

RESOLUTION 26-374

A RESOLUTION BY THE TOWN OF CORNERSVILLE AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF ONE CAPITAL OUTLAY NOTE NOT TO EXCEED \$150,000.00

WHEREAS, The Cornersville Board of Mayor and Aldermen (the "Town of Cornersville") has determined that it is necessary and desirable to issue a capital outlay Note in order to provide funds for the following public works project: Paving the Town Hall parking lot, Beechwood Ave, Spencer Alley, and E. Austin Alley (the "Project"); and,

WHEREAS, The Cornersville Board of Mayor and Aldermen has determined that the Project is a public works project within the meaning of the Act (as defined below); and,

WHEREAS, under the provisions of Parts I, IV and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this Project through the issuance and sale of an interest-bearing capital outlay Note upon the approval of the Comptroller of the Treasury or Comptroller's designee; and

WHEREAS, The Cornersville Board of Mayor and Aldermen finds that it is advantageous to the Town of Cornersville to authorize the issuance of a capital outlay Note to finance the cost of the Project;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF CORNERSVILLE, TENNESSEE AS FOLLOWS:

SECTION 1. For the purpose of providing funds to finance the cost of the Project, the Town Administrator of the Town of Cornersville is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller's designee, to issue and sell an interest-bearing capital outlay Note in a principal amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000.00) (the "Note"). The Note shall be designated "Cornersville 2026 Capital Outlay Note, Series 1"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value plus accrued interest if any; and shall bear interest at a rate or rates not to exceed Five Point One Four per cent (5.14%) per annum, and in no event shall the rate exceed the legal limit provided by law.

SECTION 2. The Note shall mature five (5) fiscal years after the fiscal year of issuance and, unless otherwise approved by the Comptroller of the Treasury or Comptroller's designee, the Note shall be amortized through mandatory redemption in amounts reflecting level debt service on the Note or an equal amount of principal paid in each fiscal year as is agreed upon by the chief executive officer and the Purchaser. The principal amount paid in each fiscal year shall be set forth in the form of the Note. The weighted average maturity of the Note shall not exceed the reasonably expected weighted average life of the Project which is hereby estimated to be fifteen (15) years.

SECTION 3. The Note shall be subject to redemption at the option of the Town of Cornersville, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount as determined with the purchaser.

SECTION 4. The Note shall be direct general obligations of the Town of Cornersville, for which the punctual payment of the principal and interest on the Note, the full faith and credit of the Town of Cornersville is irrevocably pledged, and the Town of Cornersville hereby pledges its taxing power as to all taxable property in the Town of Cornersville for the purpose of providing funds for the payment of principal of and interest on the Note. The Governing Body of the Town of Cornersville hereby authorizes the levy and collection of a special tax on all taxable property of the Town of Cornersville over and above all other taxes authorized by the Town of Cornersville to create a sinking fund to retire the Note with interest as they mature in an amount necessary for that purpose.

SECTION 5. The Note shall be executed in the name of the Town of Cornersville; shall bear the signature of the chief executive officer of the Town of Cornersville and the signature of the recording officer of the Town of Cornersville and shall be payable as to principal and interest at the office of recording officer of the Town of Cornersville or at the office of the paying agent duly appointed by the Town of Cornersville. Proceeds of the Note shall be deposited with the official designated by law as custodian of the funds of the Town of Cornersville. All proceeds shall be paid out for financing the Project pursuant to this Resolution and as required by law.

SECTION 6. The Note will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Town of Cornersville or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Note. The note register, if held by an agent of the Town of Cornersville, shall at all times be open for inspection by the Town of Cornersville or any duly authorized officer of the Town of Cornersville. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Town of Cornersville or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Town of Cornersville or its agent together with a written instrument or transfer satisfactory to the Town of Cornersville duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Town of Cornersville shall issue in the name of the transferee a new registered note or Note of the same aggregate principal amount and maturity as the surrendered Note.

The Town of Cornersville shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Note or, in the case of any redemption of the Note, during the forty-five (45) days next preceding the date of redemption.

SECTION 7. The Note shall be in substantially the form attached as Attachment 1 with only changes as are necessary or appropriate to comply with the requirements of the purchaser thereof as determined by the chief executive officer.

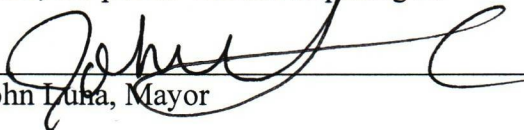
SECTION 8. The Note shall not be sold until receipt of the Comptroller of the Treasury or Comptroller's Designee's written approval for the sale of the Note.

SECTION 9. The chief executive officer is authorized to designate the Note as qualified tax-exempt obligations for the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986 if so eligible to be designated.

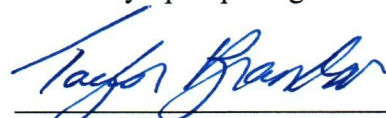
SECTION 10. After the sale of the Note, and for each year that any of the Note is outstanding, the Town of Cornersville shall prepare an annual budget and budget ordinance in a form consistent with accepted governmental standards and as approved by the Comptroller of the Treasury or Comptroller's designee. The budget shall be kept balanced during the life of the Note and shall appropriate sufficient monies to pay all annual debt service. The annual budget and ordinance shall be submitted to the Comptroller of the Treasury or Comptroller's designee immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes"). If the Comptroller of the Treasury or Comptroller's designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Comptroller of the Treasury or Comptroller's designee.

SECTION 11. All orders, ordinances or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

SECTION 12. This Resolution shall be effective immediately upon passage this 7th day of May, 2026, the public welfare requiring it.




John Luhn, Mayor



Taylor Brandon, Town Recorder

Approved as to legality and form:



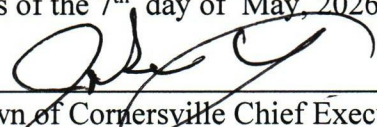
Billy Ostermann, Town Attorney

This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Town of Cornersville or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Town of Cornersville or its agent of the note together with a written instrument of transfer satisfactory to the Town of Cornersville duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the Resolution of the Town of Cornersville authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Town of Cornersville or its agent shall issue in the name of the transferee a new registered note or Note of the same aggregate principal amount and maturity as the surrendered note. The Town of Cornersville shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Note or, in the case of any redemption of the Note, during the forty-five (45) days next preceding the date of redemption.

Pursuant to Tenn. Code Ann. Section 9-21-117, this note and interest thereon are exempt from all state, county, and municipal taxation except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Town of Cornersville, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Town of Cornersville has caused this note to be executed in the name of the Town of Cornersville by the signature of the Mayor and attested by the signature of the Town Administrator with the Seal of the Town of Cornersville affixed hereto or imprinted hereon, and this note to be dated as of the 7th day of May, 2026.



(Town of Cornersville Chief Executive)

ATTESTED:



(Recording Officer) Town Recorder

ASSIGNMENT

Note No. _____

Amount: \$ _____

For value received, the undersigned hereby sells, assigns, and transfers unto

(Name and Address of assignee)

(Please indicate social security or other tax identifying number of assignee)

The within-mentioned note and hereby irrevocably constitutes and appoints _____
_____ attorney-in-fact, to transfer the same on the note register in the office of the _____
_____ or the agent of the Town of Cornersville with full power of
substitution in the premises.

Date: _____

Assignor: _____

Address: _____

Attachment 1
CAPITAL OUTLAY NOTE FORM

Registered Note No. 2026-1
Registered \$150,000.00

Town of Cornersville
(*Name of Town of Cornersville*)
of the State of Tennessee
Capital Outlay Note, Series 2026-01

DATED: 05/07/2026
INTEREST RATE: 5.14%
MATURITY DATE: 05/07/31

Registered Owner: CB&S Bank
Principal Sum: \$150,000.00

The Town of Cornersville, Tennessee (the Town of Cornersville) hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum specified above on the Maturity Date specified above or according to an amortization schedule attached hereto (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Town of Cornersville or its agent, and to pay interest on the Principal Sum on 05/07/2026 and thereafter each month of each year at the Interest Rate per annum specified above or according to an amortization schedule attached hereto, by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month, or other day as agreed by the parties, next preceding the applicable payment date in the note register maintained by or on behalf of the Town of Cornersville. Both principal of and interest on this note are payable at the office of the Town of Cornersville or a paying agent duly appointed by the Town of Cornersville in lawful money of the United States of America.

This note is a direct obligation of the Town of Cornersville for the payment of which as to both principal and interest the full faith and credit of the Town of Cornersville is pledged.

[This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Town of Cornersville upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption.

This note is issued under the authority of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Town of Cornersville Board of Mayor and Aldermen meeting on the 7th day of May, 2026 (the "Resolution") to provide funds to finance the cost of public works projects referenced in the Resolution.