

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE TO OPERATE AS A SOLID WASTE COLLECTION COMPANY UNDER CHAPTER 81.77 RCW

1300 South Evergreen Park Drive SW P.O. Box 47250 Olympia, WA 98504-7250 **PHONE** 360-664-1222 **FAX** 360-586-1181

TTY 360-586-8203 TTY TOLL FREE 1-887-210-5963

WEBSITE: www.wutc.wa.gov

The UTC has a policy of providing equal access to its services. If you need special accommodations, please call 360-664-1133.

Type of Solid Waste Authority Requested					Fee Required
• •• Expedited Temporary Authority (to meet an urgent need for up to thirty days) - Complete entire application and Attachment A (WAC 480-70-136)				\$ 25	
• •• <u>Femporary Authority</u> (to meet an immediate or urgent need) – Complete entire application and Attachment A				\$ 25	
New Permanent Authority (including extension of authority)— (check appropriate box below) Complete entire application and submit a proposed tariff as outlined in the standard tariff form •••New Certificate •••Extension of Existing Certificate No. G					\$200
 application and Attachments •••All of Certificate No. G- 	Permanent Authority to Transfer (WAC 480-70-090) (check appropriate box below) – Complete entire application and Attachments B • • • All of Certificate No. G				
Reinstatement of Cance statement justifying the r	lled Certificate (must be file einstatement and complete	d within section	30 days of cancellation) s 1, 2 and 8	–Include a	\$200
• •• <u>Name Change</u> – does not include changes resulting in change in ownership – Complete section 1 s35 and Attachment C					\$ 35
• •• Mortgage of Certificate – Complete section 1 and Attachment D \$35					\$ 35
Lease of Authority – Complete entire application and Attachment B • •• All of Certificate • •• Portion of Certificate No. G				\$200	
SECTION 1 - APPLICATION INFORMATION M-43826					
Same 1 6010 1/ 1/21 - 1/4/				710100	
- TOUT DOLL SHOWING				KEITH C	
Phone Number: (501) 924-4312 Fax Number: (501) 891-1217 E-Mail: all sportesisna. Com					
Business Address Street 17809 E. APPLEWAY Mailing address (if different from Business Address) Street P. O. Bo x 395			s Address)		
City SPOKANE VLY City NEWMAN LAKE.					
State/Zip WA 99016		State/Z		1025	
FOR OFFICIAL USE ONLY					
Date Filed: 3-23-05	Staff Assigned:		Motcar: 4362	Permit Iss	ued G-
Tariff:	Insurance:		Contract:	DOL/SOS:	
	Application: GA- 1935 RMS Docket #: TG-05/203 Related App ID: Map:		Мар:		
Text approved for docket	Reception #.00097	OC	227-02: 200.00	032-05:	

Type of bus					
☐ Individ	dual 🛣 Pa	rtnership 🗌	Corporation	P, LLC) UBI	No. 601372386
List the nam	e, title, and	percentage of p	partner's share or stock distribution	on for major stockholders:	
<u>Name</u>			Title	Stock Distribution or P	ercentage of Shares
	K.HO		PARTNER	80	
ZACH	ARY C.	HOLT	PARTNER	10	
		HOLT	PARTNER	10	
		-			
Indicate bel be describe boundaries requiremen Sol	describ of Sect Washing S.W. co the wes Section of said 26 N., project thence Washing interse E. exte	ed as follo ion 24, T. ton-Idaho S rner of Section pr R. 45 E.; ted to the Neast on the ton-Idaho S ction with nded, the p	SERVICE in that portions: Starting at the positives: Starting at the positive state line; thence west that a line; thence west that section projected to N., R. 45 E.; thence we ojected to the S.W. conhence north on the west with the south line of said section and the south line of section that a line; thence south the south line of Section and the south line of Section and the south line of Sections are proposed to the south line of Sections and the south line of Sections are proposed to the section of section of sections are proposed to the section of sections are proposed to the section of section of sections are proposed to the section of section of sections are proposed to the section of sections are proposed to the section of sections are proposed to the section of section of sections are proposed to the section of sections are proposed to the section of se	ant where the south ed, intersects the on said line to the 15 E.; thence north to the S.E. corner of set on the south line of Section 16, 12 line of said section 28, T. 27 N., R. 45 to on said line to it on said line to it.	tory must y ets the et
Do you curre	ently hold, or No X Y er applied for No	thave you ever Yes If yes, please Yes If yes, please Texperience and Texperience and Texperience and	knowledge of transportation or s	AS REQUESTED er: G17_1_ waste?	BY WUTC.
Have you be	_	violation of state	e laws or Commission rules?		

SECTION 3 – RATES AND TARIFFS

Is this application to operate under a contract? No Yes If yes, submit the original or a duplicate original of each contract under which service will be performed. The contract must contain all the elements stated in WAC 480-70-146.
If this application is for temporary authority, a new certificate, or extension of existing certificated authority, you must attach two copies of your proposed tariff using either the standard tariff format included in this package, or an approved alternate format. All tariffs submitted must comply with the provisions of WAC 480-70-226 through WAC 480-70-351.
If this application is a transfer or a lease of authority from an existing certificate, you must either file a new tariff at the same rate levels as on file, or you must adopt the current certificate holder's tariff. To file a new tariff, use the standard tariff format attached to this application or an approved alternate format. Indicate which option you will use: Adopt File a new tariff

SECTION 4 - FINANCIAL STATEMENT

You may attach a Balance Sheet, Profit and Loss Statement, or business plan if available.

ASSETS		LIABILITIES		
Cash in Bank	\$	Salaries/Wages Payable	\$	
Notes Receivable	\$	Accounts Payable	\$	
Accounts Receivable	\$	Notes Payable	\$	
Investments	\$	Mortgages Payable	\$	
Other Current Assets	\$	Contracts and Bonds Payable	\$	
Prepaid Expenses	\$	TOTAL LIABILITIES	\$	
Land and Buildings	\$	NET WORTH		
Trucks and Trailers	\$	Preferred Stock	\$	
Office Furniture	\$	Common Stock	\$	
Other Equipment	\$	Retained Earnings	\$	
Other Assets	\$	Capital	\$	
TOTAL ASSETS	\$	TOTAL LIABILITIES AND NET WORTH	\$	

SECTION 5 - EQUIPMENT LIST

Describe the equipment that will be used (attach additional sheets if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal before your application may be granted. **Gross Vehicle** Year Make **License Number Vehicle ID Number** Type of vehicle Weight 1982 FORD GARBAGE PACKER TRK A89667V 45000 IFDYR8OU ICVAOSOHS 1985 INTERNATIONAL ASG668V 45000

1982 FORD A89667V IFDYR8OU ICVAOSOUS 45000 GARBAGE/PACKER 1985 INTERNATIONAL A89668V 45000 GARBAGE/PACKER

2:16 PM 02/22/05 Accrual Basis

NEWMAN LAKE GARBAGE SERVICE Balance Sheet

As of December 31, 2004

	Dec 31, 04
ASSETS	
Current Assets	
Checking/Savings	
F& M checking	27,769.23
Total Checking/Savings	27,769.23
Other Current Assets	
ACCTS RECEIVABL	20,633.47
advances	331.14
dump deposit	1,000.00
PPD TRK LICENSE	482.50
PREPD INSURANCE	366.84
REV TAX CREDIT	-114.32
WUTC FEE PREPD	96.61
Total Other Current Assets	22,796.24
Total Current Assets	50,565.47
Fixed Assets	
EQUIPMENT	31,056.47
Accumulated depreciaiton	-28,823.00
Total Fixed Assets	2,233.47
TOTAL ASSETS	52,798.94
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
DUMP PAYABLE	3,960.78
Payroll Liabilities	903.20
REV TAX PAYABLE	373.96
Total Other Current Liabilities	5,237.94
Total Current Liabilities	5,237.94
Total Liabilities	5,237.94
Equity	
OWNER DRAW	-4,895.00
Retained Earnings	44,776.81
Net Income	7,679.19
Total Equity	47,561.00
TOTAL LIABILITIES & EQUITY	52,798.94

Is this application to operate under a contract? No Yes If yes, submit the original or a duplicate original of each contract under which service will be performed. The contract must contain all the elements stated in WAC 480-70-146. If this application is for temporary authority, a new certificate, or extension of existing certificated authority, you must attach two copies of your proposed tariff using either the standard tariff format included in this package, or an approved alternate format. All tariffs submitted must comply with the provisions of WAC 480-70-226 through WAC 480-70-351.

If this application is a transfer or a lease of authority from an existing certificate, you must either file a new tariff at the same rate levels as on file, or you must adopt the current certificate holder's tariff. To file a new tariff, use the standard tariff format attached to this application or an approved alternate format. Indicate which option you will use:

X	Adop
LXI	Adob

☐ File a new tariff

SECTION 4 - FINANCIAL STATEMENT

You may attach a Balance Sheet, Profit and Loss Statement, or business plan if available.

ASSETS		LIABILITIES	LIABILITIES	
Cash in Bank	\$	Salaries/Wages Payable	\$	
Notes Receivable	\$	Accounts Payable	\$	
Accounts Receivable	\$	Notes Payable	\$	
Investments	\$	Mortgages Payable	\$	
Other Current Assets	\$ _	Contracts and Bonds Payable	\$	
Prepaid Expenses	\$	TOTAL LIABILITIES	\$	
Land and Buildings	\$	NET WORTH		
Trucks and Trailers	\$	Preferred Stock	\$	
Office Furniture	\$	Common Stock	\$	
Other Equipment	\$	Retained Earnings	\$	
Other Assets	\$	Capital	\$	
TOTAL ASSETS	\$	TOTAL LIABILITIES AND NET WORTH	\$	

SECTION 5 – EQUIPMENT LIST

Describe the equipment that will be used (attach additional sheets if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal before your application may be granted. **Gross Vehicle** Year Make License Number Vehicle ID Number Type of vehicle Weight FORD A89667V INTERNATIONAL A89668V 1982 1FDYR80U1C VAO3648 45.000 GARBAGE TK. 1 HTLDTVDFHA63027 45.000 GARBAGE TK.

SECTION 6 - SAFETY AND OPERATIONS

In each of the categories show below, list the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State laws and rules. Please refer to the WAC rules. Fact Sheets, and publication "Your Guide to Achieving a Satisfactory Safety Rating" for assistance with requirements that may apply to your specific operations. SAFETY RESPONSIBILITIES COMMERCIAL DRIVERS LICENSE (CDL) REQUIREMENTS (Title 49, Code of Federal Regulations Part 383) Any driver who operates a vehicle that meets the definition of a commercial motor vehicle must have a valid CDL Name: Position: AY CONNORS DRIVER QUALIFICATION REQUIREMENTS (Title 49, Code of Federal Regulations Part 391) Driver's must meet minimum qualification requirements and each company must maintain driver qualification files for each driver. Name: Position: AY CONNORS OFFICE MGR DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395) Drivers must maintain logs and each company must maintain true and accurate hours of service records for each driver. Name: Position: CONNORS OFFICE MER CONTROLLED SUBSTANCES AND ALCOHOL TESTING (Part 382) All persons who drive commercial vehicles requiring a CDL must be in a Controlled Substance and Alcohol Testing program that complies with the FMCSR in 49 CFR Part 382 and 49 CFR Part 40. Each company will have in place a system for complying with FMCSR governing alcohol and controlled substances testing requirements (49 CFR Part 382 and 49 CFR Part 40). Name: Position: KAY CONNORS OFFICE MGR INSPECTION, REPAIR AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396) Every motor carrier shall systematically inspect, repair, and maintain all motor vehicles subject to its control. Name: Position: **OPERATIONAL RESPONSIBILITIES** List the person and/or position responsible for understanding and complying with the requirements of each category shown TARIFF RATES AND CHARGES (WAC 480-70-226 through WAC 480-70-351) Companies must file with the Commission a tariff showing all rates and charges it will charge its customers, together with rules that govern how rates and charges will be assessed. Name: Position: ANNUAL REPORTS and REGULATORY FEES (WAC 480-70-071 & 076) Companies must annually file a report of their AY CONNORS financial operations and pay regulatory fees. Position: KAY CONNORS OFFICE MGR BIOMEDICAL WASTE (WAC 480-70-426 through 476) Companies that transport biomedical waste must handle and transport that waste according to the appropriate requirements of the federal hazardous materials regulations (49 CFR Parts 170-189) and the additional requirements in these rules Name: Position: CUSTOMER SERVICE -Person responsible for customer service complaints, customer notice requirements, and compliance with county solid waste plans. Position: OFFICE MGR Name: KAY CONNORS STATE OF WASHINGTON - general laws, rules and regulations: Individuals and companies doing business in the state of Washington must comply with the regulations of local, state, and federal agencies. Please state the name and position of the person in your organization who will be responsible for ensuring compliance with the laws of the state of Washington, such as, but not limited to: Department of Labor and Industries (industrial insurance, safety, prevailing wage): Department of Licensing (vehicle and drivers licenses, business licensing, Unified Business Identifier (UBI number), fuel permits, fuel tax); Secretary of State (corporate registrations); Department of Transportation (over-size or over-weight permits); Department of Revenue and Internal Revenue Service (taxes); and Employment Security. Name: Position: CONNORS OFFICE MAR.

ATTACHMENT A

TEMPORARY CERTIFICATE OR EXPEDITED TEMPORARY AUTHORITY SUPPORT STATEMENT*

Temporary Certificate applications and Expedited Temporary Authority applications must include sworn statements from one or more potential customers identifying all pertinent facts relating to an immediate and urgent need for service.

Applicant Name:		
CUSTOMER SWORN STATE	EMENT OF IMMEDIATE AND UR	GENT NEED FOR SERVICE
Customer Name:		
Address:		-
Phone Number: ()	Fax Number: ()	E-mail:
Describe the immediate and urgent need	for the requested service:	
What date(s) do you need the service?		
What do you need transported?		
If there is an existing company providing t applicable):	his service in the terrority, please	indicate the existing Company's name (if
Phone Number: ()		
Explain why the current company is not al	ole to provide you service:	
Number of days, trips, loads:		
Tranported from:	To:	
I certify or declare under penalty of perjury in this statement is true and correct.		
Print Name	Signature	Data County Otat
	· ·	Date, County, State
*This form is not required to be filed for ar		

SECTION 7 – HEARING INFORMATION

If the Commission assigns this application for formal hearing, estimate the number of witnesses you will present and the amount of time you will need for your presentation.		
Number of witnesses: /	Amount of time: /2 Hour	
Will an attorney be representing you? If yes, complete the fo		
Attorney's name:	Attorney's phone number:	
Attorney's address:	Fax Number:	
Street	E-mail:	
City, State, Zip		
TYPE OF	PAYMENT:	
☐ Check ☐ Money Order ☐ AMEX	☐ Discover ☐ MasterCard ☐ Visa	
Credit Card Information:		
Expiration Date:	Amount:	
SECTION 8 - DECLARTION OF APPLICANT:		
I understand that filing this application does not in itself constitute authority to operate as a solid waste collection company.		
As the applicant for a solid waste collection company certificate, I understand the responsibilities of a solid waste collection company, and I am in compliance with all local, state, and federal regulations governing business in the state of Washington.		
I certify under penalty of perjury under the laws of the State of Washington that the information contained in this application is true and correct.		
l certify that I am authorized to execute and file this document.		
Printed name of applicant: ERIC K. HOLT.		
Signature of Applicant:		
Date, County, State: 2/23/05 SPON	CANE CO. WASHINGTON	

ATTACHMENT B

JOINT APPLICATION FOR TRANSFER OR LEASE OF CERTIFICATED AUTHORITY This attachment must be completed when filing a joint application for permission to transfer or lease rights under

Certificate of Public Convenience and Necessity.	
Certificate Number G	
Check appropriate box:	
NSA	☐ Lease All** ☐ Lease Portion**
ERIC HOCT	
Current Name on Certificate (Seller/Lessor)	
Current Trade Name on Certificate (Seller/Lessor)	
Po Boy 395 M/G/204 401 / V W/A	1 99075 509 924 11212
Address (Seller/Lessor)	Phone Number
Current Trade Name on Certificate (Seller/Lessor) Po Box 395 NEWMAN LK, WA Address (Seller/Lessor) Fax: 509 891-1217	E-mail: <u>aUsport@sisna.com</u>
Have all fines and /or penalties been paid?	⊒ No MŽi Yes ⊒ No MŽi Yes
If the commission assigns this application for formal hearing, do present at the hearing? □ Yes □ No	the contract of the contract o
Both the seller/ lessor and the buyer/lessee certify that this appl defrauding creditors.	ication is not made for the purpose of hindering, delaying or
This application must include a <u>map</u> and <u>copy of the certificated</u> permission to transfer or lease a portion of the certificated authodescription of both the portion to be transferred/leased and the	prity, then the application must include a map and
We, as applicants, hereby jointly declare and affirm that all infor	mation is true to the best of our knowledge.
Zin Robert	3-8-05 SDERANE WA
Seller's/Lessor's Signature	Date, County, State
Ein K. Helt	Date, County, State 3-8-05 SDORANE, WA SOURCE, WA
Buyer's/Lessee's Signature	Date, County, State

^{*}If this application is for transfer, please attach a copy of the sales or other agreement to sell.

^{**}If this application is to lease, please attach a copy of the executed lease agreement.

INQR UTL024P1 MASTER LICENSE SERVICE
BUSINESS ENTITY INQUIRY

BUSINESS ENTITY INQUIRY 09:26:0

08/09/0

UBI: 602 523 711 001 0001 Loc Status: A

Type: Partnership

Owner Name: ERIC K. HOLT, ZACHARY C. HOLT & KEITH C. HOLT

Firm Name : NEWMAN LAKE GARBAGE SERVICE

Loc: 17809 E APPLEWAY Mail: PO BOX 395

GREENACRES WA 99016 NEWMAN LAKE WA 99025

Phone: (509) 924-4312 Registered Tradenames for this UBI? Yes

RFI: No NSF: No Location First Activity: 07 01 2005 RFP: No Withhold: No Last License Issued: 07 26 2005

TRANSFER: ____ {Press < ENTER> for Endorsements List}
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12

GLIST APLST UBIQ SERV TRDU INQA INQR MMEN

Date: 8/9/2005 Time: 9:26:17 AM

NEWMAN LAKE GARBAGE SERVICE PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT is made and entered into this 1st day of March, 2005, by and between Eric K. Holt, whose wife is Lorali K. Holt, Zachary C. Holt, a single person, and Keith C. Holt, a single person (collectively "Partners").

RECITALS:

The Partners are desirous of contributing cash for the purpose of forming a Partnership to engage in the collection of residential, industrial and commercial refuse, rubbish, trash, junk, garbage, and debris, together with the maintenance of a collection and pick-up service therefor, and transporting of all the abovementioned materials by any means of conveyance as a common carrier, private carrier, contract carrier, or otherwise, for the production of income, and for such other purposes as may be provided herein.

THEREFORE, the parties agree as follows:

ARTICLE I. DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings. The singular shall include the plural and the masculine gender shall include feminine and neuter, and vice versa, as the context requires.

Section 1.1 Original Partners.

The original Partners are those individuals identified above.

Section 1.2 Substituted Partners.

The term "substituted Partner" shall mean any transferee or assignee of a Partnership interest who shall be admitted as a Partner in accordance with the provisions of Article VI.

Section 1.3 Partner.

The term "Partner" shall refer to all original and substituted Partners and shall refer to the marital communities as referenced above.

Section 1.4 Partnership Interest.

The term "Partnership interest" shall mean all of the interests, rights, obligations, powers, duties and liabilities which a Partner has pursuant to this Agreement.

Section 1.5 Partnership Agreement.

The term "Partnership Agreement" shall refer to this Partnership Agreement.

Section 1.6 <u>Capital Contribution</u>.

The term "capital contribution" means the amount of cash contributed by the Partners to the Partnership, and may be either original or additional contributions.

Section 1.7 <u>Cash Flow</u>.

The term "cash flow" shall mean, with respect to any fiscal period, the excess of cash receipts during such period (other than from capital contributions) over cash expenditures for operating expenses, reserves, interest and loan or contract principal payments, and capital acquisitions for the same period. The term "negative cash flow" shall mean with respect to any fiscal period, the excess of cash expenditures for operating expenses, reserves, interest, loan or contract principal payments, and capital acquisitions over cash receipts (other than from capital contributions) for the same period.

Section 1.8 Profits and Losses.

The terms "profits" or "losses" shall mean for all tax and accounting purposes, the ordinary income or loss of the Partnership for federal income tax purposes for a fiscal year, as well as, where the context requires, related federal tax items such as capital gain or loss, tax preferences, credits and recapture.

Section 1.9 R.C.W.

The letters "R.C.W." shall refer to the Revised Code of Washington.

Section 1.10 IRC.

The letters "IRC" shall refer to the Internal Revenue Code of 1986 as now or hereafter amended.

ARTICLE II. FORMATION, NAME, PURPOSE, LOCATION AND TERM

Section 2.1 Formation.

The parties hereto form a general partnership pursuant to the Revised Uniform Partnership Act, Revised Code of Washington, Chapter 25.05.

Section 2.2 Name.

The name of the Partnership, pursuant to which it shall conduct all business, shall (Newman Lake Garbage Service Partnership Agreement - Page 2 of 15)

hereafter be named the Newman Lake Garbage Service Partnership and all Partnership property shall be in the Newman Lake Garbage Service Partnership name.

Conveyance by or to the partnership shall be as follows:

"Newman Lake Garbage Service Partnership, a Washington General Partnership"

The undersigned Partners authorize any conveyance by or to the partnership to be signed by Eric K. Holt, which Partner executing the conveyance and related documents shall bind the partnership.

Section 2.3 <u>Purpose</u>.

The character of the Partnership business shall be to engage in the collection of residential, industrial and commercial refuse, rubbish, trash, junk, garbage, and debris, together with the maintenance of a collection and pick-up service therefor, and transporting of all the abovementioned materials by any means of conveyance as a common carrier, private carrier, contract carrier, or otherwise, for the production of income, and for such other purposes as may be provided herein.

Section 2.4 <u>Principal Place of Business</u>.

The principal place of business of the Partnership shall be at 17809 E. Appleway, Greenacres, Washington 99016, and/or such other places or place as the Partners may from time to time determine.

Section 2.5 <u>Term of the Partnership</u>.

The term of the Partnership shall commence on the date first written above, and shall continue for a period of fifty (50) years, unless sooner terminated as provided in Article IX.

ARTICLE III. CAPITAL AND DRAWING ACCOUNTS

Section 3.1 Capital Account Balances and Scheduled Contributions.

The parties agree that they have previously made capital contributions to the Partnership, which are reflected on the partnership books.

The percentage of capital interest which all Partners shall initially have in the capital of the Partnership shall be as follows:

Names:	<u>Proportionate Interest</u>
Eric K. Holt	80%
Zachary C. Holt	10%
Keith C. Holt	10%

(Newman Lake Garbage Service Partnership Agreement - Page 3 of 15)

Section 3.2 Interest on Capital Contribution.

No partner shall be entitled to the accrual or payment of interest on the amount of his/her capital contribution.

Section 3.3 <u>Additional Capital Contributions</u>.

In the event that the assets of the Partnership should prove insufficient for the payment of Partnership expenses and obligations as they mature in the ordinary course of business, then and in that event, upon ten (10) days' written notice by the Managing Partner (and following approval of the Partners as provided in Section 5.1), the Partnership may require of each Partner the payment of additional capital contributions in such amounts as the Partnership deems advisable. Any such additional capital contributions shall be required pro rata of all Partners in the ratio which they share profits and losses.

If any Partner shall default in any call for additional capital contributions, the other Partners, or any of them, shall have the right to make such contributions(s) on behalf of the defaulting Partner. Such payments shall be treated as loans to the Partnership and the defaulting Partner who is liable agrees to indemnify and hold the other Partners harmless from loss on such loans. The loans shall bear interest at eighteen percent (18%) per annum.

Upon the default of any Partner who is liable on the call for additional capital contributions in the circumstances described above, no cash flow distributions shall be made to the defaulting Partner. Such distributions shall instead be used to discharge the delinquent contributions or shall be used to repay the loans made by the other Partners to the extent available therefor. Such method shall not be an exclusive method of repayment. The Managing Partner may, as one alternative, borrow the needed funds in the name of the defaulting Partner. Upon discharge of the debts or loans, the share of distributions accruing subsequent to the discharge shall be resumed to the defaulting Partner.

Section 3.4 Withdrawal of Capital.

No Partner shall have the right to withdraw all or any portion of his capital contribution except in accordance with Article VII.

Section 3.5 Capital Accounts.

An individual capital account shall be maintained for each Partner. The capital interest of each Partner shall consist of his initial capital cash contribution and any credit balances transferred from his drawing account to his capital account; and decreased by (1) distributions in reduction of Partnership capital, and (2) his share of Partnership losses, if charged to the capital accounts of the Partners.

Section 3.6 Drawing Accounts.

An individual drawing account shall be maintained for each Partner. All withdrawals made by a Partner shall be charged to his drawing account. Subject to establishment of cash reserves as provided in Section 4.6, and approval of the Partners as provided in Section 5.1, each Partner's share of profits and losses shall be credited or charged to his drawing account.

A balance of a Partner's drawing account in his favor (a credit balance) shall constitute a liability to that Partner; it shall not constitute a part of his capital account or his interest in the capital of the Partnership. If, after the net profit or loss of the Partnership for the fiscal year has been determined, a Partner's drawing account shows a deficit (a debit balance), whether occasioned by drawings in excess of his share of Partnership profits or by charging him for his share of a Partnership loss, the deficit shall constitute an obligation of that Partner to the Partnership and shall not reduce his capital account or his interest in the capital of the Partnership.

Section 3.7 <u>Partnership Liabilities</u>.

All of the Partnership's expenses shall be incurred in the name of the Partnership and shall be billed directly to and paid by the Partnership. All contracts of the Partnership shall be made in the name of the Partnership.

Section 3.8 <u>Inability to Meet Assessments</u>.

It is understood and agreed by the Partners that additional payments as provided in Section 3.4, may be required, in order to complete the purchase and operate the Partnership property. Each Partner agrees to be personally responsible for his pro rata share of additional capital which may become necessary, and contribute the same promptly when due.

In the event a Partner is unable to meet a capital contribution or assessment when it becomes due, then his Partnership capital account shall not be altered but, rather, the other Partners shall have the right to make the deficit contributions as provided in Section 3.3. The defaulting Partner shall be given a period of thirty (30) days in which to pay the assessment in arrears. If, at the end of thirty (30) days, the defaulting Partner has not made a cash payment equal to his deficiency plus interest as provided pursuant to Section 3.3, then the defaulting Partner shall be deemed in substantial breach of this Agreement, and the Partnership and the remaining Partners shall have the rights set forth in Article VIII of this Agreement, including without limitation the right to expel the defaulting Partner and liquidate the defaulting Partner's interest in the Partnership as provided in Section 8.2. The defaulting Partner shall also be liable for all costs and attorneys' fees associated with his default and subsequent liquidation of his interest.

Section 3.9 Bank Accounts.

The Partnership shall maintain a checking account at Farmers & Merchants Bank, Mullan Branch, Spokane Valley, Washington, or at such other place as the Partners may agree upon (Newman Lake Garbage Service Partnership Agreement - Page 5 of 15)

from time to time. Withdrawals shall be made in the regular course of the Partnership business upon the signature of Eric K. Holt. The funds of the Partnership shall not be commingled with the funds of any other person.

ARTICLE IV. <u>DISTRIBUTIONS AND ALLOCATIONS OF PROFITS</u> AND LOSSES, ACCOUNTING AND TAXATION

Section 4.1 Fiscal Year.

The fiscal year of the Partnership shall be the calendar year.

Section 4.2 Method of Accounting.

The Partnership shall at all times keep or cause to be kept full and true books of account on the cash basis of accounting. In such books there shall be entered fully and accurately each transaction of the Partnership and such books of account shall at all times be maintained at the principal place of business of the Partnership and shall be open to the reasonable inspection and examination of the Partners or their duly authorized representatives.

Section 4.3 Reports and Tax Returns.

Any Partner may receive a quarterly balance sheet, quarterly profit and loss statement, quarterly balance sheet, quarterly profit and loss statement, quarterly cash flow statement and a quarterly report as to the status of the Partnership property and any other items which are material. Within ninety (90) days after the end of each fiscal year, the Partners shall prepare or cause to be prepared a balance sheet of the Partnership as of the end of such fiscal year and statements of income and expense, Partners' equity and changes in financial position for the year, a cash flow statement, and such other and additional reports as the Partners shall deem relevant. In addition, the Partners shall prepare or cause to be prepared the Partnership tax return for the year then ended and shall cause it to be filed with the Internal Revenue Service.

Section 4.4 Tax Elections.

With respect to all methods of tax accounting of the Partnership, the Partnership shall elect to use, so far as permitted by the provisions of the Internal Revenue Code of 1986 as amended, such methods, allocations and elections, as shall, in the opinion of the Partners, be most advantageous to the Partners.

Section 4.5 Allocation of Profit and Losses.

Each Partnership interest shall be credited with or charged with a pro rata share of the profits or losses of the Partnership, based upon the percentage of capital interest of the Partners as enumerated within Section 3.1.

Section 4.6 Distributions; Cash Flow.

The Partners shall, at the end of each quarter during the fiscal year, determine and establish reasonable reserves out of any cash on hand sufficient for contingencies and the operating expenses of the Partnership. After such provision for reserves, and the Partners shall distribute to the Partners with respect to each Partnership interest one hundred percent (100%) of the cash flow for the quarter. Such distribution shall be made pro rata according to each Partner's fractional interest in the Partnership and shall be charged accordingly to said Partner's drawing account.

ARTICLE V. ADMINISTRATION

Section 5.1 Management Partners' Authority and Duties.

The business and affairs of the Partnership shall be managed exclusively by Eric K. Holt. All matters affecting the conduct of the Partnership business shall be determined exclusively by Eric K. Holt. Any matter required by law to be voted upon by all partners must receive an 80% vote of the partners to pass.

Such management by Eric K. Holt includes the following actions that may be taken by him, as in his sole and exclusive opinion he may deem necessary:

- (a) The sale, mortgage, refinancing, or other encumbrance of any Partnership real property.
- (b) The admission of a substitute Partner.
- (c) The appointment, removal, or replacement of a Partner to sign Partnership checks.
- (d) The exercise of any option or right of first refusal to acquire the interest of any Partner, or a decision to allow an interest to be assigned for other than money consideration.
- (e) The transfer of partnership profits and losses between capital and drawing accounts, and the terms of repayment of any amount owing to the Partnership based on a deficit in a Partner's drawing account.
- (f) The assessment of additional unscheduled capital contributions.
- (g) The dissolution of the Partnership.
- (h) The amendment of this Partnership Agreement.
- (i) Make, execute, deliver, and endorse any commercial paper and act as an accommodation party, or otherwise become surety for any person.

(Newman Lake Garbage Service Partnership Agreement - Page 7 of 15)

- (j) Assign, pledge, lease, sell, or otherwise transfer and dispose of any interest in the Partnership property or any part thereof.
- (k) Contract any debt on account of the Partnership, and in any manner pledge the credit thereof.
- (l) Confess a judgment against the Partnership.
- (m) Do any act necessary to carry on the ordinary business of the Partnership.
- (n) Possess Partnership property and assign its rights in specific Partnership property, for other than the Partnership purpose.
- (o) Execute one or more notes and mortgages or deeds of trust to secure long-term financing;
- (p) Employ accountants, attorneys, and clerical help for the conduct of the Partnership business;

Section 5.2 Liability of Partners.

The Partners recognize and agree that as to contract obligations as a general partnership, each Partner, jointly with other Partners, shall have unlimited liability to third persons for the debts and obligations of the Partnership, contracted after the date he is admitted to the Partnership. As to debts contracted prior to the date each Partner is admitted to the Partnership, the liability of each Partner will be limited to his capital contributions. If the Partnership is unable to discharge any of such debts in the ordinary course of business without additional borrowing, then in any of such cases the Partnership shall call for additional capital contributions only from those Partners who are liable.

Such additional capital contributions shall be made and credited in accordance with the provisions of Article III.

Section 5.3 Nature of Duties.

No Partner shall be required to devote his full time and attention to the business of the Partnership, but only such time as shall be necessary in the exercise of prudent judgment for the management of such a business, including attendance at meetings and the exercise of the right to vote.

ARTICLE VI. TRANSFER AND ASSIGNMENT OF PARTNERSHIP INTERESTS

Section 6.1 <u>Assignability of Partnership Interest.</u>

A Partnership interest is assignable, whether voluntarily or by operation of law subject to the rights of the Partnership and the remaining Partners to acquire the assigning Partner's interest as provided herein. An assignee of a Partnership interest may become a substituted Partner only in accordance with Section 6.2.

Section 6.2 Substituted Partners.

Upon the assignment of a partnership interest, the remaining Partners shall continue the Partnership business in conformance with R.C.W. 25.05.210. Pursuant to R.C.W. 25.05.210, and Section 503 of the Uniform Partnership Act, the assignee of all or part of the Partner's interest shall not be entitled, during the continuance of the Partnership, to interfere in the management or administration of the Partnership business or affairs, require any information or account of Partnership transactions, or inspect the Partnership books. The successor shall merely be entitled to receive, in accordance with the terms of the assignment, the profits to which the assignor otherwise would be entitled, and to his share of the assets upon dissolution of the Partnership; provided, however, that the assignee shall become a substituted Partner with all of the rights, powers, privileges, obligations and duties of a full Partner in the following situations:

- (a) Upon the unanimous approval of the remaining Partners; or
- (b) Upon the death or legal incapacity of a Partner.

Section 6.3 <u>Right of First Refusal for Disposition During Lifetime</u>.

- (a) In the event a partner desires to dispose of his Partnership interest or any portion thereof or interest therein, to a third party, and in fact has received a bona fide offer to acquire the same from said third party, he shall first submit to the Partnership a right to acquire the interest.
- (b) The selling Partner shall notify the Partners and the Partnership in writing, by certified mail at the remaining Partners' last known addresses, of such offer and provide a copy of said offer. The Partnership shall then be allowed forty-five (45) days from the date of receipt of the notice, not counting the day of receiving the same, within which to elect in writing to acquire the interest, or to decline to do so.
- (c) If the Partnership does not exercise its option within the said forty-five (45) period, each remaining Partner shall have the right for an additional period of forty-five (45) days thereafter to purchase that portion of the unpurchased interest which equals the proportion which the interest owned by each remaining Partner is to the total interests owned by all remaining Partners. If one or more Partners fails to exercise this option, each Partner who does exercise the option shall have an additional period of ten (10) days within which to purchase the remaining interest. If there is more than one remaining Partner to which the preceding sentence applies, those Partners shall share the option in the ratio that each of their interests bear to the total interest owned by the Partners purchasing.

(Newman Lake Garbage Service Partnership Agreement - Page 9 of 15)

- (d) The purchase price and terms shall be the price and terms offered to the selling Partner.
- (e) If the Partnership or the remaining Partners do not elect to acquire such Partnership interest according to this Section, then the selling Partner shall be permitted to sell his interest according to the terms of the original bona fide offer; provided, however, that if such interest is not conveyed within forty-five (45) days after the expiration of all rights of refusal described herein, any subsequent sale shall be deemed a new transaction, and the provisions of this Section 6.3 shall again apply.
- (f) The provisions of this Section 6.3 shall apply to any voluntary disposition of a Partnership interest or any portion thereof or interest therein (including gifts and exchanges as well as sales), and no Partnership interest shall be transferred to a third party until the Partnership and remaining Partners have been afforded an opportunity, in accordance with the procedure set forth above in Subsections (b) and (c), to acquire such interest and have declined to do so. Transfers for consideration other than money (such as love and affection, or exchange property) shall not be allowed except upon approval of the remaining Partners as provided in Section 5.1.

ARTICLE VII. WITHDRAWAL OF A PARTNER

Section 7.1 Continuation of Business.

Upon the bankruptcy or expulsion of a partner or upon any involuntary transfer of an interest in the Partnership (collectively "withdrawal"), the Partner affected shall withdraw to the extent of the interest transferred and the Partnership business shall be continued, if at all, by the remaining Partners. For the purpose of this Agreement, the bankruptcy of a Partner shall be deemed to have occurred when he is adjudicated a bankrupt under federal bankruptcy law or has executed and delivered a general assignment for the benefit of his creditors, or had a receiver appointed for a substantial portion of his assets including his Partnership interest. For the purpose of this Agreement, a Partner shall be deemed to be incapacitated if he is adjudged incompetent by a court having jurisdiction.

Section 7.2 <u>Death or Legal Incapacity.</u>

Upon the death or legal incapacity of a Partner, no withdrawal shall occur, and his or her interest in the Partnership shall remain subject to this Partnership Agreement and the transferee shall automatically become a substituted Partner in accordance with Section 6.2.

Section 7.3 Option to Purchase.

The Partnership shall have an option to purchase the interest of the withdrawing Partner

(Newman Lake Garbage Service Partnership Agreement - Page 10 of 15)

from the withdrawing Partner or his successor in interest. Such option shall be exercised by written notice delivered within three (3) months after the Partnership receives written notice of the occurrence of the event giving rise to such option. If the Partnership does not exercise its option to purchase within said three (3) month period, the remaining Partners shall have a right, in the manner described in Section 6.3, to exercise the said option in writing for an additional period of thirty (30) days. If neither the Partnership nor any of the remaining Partners exercise the option to purchase, the withdrawing Partner or his successor in interest shall thereafter be deemed a mere assignee of the Partnership interest pursuant to R.C.W. 25.05.210. If either the Partnership or any of the remaining Partners elects to exercise the option to purchase, the purchase shall be governed by the following provisions:

- (a) The purchase price shall be equal to seventy-five percent (75%) of the actual net cash capital contributed to the Partnership by the withdrawing Partner (initial and special capital contributions, less distributions in reduction of capital). Ten percent (10%) of the purchase price shall be paid on or before one hundred twenty (120) days after the event upon which the withdrawal is based, and the balance shall be paid in sixty (60) equal monthly installments, without interest, payable on or before the first day of each calendar month following the due date of the down payment.
- (b) It is the intention of the parties that all amounts payable under this Article to a withdrawing Partner or to the successor in interest of a partner shall, for income tax purposes, be classified as follows: (1) payments shall be considered a distribution made in liquidation of the withdrawing Partner's Partnership interest to the extent made in exchange for such Partner's interest in Partnership property (except for unrealized receivables and goodwill); and (2) all additional payments shall be considered a payment of income. If the parties cannot agree upon what percentage of total payments are being made in exchange for such Partner's interest in Partnership property, such dispute shall be settled by arbitration under Article X.

ARTICLE VIII. BREACH OF PARTNERSHIP AGREEMENT

Section 8.1 Continuation of Partnership Business.

In the event of a material breach of this Agreement by any Partner, the Partners may elect, as provided in Section 5.1, to dissolve the Partnership entity in accordance with Article IX. However, the Partnership business may be continued by the non-breaching Partners pursuant to R.C.W. 25.05.305(2) after posting the required bond. Thereafter, the breaching Partner shall be considered a successor in interest and entitled only to such rights as are contained in R.C.W. 25.05.210(2).

Section 8.2 Option of Partnership and Non-Breaching Partners to Purchase Interest.

If the non-breaching Partners elect to continue the Partnership business pursuant to

(Newman Lake Garbage Service Partnership Agreement - Page 11 of 15)

R.C.W. 25.05.305(2), they and the Partnership shall have the option to expel the breaching Partner and to purchase his interest in accordance with Section 7.3, except that said option shall be effective for one hundred eighty (180) days after the breach for the Partnership and an additional twenty (20) days for the Partners.

Section 8.3 <u>Alternative if Non-Breaching Partners Do No Wish to Continue Partnership</u> Business.

If the non-breaching Partners do not wish to continue the operation of the Partnership business, operations shall be wound up, the Partnership's assets liquidated, and the proceeds distributed as provided in Article IX.

Section 8.4 Other Remedies of Partnership and Non-Breaching Partners.

In the event of a material breach of this Partnership Agreement, the Partnership and the non-breaching Partners shall have, in addition to the remedies provided in this Article XIII, such additional remedies as may be available at law or in equity.

ARTICLE IX. DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

Section 9.1 Winding Up the Partnership.

On any dissolution, the Partnership shall immediately commence to wind up its affairs. The Partners shall continue to share profits and losses during liquidation in the same proportions as before dissolution. The proceeds from liquidation of Partnership assets shall be applied as follows in the following priorities:

- (a) Debts of the Partnership, other than to Partners.
- (b) Amounts owed to Partners for unpaid salaries if any and in respect of the credit balances in their respective drawing accounts or other debts to Partners.
- (c) The capital contributions of the Partners as reflected in their respective capital accounts.

Section 9.2 Gains or Losses in Winding Up.

Any gain or loss or disposition of Partnership assets in the process of liquidation shall be credited or charged to the Partners in the manner provided in Section 4.5. Any Partnership asset distributed in kind in the liquidation shall be valued in accordance with the procedure described in Section 9.3 and treated as though the asset was sold and the cash proceeds were distributed. The difference between the value of the Partnership asset distributed in kind and its book value shall be treated as a gain or loss on sale of the Partnership asset and shall be credited or charged to the Partners in the manner provided in Section 4.5.

Section 9.3 Valuation of Distribution in Kind.

The fair market value of Partnership assets shall be determined by the agreement of the parties. If the parties cannot agree, then the fair market value of the Partnership assets shall be determined by appraisal in the following manner: Within fifteen (15) days after disagreement, the parties shall each choose an MAI appraiser and the two (2) appraisals shall be averaged with the average value determinative as to the fair market value of those assets so distributed. The fees of the appraisers shall be shared equally by the two sides.

Section 9.4 Balance Owed by a Partner.

Should any Partner have a debit balance in his capital account, whether by reason of losses in liquidating Partnership assets or otherwise, and after revaluation of the Partnership assets with gains allocated and added to capital account balances pursuant to Sections 9.2 and 9.3, the debit balance shall represent an obligation from him to the other Partners, to be paid in cash within thirty (30) days after written demand by the other Partners.

ARTICLE X. ARBITRATION

Section 10.1 Occasions for Arbitration.

In the event of disputes among the Partners regarding the interpretation of this Agreement, such disputes shall be resolved by arbitration in accordance with the provisions of this Article and Partners waive their right to proceed in courts of law or equity as to these matters.

Section 10.2 Procedure.

In the event of such dispute as described in the preceding Paragraph, the majority of the Partners, though less than necessary to control, shall agree within thirty (30) days among themselves and select an arbitrator. And the minority in interest of the Partners shall, within a similar period, similarly agree and select a different arbitrator, and the two arbitrators so chosen shall select a third within one week of their selection, and the three so chosen, by majority vote, shall render a decision within thirty (30) days, which decision shall be binding on the parties and which decision may be confirmed in a court of law, if necessary, in accord with the provisions of R.C.W. 7.04.

ARTICLE XI. AMENDMENT

The Partnership Agreement may be amended by Eric K. Holt, as in his sole and exclusive opinion maybe necessary.

ARTICLE XII. MISCELLANEOUS

Section 12.1 Governing Law.

This Agreement shall be governed and construed in accordance with the laws of the State of Washington.

Section 12.2 Merger.

As to the subjects contained herein, this Agreement shall be the complete and final agreement among the parties hereto and incorporates and supersedes all prior and contemporaneous negotiations and agreements and may not be modified or supplemented in any manner or form whatsoever either by oral or written evidence of such matters or by course of dealing, but only by procedures established in Article XI.

Section 12.3 Successors in Interest.

This Agreement shall be binding upon and inure to the benefit of, the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Section 12.4 Separability.

Each provision of this Agreement shall be considered separable, and if for any reason, any provision or provisions hereof are determined to invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect of those portions of this Agreement which are valid.

Section 12.5 Titles.

Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 12.6 Gender and Number.

Use of the masculine gender shall include the feminine and neuter and vice versa as the context requires and the singular shall include the plural and vice versa also as the context requires.

Section 12.7 Notices.

All notices required for by this Agreement shall be made in writing (1) either by actual delivery of the notice into the hands of the parties thereunto entitled, or (2) by the mailing of the notice in the U.S. Mails to the last known address of the party entitled thereto, certified mail, return receipt requested. The notice shall be deemed to be received in case (1) on the date of its actual receipt by the party entitled thereto and in case (2) on the date of its' certifying.

(Newman Lake Garbage Service Partnership Agreement - Page 14 of 15)

Section 12.8 Entire Interest.

It is agreed and understood that whenever the interest of any Partner is referred to, it shall be understood and construed to be the whole interest of said Partner and his spouse, if any, whether community or separate property.

Section 12.9 Exhibits.

County of Spokane

All of the exhibits attached to this Agreement are incorporated herein by the respective references in this Agreement as though fully set forth at length.

IN WTINESS WHEREOF, the Partners have signed this Partnership Agreement.

Eric K. Holt	Zachary C. Holt
	Keith C. Holt
STATE OF WASHINGTON) ss.	

On this day personally appeared before me Eric K. Holt, Zachary C. Holt and Keith C. Holt, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

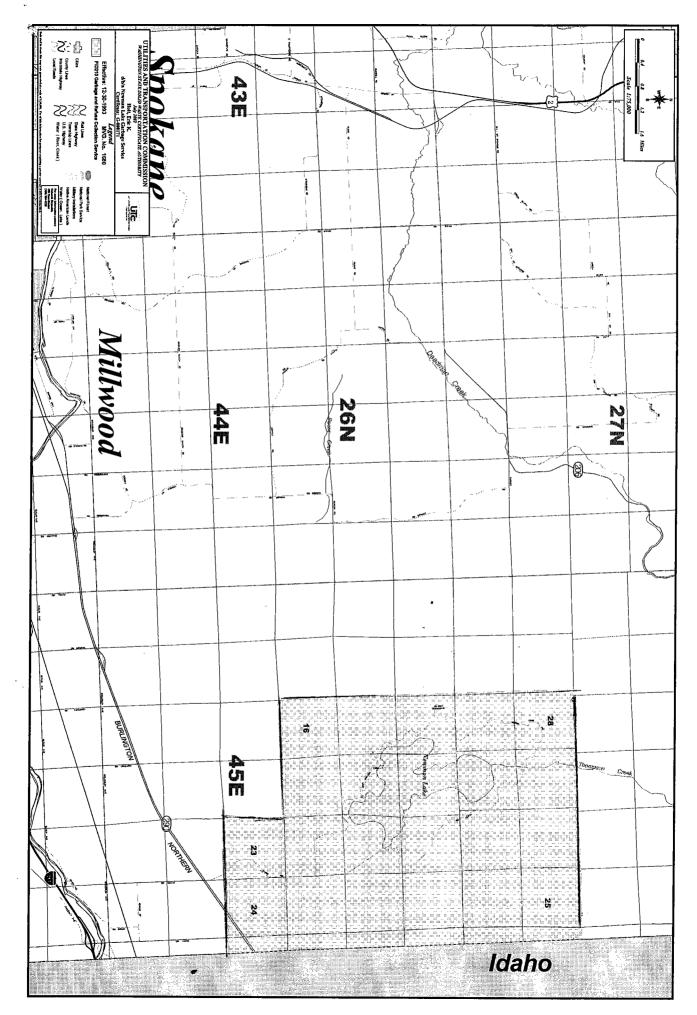
GIVEN under my hand and official seal this // day of March, 2005.

)

Notary Public in and for the State of Washington, residing at Spokane.

Name: Susan T. Jones

My commission expires: 12-19-05



Ŧ