

Statement of Ownership

Tennessee Wastewater Systems, Inc. (the “Company”) is a Tennessee corporation with one shareholder. The name and address of the sole shareholder is as follows:

Adenus Group, LLC
851 Aviation Parkway
Smyrna, TN 37167

The shareholder is also the sole shareholder of Ohio Wastewater Systems, Inc., in Ohio; Alabama Wastewater Systems, Inc. in Alabama; and Commonwealth Wastewater Systems, Inc. in Kentucky.

The members of Adenus Group, LLC equally own 33.3% of the company and are as follows:

Robert Pickney
307 Patton Dr.
Mt. Juliet, TN 37122

William Pickney
7640 River Road Pike
Nashville, TN 37209

Thomas Pickney
7996 River Road Pike
Nashville, TN 37209

The officers of Tennessee Wastewater Systems, Inc. are as follows:

President:

Charles Hyatt
851 Aviation Parkway
Smyrna, TN 37167

Vice President:

Jeff Ridsen
851 Aviation Parkway
Smyrna, TN 37167

Secretary:

Thomas Pickney
7996 River Road Pike
Nashville, TN 37209

Treasurer:

William Pickney
7640 River Road Pike
Nashville, TN 37209

Projected Income Statement

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
	Number of Sewer Customers	12	15	45	65	80
	<u>Access Fees</u>					
	Number of lots with sewer access but no customer	108	105	75	55	40
	Access fee revenue (\$120 x lots)	\$ 12,960.00	\$ 12,600.00	\$ 9,000.00	\$ 6,600.00	\$ 4,800.00
	<u>Operating Revenue</u>					
1	Service Revenue	\$ 4,898.88	\$ 6,123.60	\$ 18,370.80	\$ 26,535.60	\$ 32,659.20
2	Re-connect Fees	\$ -	\$ -	\$ -	\$ -	\$ -
3	Returned Check Charge	\$ -	\$ -	\$ -	\$ -	\$ -
4	Late Payment Charge	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Operating Revenue (sum of Line 1 through 4)	\$ 4,898.88	\$ 6,123.60	\$ 18,370.80	\$ 26,535.60	\$ 32,659.20
	<u>Operating Expenses</u> ¹					
6	Total salaries and wages and payroll taxes (employees only)	\$ 10,000.00	\$ 10,500.00	\$ 11,000.00	\$ 11,500.00	\$ 12,000.00
7	Outside labor expenses (non-employee)	\$ -	\$ -	\$ -	\$ -	\$ -
8	Administrative and office expenses	\$ 3,000.00	\$ 3,300.00	\$ 3,600.00	\$ 3,900.00	\$ 4,200.00
9	Maintenance and repair expense ²	\$ 2,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,500.00	\$ 4,000.00
10	Purchased water	\$ -	\$ -	\$ -	\$ -	\$ -
11	Purchased sewerage treatment	\$ -	\$ -	\$ -	\$ -	\$ -
12	Electric power expense ³	\$ 2,400.00	\$ 2,800.00	\$ 3,200.00	\$ 4,000.00	\$ 4,600.00
13	Chemical expense	\$ -	\$ -	\$ -	\$ -	\$ -
14	Testing fees	\$ 600.00	\$ 650.00	\$ 700.00	\$ 750.00	\$ 800.00
15	Transportation expense	\$ 1,000.00	\$ 1,200.00	\$ 1,400.00	\$ 1,600.00	\$ 1,800.00
16	Other operating expense	\$ -	\$ -	\$ -	\$ -	\$ -
17	Telemetry	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00	\$ 1,320.00
18	Total operation and maintenance expenses (sum of Line 6 through Line 17)	\$ 20,320.00	\$ 22,270.00	\$ 24,220.00	\$ 26,570.00	\$ 28,720.00
19	Annual depreciation expense	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
20	Property taxes paid on utility property	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
21	Franchise (gross receipts tax)	\$ 2,160.00	\$ 2,160.00	\$ 2,160.00	\$ 2,160.00	\$ 2,160.00
22	Annual NCUC regulatory fee	\$ 208.20	\$ 260.25	\$ 780.76	\$ 1,127.76	\$ 1,388.02
23	Total operating expenses (sum of Line 18 through Line 22)	\$ 27,688.20	\$ 29,690.25	\$ 32,160.76	\$ 34,857.76	\$ 37,268.02
24	Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
25	State income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
26	Federal income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
27	Total income taxes	\$ -	\$ -	\$ -	\$ -	\$ -
28	Net operating income	\$ (9,829.32)	\$ (10,966.65)	\$ (4,789.96)	\$ (1,722.16)	\$ 191.18
29	Interest expense	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
30	Net income	\$ (10,829.32)	\$ (11,966.65)	\$ (5,789.96)	\$ (2,722.16)	\$ (808.82)

1. Expenses were estimated using comparisons to known expenses from similar sewer systems.
2. It is assumed that maintenance expense will increase due to more homes sending wastewater flow into the sewer system.
3. It is assumed that electric power expense will increase due to the sewer system treating more wastewater flow.



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

JEFF RISDEN
851 AVIATION PARKWAY
SMYRNA, TN 37179

April 25, 2018

Request Type: Certificate of Existence/Authorization
Request #: 0274955

Issuance Date: 04/25/2018
Copies Requested: 1

Document Receipt

Receipt # : 004053994

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3728478073

\$20.00

Regarding: TENNESSEE WASTEWATER SYSTEMS, INC.

Filing Type: For-profit Corporation - Domestic

Control # : 263854

Formation/Qualification Date: 03/16/1993

Date Formed: 03/16/1993

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: RUTHERFORD COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

TENNESSEE WASTEWATER SYSTEMS, INC.

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

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