SOLID WASTE AGREEMENT BETWEEN THE CITY OF SANDY OAKS, TEXAS AND TIGER SANITATION, INC.

STATE OF TEXAS §§

COUNTY OF BEXAR §§

THIS SOLID WASTE AGREEMENT IS ENTERED INTO BY AND BETWEEN THE CITY OF SANDY OAKS, TEXAS AND TIGER SANITATION, INC. FOR THE PURPOSE OF GRANTING THE RIGHT AND PRIVILEGE TO TIGER SANITATION, INC., TO OPERATE A GARBAGE & RECYCLE COLLECTION SERVICE FOR THE CITY OF SANDY OAKS, BEXAR COUNTY, TEXAS AND PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS AND LIMITATIONS UPON AND UNDER WHICH SUCH CONTRACT SHALL BE EXERCISED.

NOW THEREFORE:

THE CITY OF SANDY OAKS, BEXAR COUNTY, TEXAS, AND TIGER SANITATION, INC., AGREE AS FOLLOWS:

1. Grant of Authority. There is hereby granted by the CITY OF SANDY OAKS, BEXAR COUNTY, TEXAS (hereinafter called the "City") to TIGER SANITATION, INC. (hereinafter called "Contractor") the right and privilege to operate and maintain within the area attached as Exhibit "A" a service for the collection and disposal of all garbage, recyclables, bulk, weeds, and brush.

2. Term of Contract. This contract shall become effective and be in force as of the 1st day of January, beginning on January 1, 2016 and terminating on December 31, 2021. However, this contract shall AUTOMATICALLY RENEW AFTER SAID INITIAL five (5) year term for successive additional five (5) year terms thereafter unless written notice of termination via certified mail is given by either party to the other, at least ninety (90) days prior to the termination date, or unless this contract is sooner terminated as provided herein.

3. Exclusive Grant - The right and privilege granted herein for the purposes set forth shall be exclusive and no other contractor, person or corporation shall be permitted to engage in garbage collection within the City during the term of this contract.

4. Compliance with Laws and Ordinances. The Contractor shall at all times during the life of this contract, be subject to all such reasonable regulations as the City shall hereafter provide. In addition, Contractor will observe all state, federal, and local laws, regulations, and ordinances regulating the collection and disposal of garbage.

5. **LIABILITY. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY AND BETWEEN THE CITY AND CONTRACTOR THAT THE CONTRACTOR HEREBY AGREES TO FULLY INDEMNIFY, DEFEND, AND HOLD THE CITY HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, LAWSUITS, JUDGMENTS, DEMANDS, ATTORNEY'S FEES, AWARDS, COSTS AND DAMAGES OF ANY KIND SUSTAINED BY OR ASSERTED AGAINST THE CITY PERTAINING IN ANY WAY, DIRECTLY OR INDIRECTLY, TO THE ACTIONS OR OMISSIONS OF CONTRACTOR AND/OR**

ANY OF CONTRACTOR'S AGENTS, SUBCONTRACTORS, REPRESENTATIVES, OFFICERS, MANAGERS, OR EMPLOYEES IN THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT.

6. Insurance Requirements. At all times during the term of this agreement, Contractor agrees to carry and provide the City with proof of public liability insurance in the amounts of at least $1,000,000 per occurrence and $2,000,000 aggregate; and property damage insurance in the amount of $500,000. Such insurance will be carried with a company that carries an A.M. best rating level or similar rating agency

7. Service Standards. The Contractor shall maintain and operate its collection system and equipment in order to render efficient service subject to the terms of this contract. The following shall be considered as mandatory requirements:

A. Equipment. Contractor shall furnish all trucks, equipment, machines, and labor which are reasonably necessary to collect solid waste and recyclables from customers serviced by Contractor. All equipment, including motor vehicles and trucks necessary for the performance of this agreement shall, at the beginning of the period, be in good condition and repair. The trucks used in collection of garbage shall be all metal, watertight, with completely enclosed "packer" type bodies that are designed and manufactured for the collection of garbage and rubbish. Said collection vehicles shall be painted and numbered and shall have Contractor's name and telephone number painted in letters of a contrasting color on each side of the vehicle. All vehicles shall be kept in a clean and sanitary condition and shall be cleaned inside and outside at least once each week.

B. Office. Contractor shall establish and maintain an office with 24-hour telephone service and shall keep said office open for business from 8:00 AM to 5:00 PM each and every day except Saturday and Sunday, and the following holidays: New Year's Day, Thanksgiving Day and Christmas Day. The office shall be staffed with sufficient competent personnel to handle calls and inquiries during office hours.

C. Routes and Times of Collection. Contractor shall collect, remove, transport and dispose of all garbage, weeds, and refuse from areas designated by the City as provided in Exhibit "A". Collection hours for residents shall be from 7:00 a.m. to 7:00 p.m. on the scheduled collection day(s). Contractor will discuss with each commercial/industrial business its collection days and frequency, provided that, no commercial/industrial collection will be made prior to 7:00 a.m. if such collection is in a residential neighborhood.

D. Changes in Times and Routes of Collection. Contractor reserves the right to change or alter the times and routes of collection. Contractor shall give at least five (5) days written notice to customers if any such action is contemplated.

E. Disposal of Garbage and Refuse. Contractor shall have the responsibility for the disposal of all refuse, garbage and weeds collected under this agreement and Contractor represents and warrants to the City that all of said materials shall be disposed of in compliance with the laws of the State of Texas, and all local and federal rules, ordinances and regulations, including but not limited to all rules, regulations and standards established or to be established by the Texas Commission on Environmental Quality. Contractor shall have and maintain during the term of this contract, adequate access to disposal capacity for the City's needs.

F. Area of Collection. Contractor agrees to and will collect all garbage from each residential, commercial and industrial property within the City needing such service and not delinquent in the payment of authorized service fees, this specifically includes all residences which place containers located at the curb. Any material which spills/falls as a result of servicing a container or from the truck shall be immediately collected by contractor.

G. Interruption in Service. In the event that the collection and disposal of garbage and refuse is interrupted by any reason for more than seventy-two (72) hours, the City shall have the right to make temporary independent arrangements for the purposes for continuing this necessary service to its residents in order to provide and protect public health and safety.

H. Excessive Interruption in Service. In the event that the collection and disposal of garbage and refuse should be interrupted for more than a period of five (5) business days, the City shall have the right to terminate the rights and privileges granted in this contract, unless however, the interruption in service is caused by a catastrophe, riot, war, terrorist act, government order or regulation, fire, accident, act of God or other similar or different contingency beyond the reasonable control of the Contractor.

I. Complaints. Customer complaints shall be directed by the City to Contractor, and Contractor shall promptly resolve such complaint based on the nature of the complaint. Customers may contact Contractor's local customer service department via telephone at (210) 333-4287 or interact face-to-face at Contractor's office located at 6315 US Highway 87 East, San Antonio, Texas 78222 during Contractor's normal business hours specified in Paragraph 7B. Alternatively, customers may communicate with Contractor via customized email account for the City.

Contractor shall be responsible for maintaining a log of complaints based on the information provided to Contractor by the City or customer, and shall provide the City, with copies of all complaints indicating the date, time and hour of the complaint, nature of the complaint, and the manner and timing of its resolution upon the City's request.

In the event of a missed collection, Contractor shall make every effort to collect the material on the same day, and if same-day collection is not possible, such collection shall be completed within 24 hours of receipt of the complaint.

8. Non-transferability Contract Rights. The Contractor shall not accept, sell, transfer or assign its rights or system under this contract to any other person or corporation without the prior written approval of the City which will not be unreasonably withheld.

9. Rates, Collections, Payment. The Contractor shall bill each resident quarterly, prior to the services rendered, based on an initial rate of $15.25 per month per household plus applicable tax and fees ("Base Rate") for solid waste and recycling services. Bulk and brush collection charges are included in the Base Rate. Contractor shall be solely responsible for remitting collected taxes in accordance with all applicable state, federal and local law. Accounts that are thirty (30) days past due from the date of the invoice will be placed on a hold status until payment is received.

The Contractor shall bill commercial/industrial customers monthly, prior to services rendered, at an initial rate per month per commercial/industrial property as provided in Exhibit "B" attached plus applicable tax and fees. Contractor shall be solely responsible for remitting collected

taxes in accordance with all applicable state, federal and local law. Accounts that are thirty (30) days past due from the date of the invoice will be placed on a hold status until payment is received.

These rates may be subject to adjustment as set forth in Paragraph 10 below.

10. Rate Adjustment. The Monthly Customer Service charge shall be subject to an annual adjustment after the first year proportionate to any increases in the "CPI" (as defined below), with the adjusted Monthly Customer Service Charge to be obtained by multiplying the "Base Service Charge" (as defined below) by a number equal to one (1) plus the product of the following formula:

$$\frac{(CPI/2 - CPI/1) \times 100\%}{CPI/1}$$

In applying the above formula for Monthly Customer Service Charge adjustment the following definitions shall be used.

Service Year. Any period of one year commencing the beginning day of the Contract or any anniversary of such date.

Base Service Charge. The Monthly Customer Service Charge assessed during the Service Year immediately preceding the Service Year for which adjustment is being computed.

CPI. The monthly indexes of the Consumer Price Index issued by the U.S. Department of Labor, Bureau of Labor Statistics or any successor agency of the United States that shall issue such indexes or data.

CPI/1. The average of the monthly CPI for the twelve consecutive calendar months ending sixty (60) days before the commencement of the Service Year immediately preceding the Service Year for which the adjustment of charges is being computed.

CPI/2. The average of the monthly CPI for the twelve consecutive calendar months ending sixty (60) days before the commencement of the Service Year for which the adjustment of charges is being computed.

In addition to the above, the Contractor may adjust the charges on the basis of unusual changes in the cost of operations, such as revised laws, ordinances or regulations, and for other reasons, upon thirty (30) days prior written notice to the City. However, after receipt of such written notice either party may elect to terminate this agreement in the event the parties cannot mutually agree to an acceptable rate.

11. Service. Contractor shall provide one garbage collection every week and one recycle collection service every other week at each residence in the City of each year of the term hereof except for holidays listed in 7B above. If a pickup day falls on one of the holidays referenced in 7B herein above, then pickup services will be provided on the following day. Each residence will be furnished one 95-gallon waste cart and one 95-gallon recycle cart. Residents will be limited to one cart and an additional three (3) bags, trash cans or bundles per collection day.

Bulk waste shall be collected quarterly at the curbside of each residence of the City. Brush collection shall be collected quarterly at the curbside of each residence of the City. Contractor shall provide adequate notice to each residence of the time of bulk waste and brush collection.

Contractor also agrees to offer residential dumpster service as an option in place of a solid waste cart. Residential dumpster fees are attached hereto as Exhibit "B".

12. Licenses. Contractor shall obtain at its sole expense all licenses and permits required by the City and the State, and shall maintain same in full force and effect during the duration of this contract.

13. Enforcement. City grants unto Contractor the right to seek an injunction against any third party which is believed to be infringing on the rights of Contractor under this contract. By granting this right to Contractor, the City in no way reduces its right or obligation to enforce this agreement or any other City ordinance relating to the collection and disposal of solid waste. Furthermore, Contractor shall have all rights and remedies available to it under State law to collect delinquent payment of fees by customers under this agreement. The City agrees to take all steps necessary and permitted by law to require customers to comply with the terms of this agreement.

15. Termination. Except as otherwise provided herein, if either party defaults in the performance of any of the covenants or conditions contained herein, and fails to cure such default within thirty (30) days after the non-defaulting party has given the defaulting party written notice of such default (or if such default is of a nature that it cannot be cured within such thirty (30) day period, the defaulting party fails to commence the curing of such default within such thirty (30) day period, and fails to thereafter diligently pursue the curing thereof) (the "Cure Period"), the non-defaulting party may: (a) terminate this Agreement as of any date which the non-defaulting party may select, provided said date is at least thirty (30) days after the expiration of the Cure Period; (b) cure the default at the expense of the defaulting party; and/or (c) have recourse to any other right or remedy to which it may be entitled by law, including, but not limited to, the right to all damages or losses suffered as a result of such termination. In the event either party waives default by the other party, such waiver shall not be construed or determined to be a continuing waiver of the same or any subsequent breach or default.

16. Dispute Resolution. The parties shall make all attempts to settle any and all disputes under, or relating to, this agreement by amicable negotiations. Except as otherwise provided herein, any claim, dispute, disagreement or controversy that arises among the parties under or relating to this agreement that is not amicably settled shall be submitted to non-binding mediation with a qualified mediator mutually agreed to by the parties. If the parties remain unable to resolve the controversy through mediation, then, either party may pursue their claim, dispute, disagreement or controversy in a court with proper venue in the state within which the services are being performed.

17. Notices. Where written notices are provided for in this Contract, same shall be sufficient to notify Contractor if mailed by certified mail to P.O. Box 200143, San Antonio, Texas 78220, and shall be sufficient to notify the City of Sandy Oaks, Texas, if mailed by certified mail to P.O. Box 828, Sandy Oaks, Texas 78112.

18. Severability. If any section, sentence, clause or paragraph of this contract is for any reason held to be illegal, or invalid, such invalidity shall not affect the validity of the remaining oration of this contract.

19. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the matter set forth herein and supersedes any existing agreement between the parties with respect to the matters contained herein. No provision of any other document, including any request for proposal or response/proposal to such request, shall be deemed

incorporated herein, it being the intent of the parties that this agreement sets forth the full agreement of the parties with respect to the services described herein. No change, alteration or amendment will be binding on either party unless set forth in a document duly executed by all parties hereto.

20. Records. City and Contractor agree to maintain at their respective places of business adequate records relating to the performance of their respective duties under this agreement. Such records shall be made available at any time during reasonable business hours for inspection by the other party, at the inspecting party's expense, and upon reasonable advance notice; provided, however, only records directly relating to this Agreement and necessary to substantiate invoicing must be disclosed to the other party.

APPROVED this 12th day of November, 2015.

CITY OF SANDY OAKS, TEXAS

By: Micki L. Ball
Title: Mayor
Print Name: Micki L. Ball

ATTEST:
Charlotte Rabe
Charlotte Rabe, City Clerk

TIGER SANITATION, INC.

By: L. Kuhn
Title: General Manager
Print Name: Lee Kuhn

ATTEST: