

**THE STATE OF TEXAS**

**COUNTY OF HIDALGO**

This Agreement is made by and between the COUNTY OF HIDALGO, on behalf of the Tax Assessor-Collector, hereinafter referred to as "County", and PAG McAllen T1, LLC (Frank Smith Toyota), hereafter referred to as "DISTRIBUTOR."

WHEREAS, Distributor desires to act as an agent of the Tax Assessor-Collector in the issuance of Motor Vehicle License Renewal Stickers; and

WHEREAS, public convenience will be furthered by the addition of locations for the public to obtain Motor Vehicle License Renewal Stickers.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), the obligations and covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the County and Distributor hereby agree as follows:

1. The Distributor agrees to enter into an agreement to lease from the County point of sale sticker printing equipment and supplies, needed for issuance to the public by the Distributor, motor vehicle registration renewal stickers. The lease will be for the period of one year at the rate of \$600.00 payable on the date of the agreement. Subsequent year rates will be determined by actual cost set forth by the Texas Department of Motor Vehicles.
2. In order to guarantee the faithful performance of the duties of the Distributor hereunder and to insure that all funds coming into the possession or control of the Distributor by virtue of this agreement are paid over to the County, the Distributor agrees to post a surety bond, or cash deposit in the amount of \$5,000.00 per point of sale workstation, naming the Hidalgo County Tax Assessor-Collector as obligee on said bond. If the Distributor elects to post a bond, said bond shall be continuous in form, and subject to termination only with thirty (30) days written notice to the Hidalgo County Tax Assessor-Collector, and shall be issued by a surety company of financial institution acceptable to the County. Upon posting of said bond, the Distributor shall be entitled to the issuance of not more than one (1) work station as listed on Exhibit "A".
3. The Distributor shall have its person in charge of local operations and all employees of the Distributor who handle of in any way assist in the issuance of stickers take an oath of deputation to be given by the Tax Assessor-Collector to serve as authorized agents for the issuance of license renewal stickers. The Distributor shall not allow any of its officers, agents, or employees to participate in any manner in the handling or issuance of stickers until said officer, agent or employee has been

deputized by the Tax Assessor-Collector, and until all Distributor personnel are trained in accordance with the Tax Assessor-Collector qualifications, and follow all training programs in the Tax Office before the issuance of said license stickers.

4. The Distributor shall, in writing, designate one or more of its employees who have been deputized to serve as a receiving agent for the Distributor. The County agrees it will not furnish any point of sale equipment and supplies for the account of the Distributor other than directly to the Distributor's receiving agent. The Distributor assumes full liability for the safekeeping of all stickers and supplies furnished by the County to the Distributor's receiving agents.
5. All point of sale equipment, supplies and funds in the Distributor's custody shall be insured against burglary and robbery by the Distributor.
6. The Distributor shall collect the fees prescribed by the Hidalgo County Tax Assessor-Collector for each sticker issued (including applicable Road and Bridge Fees & RMA Fees). Fees collected for the issuance of stickers by the Distributor shall not be commingled with any other funds in the possession of the Distributor. The Distributor shall forward collected fees not less often than weekly or more often as required by the Tax Assessor-Collector to the Office of the Hidalgo County Tax Assessor-Collector. All collected fees must be accompanied by a report that will account for all stickers sold and fees collected. Stickers that are unaccounted for, all fees and reports will be hand delivered to and signed for by designated Tax Office personnel. All packages of sticker inventory must be accounted for before additional boxes are issued. All unassigned sticker inventory must be accounted for. Missing inventory will be considered sold or lost and will be charged to the Distributor at a rate of \$72.75.
7. The Distributor may accept individual checks and cash in payment of fees for the issuance of stickers, provided that checks are made payable to "Pablo (Paul) Villarreal Jr., Tax Assessor-Collector," and shall each bear such information as may be required by such rules as are now or shall hereafter be promulgated, in writing, by the Hidalgo County Tax Assessor-Collector. All cash accepted by distributor shall be replaced by a money order or cashiers check made payable to the Hidalgo County Tax Assessor-Collector. In the event the Distributor accepts checks other than made payable to Hidalgo County Tax Assessor-Collector, the Distributor shall immediately replace said checks with cash.
8. The Distributor is subject to audit by the Hidalgo County Tax Assessor-Collector, Hidalgo County Auditor, the State of Texas Department of Motor Vehicles, the Comptroller of the State of Texas, any Certified Public Accountant, or any person or entity designated by any one or more

of the same, at any time during normal business hours of the Distributor, at the place of business of the Distributor designated in this Agreement. The Distributor's receiving agent shall be present and shall make available at the place of the audit all supplies of forms required.

9. The Distributor shall deliver as often as required by the Hidalgo County Tax Assessor-Collector a license report in the form required by County. Any report which is not in order and which does not balance or conform to the usual requirements will be returned in its entirety for correction or clarification.
10. Distributor shall, upon receiving a delivery of boxes of sticker inventory from the Tax Assessor-Collector, verify that the shipping invoice matches the number of sticker inventory packages delivered before using any of the supplies. Any discrepancies will be reported immediately in writing to the Hidalgo County Tax Assessor-Collector's Office.
11. Any changes in the ownership of Distributor must be immediately reported in writing to the Hidalgo County Tax Assessor-Collector's Office. Any such changes will automatically nullify this Agreement and a new agreement must be executed by the new owner if the new owner desires to continue to act as a license renewal agent. It will also be necessary to audit any supplies on hand and a closing report shall be made by the current owner.
12. Distributor will provide access to the authorized representatives of the Hidalgo County Tax Assessor-Collector's Office to the area where license renewal stickers are sold and stored, and will provide the necessary assistance requested in auditing or checking license renewal stickers or supplies.
13. Distributor will verify Proof of Texas Liability Insurance, when applicable, before selling a license renewal sticker.
14. In order to serve as a license renewal agent, Distributor agrees to abide by all rules, regulations, and requirements of the Hidalgo county Tax Assessor-Collector, as may from time to time be amended.
15. This Agreement may be voluntarily terminated by either party upon thirty (30) days written notice to the party. If the Agreement is terminated, the distributor shall return to the County all outstanding inventories of stickers, together with supplies and payment for stickers issued, and a final report within twenty four (24) hours after the termination date.

16. This Agreement shall constitute the entire agreement between the parties hereto. Breach of any obligation to be performed by the Distributor shall constitute a breach of the entire agreement and shall give County the right to immediately terminate this agreement. The parties hereto agree that any breach by the Distributor shall be considered a substantial breach, and Distributor shall be notified by County of such breach by certified mail, return receipt requested. Upon the receipt of notice, (which shall be deemed to be three (3) days after mailing) Distributor shall have twenty four (24) hours to return to County all supplies, payment for stickers issued, and final reports, as set forth in numbered paragraph 19., hereof.
17. In the event that any audit or report of the Distributor discloses that any stickers or funds are missing or otherwise unaccounted for, the County Tax Assessor and County Auditor shall be notified immediately, and the County is entitled to collect on the bond for payment and apply the proceeds there from against the actual damages incurred by the County or any of its agents, employees, or public official. In the event that this Agreement is terminated by the County for breach by the Distributor and the Distributor fails to return supplies and funds within the time allowed in numbered paragraphs 19 and 20 hereof, the County shall be entitled to retain proceeds of the bond as liquidated damages or, in the alternative, shall be entitled to seek recovery of actual damages.
18. The term of this agreement shall commence upon receipt by the Hidalgo County Tax Assessor-Collector of the bond herein referred to, and shall continue in full force and effect thereafter until terminated in accordance with the terms hereof.
19. Any notices given under the agreement shall be sufficient if in writing and mailed either by Registered or Certified Mail, return receipt requested, postage prepaid, to the parties as follows:


COUNTY: PABLO (PAUL) VILLARREAL JR.  
HIDALGO COUNTY  
TAX ASSESSOR-COLLECTOR  
P.O. BOX 178  
EDINBURG, TEXAS 78540-0178

DISTRIBUTOR: PAG McAllen T1, LLC  
(FRANK SMITH TOYOTA)  
1625 W. EXPRESSWAY 83  
PHARR, TX 78577

20. This agreement constitutes the entire agreement of the parties and all prior agreements, written or oral, are hereby superseded. This Agreement shall not be amended or modified, except in writing signed by the Hidalgo County Tax Assessor-Collector. No official, agent, or employee of the County has the authority, expressed or implied, to orally amend or modify this Agreement. This Agreement may not be assigned by Distributor.
21. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and venue shall be in Hidalgo County Texas.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

BY: \_\_\_\_\_  
RAMON GARCIA  
COUNTY JUDGE

BY:   
PABLO (PAUL) VILLARREAL JR.  
TAX ASSESSOR-COLLECTOR

ATTEST:

\_\_\_\_\_  
ARTURO GUAJARDO, JR.  
COUNTY CLERK

DISTRIBUTOR:

PAG McAllen T1, LLC  
(FRANK SMITH TOYOTA)

BY:  \_\_\_\_\_

PRINTED NAME: George Raysik

TITLE: Secretary & Treasurer

**HIDALGO COUNTY TAX ASSESSOR COLLECTOR  
DEPARTMENT OF AUTO LICENSE AND REGISTRATION**

| <b>GDN #</b> | <b>Business Name</b>                     | <b>DBA</b>         | <b>Contact</b> | <b>Address</b> | <b>City</b> | <b>Zip</b> | <b>Phone</b>   |
|--------------|--|--------------------|----------------|----------------|-------------|------------|----------------|
| P123289      | PAG McAllen T1, LLC (Frank Smith Toyota) | Frank Smith Toyota | Nelda Ramirez  | 1625 W. Exp 83 | Pharr       | 78577      | 1-866-413-1815 |