.769%	90.027%	19.935%

(1) In addition, Independent School District No. 276 (Minnetonka) has a 2024/25 market value tax rate of 0.28287% spread across the market value of property in support of an excess operating levy.

(2) Special districts include Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control, Three Rivers Park District, Park Museum, Hennepin County Regional Rail Authority, and Hennepin County Housing and Redevelopment Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix E.

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy(1)</u>	Collected During Collection Year		Collected and/or Abated as of 1-1-25	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2024/25	\$2,680,242	(In Process of Collection)			
2023/24	2,562,007	\$2,543,029	99.3%	\$2,543,029	99.3%
2022/23	2,328,916	2,302,803	98.9	2,325,588	99.9
2021/22	2,186,101	2,160,862	98.8	2,186,094	99.9
2020/21	2,005,775	1,983,939	98.9	2,005,746	99.9

(1) The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix E.

FUNDS ON HAND As of October 31, 2025

Total Cash and Investments	\$7,389,604
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INVESTMENTS

The City has an investment policy and invests funds as authorized by Minnesota Statutes. The primary objectives, in order of priority, of all City investment activities are safety, liquidity, and yield. Instruments that are eligible for investment by the City include:

- (a) Government Securities: Instruments such as bonds, notes, bills, mortgages, and other securities which are direct obligations of the federal government or its agencies, with the principal fully guaranteed by the U.S. Government or its agencies.
- (b) Certificates of Deposit: A negotiable or nonnegotiable instruments issued by commercial banks and insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).
- (c) Repurchase Agreement: An investment which consists of two simultaneous transactions, where an investor purchases securities from a bank or dealer. At the same time, the selling bank or dealer agrees to repurchase the securities at the same price plus interest at some agreed-upon future date. The security purchased is the collateral protecting the investment.
- (d) Prime Commercial Paper: An investment used by corporations to finance receivables. A short-term (matures in 270 days or less) unsecured promissory note is issued for a maturity specified by the purchaser. Corporations market their paper through dealers who, in turn, market the paper to investors.
- (e) Securities: Any security which is a general obligation of the State of Minnesota or any of its municipalities.
- (f) Statewide Investment Pools: which invest in authorized instruments according to Minnesota Statutes 118A.
- (g) Money Market Mutual Funds: which invest in authorized instruments for public funds.

As of October 31, 2025, the market value of the City's investments totaled \$7,389,604. Of this amount, 44% was invested in money markets and 56% was invested in commercial paper, certificates of deposit, and U.S. government agency securities. The City's investments will mature no later than May 30, 2028.

GENERAL INFORMATION CONCERNING THE CITY

The City is located in Hennepin County, approximately 18 miles west of the City of Minneapolis. The City encompasses an area of approximately one square mile (640 acres).

Population

The City's population trend is shown below.

	<u>Population</u>	<u>Percent Change</u>
2024 U.S. Census Estimate	2,296	(1.3)%
2020 U.S. Census	2,327	6.4
2010 U.S. Census	2,188	(8.5)
2000 U.S. Census	2,393	1.1
1990 U.S. Census	2,367	(6.2)
1980 U.S. Census	2,523	--

Sources: Minnesota State Demographic Center, mn.gov/admin/demography and United States Census Bureau, <http://www.census.gov/>.

The City's estimated population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2024/25	326	418	929	650
2023/24	331	429	942	638
2022/23	380	448	1,015	522
2021/22	395	490	975	535
2020/21	410	492	1,031	522

Source: Claritas, LLC.

Transportation

City residents have convenient access to the Minneapolis/Saint Paul metropolitan area via interstate highways I-494 and I-394. Minnesota Highway 7 runs east-west through the City. City residents have access to Metro Transit bus service and Transit Link. Light rail access, through the Southwest Transitway, is currently in the planning stages. The City is approximately 25 minutes from the Minneapolis/Saint Paul International Airport.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
ISD No. 276 (Minnetonka)	Public education	16,000
Kowalski's	Grocery store	130
Cub Foods	Grocery Store	123
Maynards	Restaurant	87
The Waters of Excelsior	Senior assisted living	68
Ridgeview Excelsior Clinic	Health care	59
Estates of Excelsior	Nursing home	46

Note: Previously reported information was obtained through a telephone survey of individual employers. Any differences may be attributable to the change in the source of this information, as provided below.

Source: Information obtained from D&B Hoovers, <https://app.dnbhoovers.com/>. This does not purport to be a comprehensive list.

Labor Force Data

	Annual Average				September
	2021	2022	2023	2024	2025
Labor Force:					
Hennepin County	706,999	708,619	714,126	716,187	724,300
Minneapolis - Saint Paul -					
Bloomington MSA	2,012,275	2,036,883	2,062,353	2,070,359	2,087,937
State of Minnesota	3,045,287	3,070,397	3,108,093	3,129,802	3,169,283
Unemployment Rate (%):					
Hennepin County	3.6%	2.3%	2.5%	2.8%	3.8%
Minneapolis - Saint Paul -					
Bloomington MSA	3.6	2.3	2.6	2.9	3.6
State of Minnesota	3.7	2.5	2.8	3.0	3.5

Source: Minnesota Department of Employment and Economic Development,
<https://apps.deed.state.mn.us/lmi/laus>. 2025 data are preliminary.

Retail Sales and Effective Buying Income (EBI)

City of Excelsior

Data Year/ Report Year	Total Retail Sales (\$000)	Total EBI (\$000)	Median Household EBI
2024/25	\$200,593	\$153,181	\$87,098
2023/24	356,606	157,816	85,075
2022/23	365,965	164,348	85,862
2021/22	293,703	161,510	85,609
2020/21	284,830	137,683	66,073

Hennepin County

Data Year/ Report Year	Total Retail Sales (\$000)	Total EBI (\$000)	Median Household EBI
2024/25	\$54,155,527	\$59,593,078	\$80,695
2023/24	42,979,704	56,799,542	77,555
2022/23	45,798,169	57,000,438	77,014
2021/22	40,738,482	57,791,277	76,358
2020/21	37,920,168	50,058,891	67,002

The 2024/25 Median Household EBI for the State of Minnesota was \$75,463. The 2024/25 Median Household EBI for the United States was \$69,245.

Source: Claritas, LLC.

Permits Issued by the City

New Residential Construction		
	Number	Value
2025 (to 10-31)	106	\$12,204,160
2024	128	10,599,501
2023	108	8,604,181
2022	93	18,434,974
2021	152	10,740,137
2020	175	9,565,268
2019	138	19,329,661
2018	88	7,174,306
2017	131	36,451,258
2016	110	9,552,427

Source: City.

Education

Public Education

The following district serves the residents of the City:

<u>School</u>	<u>Location</u>	<u>Grades</u>	2024/25(1) <u>Enrollment</u>
I.S.D. No. 276 (Minnetonka)	City of Minnetonka	K-12	11,323

(1) 2025/26 enrollment figures are not yet available.

Source: Minnesota Department of Education, www.education.state.mn.us

Non-Public Education

City residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	2024/25(1) <u>Enrollment</u>
St. John the Baptist	City of Excelsior	K-8	42

(1) 2025/26 enrollment figures are not yet available.

Source: Minnesota Department of Education, www.education.state.mn.us

Post-Secondary Education

City residents have access to various colleges and universities located in the Minneapolis/Saint Paul metropolitan area.

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

The City has been a municipal corporation since 1856 and is governed under a Home Rule Charter effective as of November 2, 1982. The City's governing body is the City Council, comprised of the Mayor and four Council members. The Mayor is elected to serve a two-year term of office, while the four Council members serve overlapping four-year terms.

The following individuals comprise the current City Council:

		<u>Expiration of Term</u>
Gary Ringate	Mayor	December 31, 2026(1)
Tim Bildsoe	Council Member	December 31, 2028
Jennifer Caron	Council Member	December 31, 2026
Chrystal O'Hanlon	Council Member	December 31, 2028
Anne Vogel	Council Member	December 31, 2026

The daily administration of City operations is the responsibility of the appointed City Manager, Ms. Kristi Luger, who has been with the City since April 2008. The City has 15 regular full-time and 5 seasonal full- and part-time employees.

Services

Police protection for the City is provided by South Lake Minnetonka Police Department through a Joint Powers agreement with the neighboring cities of Shorewood, Greenwood, and Tonka Bay.

Fire protection for the City is provided through Excelsior Fire District through a Joint Powers agreement with the neighboring cities of Shorewood, Greenwood, Tonka Bay, and Deephaven. The department has 38 volunteers and 3 full-time positions.

The City is home to exceptional parkland including two public beaches, a baseball field, and tennis courts. Residents also have access to City-sponsored community events including Summer Concerts in the Park and Artic Fever. In addition, there are City-maintained public and residential docks and community garden plots.

Municipal water, sewer, storm water, refuse/recycling, and street light services are provided to 100% of City residents. The City's water system has three wells and a combined storage capacity of approximately 550,000 gallons. Wastewater treatment and disposal is provided by the Metropolitan Council Environmental Services (MCES). Refuse and Recycling Services are provided by a City-wide contract with a private refuse hauler.

Labor Contracts

The status of labor contracts in the City is as follows:

<u>Bargaining Unit</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
Teamsters Local 320	6	December 31, 2025*
Non-unionized employees	<u>14</u>	
Total employees	<u>20</u>	

*In negotiations.

Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota ("PERA"). PERA administers the General Employees Retirement Fund ("GERF"), the Public Employees Police and Fire Fund ("PEPFF") and the Public Employees Correctional Fund ("PECF"), which are cost-sharing multiple-employer retirement plans. In addition, the City participates in the Public Employees Defined Contribution Plan ("PEDCP"), a multiple-employer deferred compensation plan administered by PERA.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. See Appendix F.

Other Postemployment Benefits

Any contingent liability for other post employment benefits as provided for pursuant to the Government Accounting Standards Board ("GASB") Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75") is considered immaterial and not recognized in the City's financial statements.

Federal Financial Assistance

As of the date of this Official Statement, the City has received \$174,865 of CARES Act Assistance and \$127,828 of American Rescue Plan Act Funds.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Property Taxes	\$1,394,212	\$1,525,738	\$1,626,557	\$1,740,134	\$1,971,009
Charges for Services	333,945	530,059	597,991	719,127	679,186
Licenses and Permits	191,215	391,664	394,732	456,894	363,719
Transfers In	100,000	100,000	200,000	200,000	200,000
Fines and Forfeitures	64,043	56,735	70,583	89,889	84,562

Sources: City's Annual Financial Reports.

General Fund Budget Summary

	<u>2024 Budget</u>	<u>2024 Actual</u>	<u>2025 Budget</u>
Revenues:			
Taxes	\$1,885,807	\$1,971,009	\$2,092,367
Licenses and Permits	378,935	363,719	439,745
Intergovernmental	48,000	36,868	55,000
Charges for Services	498,700	679,186	439,450
Fines and Forfeitures	75,000	84,562	50,000
Special Assessments		173	0
Interest on Investments	6,000	135,054	81,000
Miscellaneous	5,000	54,891	74,000
Total Revenues	\$2,897,442	\$3,325,462	\$3,231,562
Expenditures:			
General Government	\$ 923,687	\$ 832,491	\$1,003,708
Public Safety	1,226,847	1,212,990	1,259,353
Public Works	377,129	284,356	400,352
Culture and Recreation	500,165	429,056	682,649
Miscellaneous	52,614	33,272	140,500
Capital Outlay	17,000	26,631	0
Total Expenditures	\$3,097,442	\$2,818,796	\$3,486,562
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (200,000)	\$ 506,666	\$ (255,000)
Other Financing Sources (Uses):			
Transfers In	\$ 200,000	\$ 200,000	\$ 255,000
Transfers Out	_____	(198,238)	_____
Total Other Financing Sources (Uses)	\$ 200,000	\$ 1,762	\$ -
Net Change in Fund Balance	\$ -	\$ 508,428	\$ -
Beginning Fund Balance - January 1	\$1,441,478	\$1,441,478	\$1,949,906
Ending Fund Balance - December 31	\$1,441,478	\$1,949,906	\$1,949,906

Sources: City's Annual Financial Reports and 2025 Budget.

BOOK ENTRY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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 3.5 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 both 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"). 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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 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.

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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 City 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 City or its agent on the payable 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 or the City, 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 City or its 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.

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

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

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

FORMS OF BOND COUNSEL OPINION

\$5,065,000
GENERAL OBLIGATION BONDS, SERIES 2026A
CITY OF EXCELSIOR
HENNEPIN COUNTY
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Excelsior, Hennepin County, Minnesota (the "Issuer"), of its \$5,065,000 General Obligation Bonds, Series 2026A, bearing a date of original issue of February 23, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution, Charter of the Issuer and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is excluded from gross income for United States income tax purposes and is excluded, to the same extent, from both gross income and taxable net income for State of Minnesota income tax purposes (other than Minnesota franchise taxes measured by income and imposed on corporations and financial institutions), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or the Minnesota alternative minimum tax applicable to individuals, estates or trusts; however, interest on the Bonds is taken into account in determining "annual adjusted financial statement income" for the purpose of computing the federal alternative minimum tax imposed on certain corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all

requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes and from both gross income and taxable net income for State of Minnesota income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income and taxable net income retroactive to the date of issuance of the Bonds.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur and be retroactive.

TAFT STETTINIUS & HOLLISTER LLP

\$2,490,000

TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS, SERIES 2026B
CITY OF EXCELSIOR
HENNEPIN COUNTY
MINNESOTA

We have acted as bond counsel in connection with the issuance by the City of Excelsior, Hennepin County, Minnesota (the "Issuer"), of its \$2,490,000 Taxable General Obligation Capital Improvement Bonds, Series 2026B, bearing a date of original issue of February 23, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon such examinations, and assuming the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such documents, and the accuracy of the statements of fact contained in such documents, and based upon present Minnesota and federal laws (which excludes any pending legislation which may have a retroactive effect on or before the date hereof), regulations, rulings and decisions, it is our opinion that:

(1) The proceedings show lawful authority for the issuance of the Bonds according to their terms under the Constitution, Charter of the Issuer and laws of the State of Minnesota now in force.

(2) The Bonds are valid and binding general obligations of the Issuer, and all of the taxable property within the Issuer's jurisdiction is subject to the levy of an ad valorem tax to pay the same without limitation as to rate or amount; provided that the enforceability (but not the validity) of the Bonds and the pledge of taxes for the payment of the principal and interest thereon is subject to the exercise of judicial discretion in accordance with general principles of equity, to the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

(3) At the time of the issuance and delivery of the Bonds to the original purchaser, the interest on the Bonds is included in gross income for United States income tax purposes and is included, to the same extent, in both gross income and taxable net income for State of Minnesota income tax purposes.

We express no opinion regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur and be retroactive.

TAFT STETTINIUS & HOLLISTER LLP

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by the City of Excelsior, Minnesota (the "Issuer"), in connection with the issuance of its \$5,065,000 General Obligation Bonds, Series 2026A and \$2,490,000 Taxable General Obligation Capital Improvement Bonds, Series 2026B (together, the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted on February 2, 2026 (the "Resolution"). Pursuant to the Resolution and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). This term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Occurrence(s)" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated _____, 2026, prepared in connection with the Bonds.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Resolution" shall mean the resolution or resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

A. If Audited Financial Statements of the Issuer for the Fiscal Year ended December 31, 2025, are not included in the Final Official Statement, then the Issuer shall provide, or shall cause the Dissemination Agent to provide, to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report consisting only of Audited Financial Statements for such Fiscal Year that are consistent with the requirements of Section 4B of this Disclosure Undertaking by not later than December 31, 2026.

B. Beginning in connection with the Fiscal Year ending on December 31, 2026, the Issuer shall, or shall cause the Dissemination Agent to provide to the MSRB by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking by not later than December 31, 2027, and by December 31 of each year thereafter.

C. If the Issuer is unable to provide to the MSRB an Annual Report by the dates required in subsections A or B, the Issuer shall send a notice of such delay and estimated date of delivery to the MSRB.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to the MSRB as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following financial information and operating data shall be supplied:

A. An update of the operating and financial data of the type of information contained in the Official Statement under the captions: City Property Values; City Indebtedness; and City Tax Rates, Levies and Collections.

B. Audited Financial Statements of the Issuer. The Audited Financial Statements of the Issuer may be submitted to the MSRB separately from the balance of the Annual Report. In the event Audited Financial Statements of the Issuer are not available on or before the date for filing the Annual Report with the MSRB as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to

which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If Audited Financial Statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the MSRB when available.

SECTION 5. Reporting of Significant Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

- (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 security holders, 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 Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving an 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 a 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.

Whenever an event listed above has occurred, the Issuer shall promptly, which may not be in excess of the ten (10) business days after the Occurrence, file a notice of such Occurrence with the MSRB, by filing at www.emma.msrb.org, together with such identifying information as prescribed by the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated: February 23, 2026.

CITY OF EXCELSIOR, MINNESOTA

By _____
Its Mayor

By _____
Its City Manager

**SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND
MINNESOTA REAL PROPERTY VALUATION**

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$517,200 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

**PROPERTY TAX PAYMENTS AND DELINQUENCIES
(CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)**

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes

due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 6% on November 1 and again to 8% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter's property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter's property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

DEBT LIMITATIONS

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
8. Obligations to repay loans made under Minnesota Statutes, Section 216C.37.
9. Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
10. Obligations issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
11. Obligations issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.
12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**LEVIES FOR GENERAL OBLIGATION DEBT
(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)
“FISCAL DISPARITIES LAW”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

Property Type		Local Tax Payable 2021-2023	Local Tax Payable 2024-2025
Residential Homestead (1a)			
Up to \$500,000	1.00%	1.00%	
Over \$500,000	1.25%	1.25%	
Residential Non-homestead			
Single Unit (4bb)			
Up to \$500,000	1.00%	1.00%	
Over \$500,000	1.25%	1.25%	
2-3 unit and undeveloped land (4b1)		1.25%	1.25%
Market Rate Apartments			
Regular (4a)		1.25%	1.25%
Low-Income (4d)			
Up to \$100,000 ⁽³⁾	0.75%	0.75%	
Over \$100,000 ⁽³⁾	0.25%	0.25%	
Low-Income (4d1)		0.25%	
Low-Income (4d2)		0.75%	
Commercial/Industrial/Public Utility (3a)			
Up to \$150,000	1.50% ⁽¹⁾	1.50% ⁽¹⁾	
Over \$150,000	2.00% ⁽¹⁾	2.00% ⁽¹⁾	
Electric Generation Machinery	2.00%	2.00%	
Commercial Seasonal Residential			
Homestead Resorts (1c)			
Up to \$600,000	0.50%	0.50%	
\$600,000 - \$2,300,000	1.00%	1.00%	
Over \$2,300,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾	
Seasonal Resorts (4c1)			
Up to \$500,000	1.00% ⁽¹⁾	1.00% ⁽¹⁾	
Over \$500,000	1.25% ⁽¹⁾	1.25% ⁽¹⁾	
Non-Commercial (4c12)			
Up to \$500,000	1.00% ⁽¹⁾⁽²⁾	1.00% ⁽¹⁾⁽²⁾	
Over \$500,000	1.25% ⁽¹⁾⁽²⁾	1.25% ⁽¹⁾⁽²⁾	
Disabled Homestead (1b)			
Up to \$50,000	0.45%	0.45%	
\$50,000 - \$500,000		1.00%	
Over \$500,000		1.25%	
Agricultural Land & Buildings			
Homestead (2a)			
Up to \$500,000	1.00%	1.00%	
Over \$500,000	1.25%	1.25%	
Remainder of Farm			
Up to \$3,500,000 ⁽⁴⁾	0.50% ⁽²⁾	0.50% ⁽²⁾	
Over \$3,500,000 ⁽⁴⁾	1.00% ⁽²⁾	0.50% ⁽²⁾	
Non-homestead (2b)	1.00% ⁽²⁾	1.00% ⁽²⁾	

(1) State tax is applicable to these classifications.

(2) Exempt from referendum market value-based taxes.

(3) Historical valuations are: Payable 2024 - \$100,000; Payable 2023 - \$100,000; Payable 2022 - \$100,000; and Payable 2021 - \$174,000.

(4) Legislative increases, payable 2024. Historical valuations are: Payable 2024 - \$3,500,000; Payable 2023 - \$1,890,000; Payable 2022 - \$1,890,000; and Payable 2021 - \$1,890,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(12) seasonal residential recreational property has the following class rate structure: First \$76,000 – 0.40%; \$76,000 to \$500,000 – 1.00%; and over \$500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

2024 ANNUAL FINANCIAL REPORT

The City's Annual Financial Report for fiscal year ended December 31, 2024, may be accessed on the MSRB's EMMA website, located [here](#).

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$5,065,000*

**CITY OF EXCELSIOR, MINNESOTA
GENERAL OBLIGATION BONDS, SERIES 2026A**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligation (the "Series 2026A Bonds") will be received by the City of Excelsior, Minnesota (the "City") on Monday, February 2, 2026 (the "Sale Date") until 10:30 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2026A Bonds will be by the City Council at its meeting commencing at 6:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2026A Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to Baker Tilly MA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2026A Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2025 Baker Tilly Municipal Advisors, LLC

DETAILS OF THE SERIES 2026A BONDS

The Series 2026A Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2026A Bonds will mature February 1 in the years and amounts* as follows:

2028	\$ 60,000	2032	\$175,000	2036	\$255,000	2040	\$300,000	2044	\$345,000
2029	\$ 80,000	2033	\$200,000	2037	\$270,000	2041	\$310,000	2045	\$350,000
2030	\$115,000	2034	\$245,000	2038	\$280,000	2042	\$325,000	2046	\$370,000
2031	\$150,000	2035	\$245,000	2039	\$285,000	2043	\$325,000	2047	\$380,000

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2026A Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2026A Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Series 2026A Bonds will be issued by means of a book entry system with no physical distribution of Series 2026A Bonds made to the public. The Series 2026A Bonds will be issued in fully registered form and one Series 2026A Bond, representing the aggregate principal amount of the Series 2026A Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2026A Bonds. Individual purchases of the Series 2026A Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2026A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2026A Bonds, will be required to deposit the Series 2026A Bonds with DTC.

REGISTRAR/PAYING AGENT

U.S. Bank National Association, Saint Paul, Minnesota will serve as Registrar/Paying Agent (the "Registrar") for the Series 2026A Bonds, and shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the Registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2036, and on any day thereafter, to redeem Series 2026A Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2026A Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2026A Bonds will be general obligation of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge (i) available tax abatement revenues from certain abated parcels within the City and (ii) net revenues of the City's utility funds for repayment of a portion of the Series 2026A Bonds. Proceeds of the Series 2026A Bonds will be

used to finance (i) acquisition and betterment of a new city hall building and acquisition and betterment of improvements to the fire hall located in the City (CIP Bonds), (ii) MCES Street Projects (Street Reconstruction Bonds), (iii) various utility improvements throughout the City (Utility Revenue Bonds), (iv) pavement maintenance improvements throughout the City (Tax Abatement Bonds), and (v) pay costs of issuance on the Series 2026A Bonds.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Series 2026A Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than \$5,065,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2026A Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Series 2026A Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2026A Bonds is adjourned, recessed, or continued to another date without award of the Series 2026A Bonds having been made. Series 2026A Bonds of the same maturity shall bear a single rate from the date of the Series 2026A Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the City with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the City in establishing the issue price of the Series 2026A Bonds and shall complete, execute, and deliver to the City prior to the closing date, a written certification in a form acceptable to the Purchaser, the City, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Series 2026A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) to the extent the hold-the-offering-price rule applies, pricing wires or equivalent communications supporting such offering or sale price. Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by Baker Tilly MA.

The City intends that the sale of the Series 2026A Bonds pursuant to this Terms of Proposal shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the City shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the City reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Series 2026A Bonds; and
- (iv) the City anticipates awarding the sale of the Series 2026A Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See "AWARD" herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Series 2026A Bonds, as specified in the proposal. The Purchaser shall constitute an "underwriter" as

said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Series 2026A Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Series 2026A Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the Purchaser of such fact prior to the time of award of the sale of the Series 2026A Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Series 2026A Bonds, the Purchaser shall advise the City and Baker Tilly MA if 10% of any maturity of the Series 2026A Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The City will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The City will not require the Purchaser to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the City will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the City and Baker Tilly MA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the City and Baker Tilly MA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Series 2026A Bonds or until all of the Series 2026A Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$50,650 (the "Deposit") no later than 1:30 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2026A Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2026A Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

CUSIP NUMBERS

If the Series 2026A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2026A Bonds; however, neither the failure to print such numbers on any Series 2026A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2026A Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34

implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about February 23, 2026, the Series 2026A Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Taft Stettinius & Hollister, LLP, of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2026A Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2026A Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

On the date of actual issuance and delivery of the Series 2026A Bonds, the City will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the City will covenant for the benefit of the owners of the Series 2026A Bonds to provide certain financial and other information about the City and notices of certain occurrences to information repositories as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2026A Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2026A Bonds, together with any other information required by law. By awarding the Series 2026A Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated January 5, 2026

BY ORDER OF THE CITY COUNCIL

/s/ Hilary Vokovan
City Clerk

THE CITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

\$2,490,000*

CITY OF EXCELSIOR, MINNESOTA

TAXABLE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS, SERIES 2026B

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligation (the "Series 2026B Bonds") will be received by the City of Excelsior, Minnesota (the "City") on Monday, February 2, 2026 (the "Sale Date") until 10:30 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("BTMA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Series 2026B Bonds will be by the City Council at its meeting commencing at 6:30 P.M., Central Time, of the same day.

SUBMISSION OF PROPOSALS

BTMA will assume no liability for the inability of a bidder or its proposal to reach BTMA prior to the Sale Time, and neither the City nor BTMA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Series 2026B Bonds regardless of the manner in which the proposal is submitted.

(a) **Sealed Bidding.** Completed, signed proposals may be submitted to BTMA by email to bids@bakertilly.com, and must be received prior to the Sale Time.

OR

(b) **Electronic Bidding.** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The City is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Series 2026B Bonds, and PARITY® is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
Customer Support: (212) 849-5000

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. ©2025 Baker Tilly Municipal Advisors, LLC

DETAILS OF THE SERIES 2026B BONDS

The Series 2026B Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2026B Bonds will mature February 1 in the years and amounts* as follows:

2027	\$90,000	2031	\$95,000	2035	\$110,000	2039	\$130,000	2043	\$160,000
2028	\$85,000	2032	\$100,000	2036	\$115,000	2040	\$140,000	2044	\$170,000
2029	\$90,000	2033	\$100,000	2037	\$120,000	2041	\$145,000	2045	\$180,000
2030	\$90,000	2034	\$105,000	2038	\$125,000	2042	\$155,000	2046	\$185,000

*The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2026B Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2026B Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Series 2026B Bonds will be issued by means of a book entry system with no physical distribution of Series 2026B Bonds made to the public. The Series 2026B Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Series 2026B Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2026B Bonds. Individual purchases of the Series 2026B Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Series 2026B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Series 2026B Bonds, will be required to deposit the Series 2026B Bonds with DTC.

REGISTRAR/PAYING AGENT

U.S. Bank National Association, Saint Paul, Minnesota will serve as Registrar/Paying Agent (the "Registrar") and shall be subject to applicable regulations of the Securities and Exchange Commission. The City will pay for the services of the Registrar.

OPTIONAL REDEMPTION

The City may elect on February 1, 2036, and on any day thereafter, to redeem Series 2026B Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Series 2026B Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Series 2026B Bonds will be general obligation of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The proceeds of the Series 2026B Bonds will be used to (i) finance the acquisition and betterment of a new city hall building and (ii) pay costs of issuance on the Series 2026B Bonds.

TAXABILITY OF INTEREST

The interest to be paid on the Series 2026B Bonds is includable in the income of the recipient for the purposes of the United States and State of Minnesota income tax.

BIDDING PARAMETERS

Proposals shall be for not less than \$2,450,160 plus accrued interest, if any, on the total principal amount of the Series 2026B Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Series 2026B Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the City scheduled for award of the Series 2026B Bonds is adjourned, recessed, or continued to another date without award of the Series 2026B Bonds having been made. Series 2026B Bonds of the same maturity shall bear a single rate from the date of the Series 2026B Bonds to the date of maturity. No conditional proposals will be accepted.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$24,900 (the "Deposit") no later than 1:30 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the City nor BTMA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from BTMA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

AWARD

The Series 2026B Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Series 2026B Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

CUSIP NUMBERS

If the Series 2026B Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2026B Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2026B Bonds. BTMA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about February 23, 2026, the Series 2026B Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Taft Stettinius & Hollister, LLP, of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Series 2026B Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Series 2026B Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

On the date of actual issuance and delivery of the Series 2026B Bonds, the City will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the City will covenant for the benefit of the owners of the Series 2026B Bonds to provide certain financial and other information about the City and notices of certain occurrences to information repositories as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2026B Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Series 2026B Bonds, together with any other information required by law. By awarding the Series 2026B Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated January 5, 2026

BY ORDER OF THE CITY COUNCIL

/s/ Hilary Vokovan
City Clerk

CITY OF EXCELSIOR, MINNESOTA
\$5,065,000* General Obligation Bonds, Series 2026A

For the Series 2026A Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$ _____ (which may not be less than \$5,065,000 (Par)) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2035	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %
2036	_____ %	_____ %	_____ %	2046	_____ %	_____ %	_____ %
2027	_____ %	_____ %	_____ %	2047	_____ %	_____ %	_____ %

Years of Term Maturities

Designation of Term Maturities

_____ _____

In making this offer on the sale date of February 2, 2026 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated January 23, 2026 including the City's right to modify the principal amount of the Series 2026A Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2026A Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2026A Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder will not will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____
Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

* Preliminary; subject to change.

Email: bids@bakertilly.com

CITY OF EXCELSIOR, MINNESOTA
\$2,490,000* Taxable General Obligation Capital Improvement Bonds, Series 2026B

For the Series 2026B Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$ _____ (which may not be less than \$2,450,160 (Par)) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2027	_____ %	_____ %	_____ %	2037	_____ %	_____ %	_____ %
2028	_____ %	_____ %	_____ %	2038	_____ %	_____ %	_____ %
2029	_____ %	_____ %	_____ %	2039	_____ %	_____ %	_____ %
2030	_____ %	_____ %	_____ %	2040	_____ %	_____ %	_____ %
2031	_____ %	_____ %	_____ %	2041	_____ %	_____ %	_____ %
2032	_____ %	_____ %	_____ %	2042	_____ %	_____ %	_____ %
2033	_____ %	_____ %	_____ %	2043	_____ %	_____ %	_____ %
2034	_____ %	_____ %	_____ %	2044	_____ %	_____ %	_____ %
2035	_____ %	_____ %	_____ %	2045	_____ %	_____ %	_____ %
2036	_____ %	_____ %	_____ %	2046	_____ %	_____ %	_____ %

Years of Term Maturities

Designation of Term Maturities

_____ _____

In making this offer on the sale date of February 2, 2026 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated January 23, 2026 including the City's right to modify the principal amount of the Series 2026B Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2026B Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2026B Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST RATE: _____ %

The Bidder will not will purchase municipal bond insurance from _____.

Account Members

Account Manager

By: _____
Phone: _____

.....
The foregoing proposal has been accepted by the City.

Attest: _____

Date: _____

Phone: 651-223-3000

Email: bids@bakertilly.com

* Preliminary; subject to change.