

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TN**

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<b>IN RE:</b>	)	
	)	
<b>PETITION OF TENNESSEE</b>	)	
<b>WASTEWATER SYSTEMS, INC.,</b>	)	<b>DOCKET NO.</b> <u>18-00029</u>
<b>FOR APPROVAL OF FINANCING</b>	)	
<b>ARRANGEMENT</b>	)	

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**PETITION OF TENNESSEE WASTEWATER SYSTEMS, INC. FOR APPROVAL OF  
FINANCING ARRANGEMENT**

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Tennessee Wastewater Systems, Inc. ("TWSI") petitions the Tennessee Public Utility Commission ("TPUC") to approve, pursuant to T.C.A. § 65-4-109, the financing arrangement for the purchase of a truck for use in the operation of TWSI's business.

TWSI is a public utility that provides wastewater services to customers in Tennessee. It is subject to the regulatory jurisdiction of the TPUC. TWSI has negotiated a loan with Wilson Bank and Trust for \$42,483.49 for the purchase of one (1) Chevrolet pick-up truck. The truck is necessary in order for TWSI's system operators and maintenance personnel to perform their operations and maintenance duties. The terms and conditions of the financing arrangement are described in the attached loan document (Exhibit A). The loan has been obtained at reasonable terms, supports purchases that are common in the utility and wastewater industries, and are in the public interest. TWSI hereby respectfully requests the Authority to approve the financing arrangement.

Respectfully Submitted,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Jeff Riden  
General Counsel  
Tennessee Wastewater Systems, Inc.  
851A Aviation Parkway  
Smyrna, TN 37167  
Phone: 615-220-7171  
Email: [jeff.riden@adenus.com](mailto:jeff.riden@adenus.com)

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## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$42,485.49	03-22-2018	03-22-2022	70000378254	4 / 103	TAA1284	039	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** TENNESSEE WASTEWATER SYSTEMS INC  
851 AVIATION PKWY  
SMYRNA, TN 37167-0000

**Lender:** WILSON BANK & TRUST  
Main Office  
623 West Main St  
P.O. Box 768  
Lebanon, TN 37088

Principal Amount: \$42,485.49

Interest Rate: 5.500%

Date of Note: March 22, 2018

**PROMISE TO PAY.** TENNESSEE WASTEWATER SYSTEMS INC ("Borrower") promises to pay to WILSON BANK & TRUST ("Lender"), or order, in lawful money of the United States of America, the principal amount of Forty-two Thousand Four Hundred Eighty-five & 49/100 Dollars (\$42,485.49), together with interest on the unpaid principal balance from March 22, 2018, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.500% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 47 payments of \$985.23 each payment and an irregular last payment estimated at \$988.11. Borrower's first payment is due April 22, 2018, and all subsequent payments are due on the same day of each month after that. Borrower's last payment will be due on March 22, 2022, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest, then to principal and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by multiplying the ratio of the interest rate over the number of days in a year (365 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid charges shall be earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default) or as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Wilson Bank & Trust, Attention: Servicing, P.O. Box 768 Lebanon, TN 37088.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, the interest rate on this Note shall be increased to 18.000% per annum. However, in no event shall the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any other obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or other agreement of any kind with or to any creditor or person that may materially affect any of Borrower's property or Borrower's ability to perform its obligations under this Note or any of the related documents.

**False Representations.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Foreclosure Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession, or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes the attachment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the amount of the forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the amount.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days, or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**PROMISSORY NOTE  
(Continued)**

Loan No: 70000376254

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**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Tennessee.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of WILSON County, State of Tennessee.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

**COLLATERAL.** Borrower acknowledges this Note is secured by 2018 CHEVROLET SILVERADO 2500 VIN #1GB2KUEG1JZ132895.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**USURY SAVINGS CLAUSE.** It is the intention of Lender and Borrower to comply strictly with all applicable usury laws; and, accordingly, in no event and upon no contingency shall Lender ever be entitled to charge, receive, collect, or apply as interest any interest, fees, charges, or other payments equivalent to interest, in excess of the maximum rate which the Lender may lawfully charge under applicable state and federal statutes and laws from time to time in effect; and, in the event that Lender ever receives, collects, or applies as interest, any such excess, such amount which, but for this provision, would be excessive interest shall be applied to the reduction of the unpaid principal amount of the Note; and, if said principal amount and all lawful interest thereon is paid in full, any remaining excess shall be refunded to Borrower. All interest paid or agreed to be paid shall, to the maximum extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan, including any renewals, until payment in full of the principal. Any provision hereof, or of any other agreement between Lender and Borrower, that operates to bind, obligate, or compel Borrower to pay interest in excess of such maximum lawful contract rate shall be construed to require the payment of the maximum rate only. The provisions of this paragraph shall be given precedence over any other provision contained herein or in any other agreement between Lender and Borrower that is in conflict with the provisions of this paragraph.

**GENERAL PROVISIONS.** This Note is payable on demand. The inclusion of specific default provisions in this Note shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this part will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive present and future demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, the terms of this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such changes shall be made by Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or in any way modify or alter upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of anyone. All such parties also agree that Lender may modify this loan without the consent of or to anyone other than the parties to whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**TENNESSEE WASTEWATER SYSTEMS INC**

By: **CHARLES HYATT, President of TENNESSEE WASTEWATER SYSTEMS INC**

**LENDER:**

**WILSON BANK & TRUST**

X **John W. Feltz, VP - Head of Consumer Lending**



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## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$42,485.49	03-22-2018	03-22-2022	70000376254	4 / 103	TAA1284	039	
Reference in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing ***** has been omitted due to text length limitations.							

**Borrower:** TENNESSEE WASTEWATER SYSTEMS INC  
891 AVIATION PKWY  
SMYRNA, TN 37167-0000

**Lender:** WILSON BANK & TRUST  
Main Office  
823 West Main St  
P.O. Box 768  
Lebanon, TN 37088

**LOAN TYPE.** This is a Fixed Rate (5.600%) Nondisclosable Loan to a Corporation for \$42,485.49 due on March 22, 2022.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.  
☒ Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: PURCHASE BUSINESS VEHICLE

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$42,485.49 as follows:

Amount paid to others on Borrower's behalf:	\$42,290.49
442,290.49 to SERRA CHEVROLET BUICK GMC	
Total Financial Prepaid Finance Charges:	\$195.00
\$195.00 Origination Fee	
<b>Note Principal:</b>	\$42,485.49

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT BUSINESS STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MARCH 22, 2018.

**BORROWER:**

TENNESSEE WASTEWATER SYSTEMS INC

By: CHARLES HYATT, President  
TENNESSEE WASTEWATER SYSTEMS INC