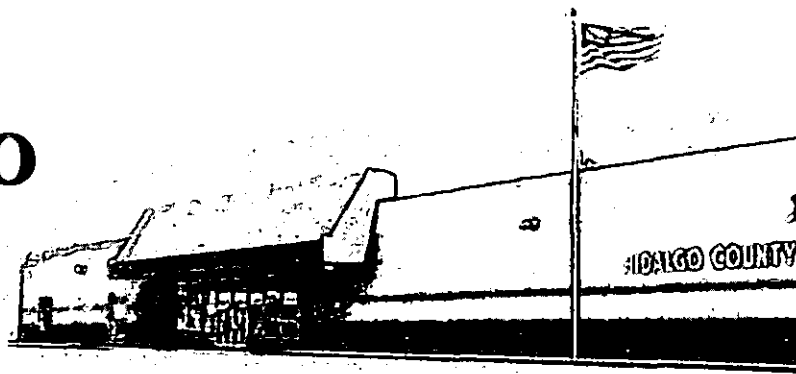


Office of Tax Assessor - Collector  
**COUNTY of HIDALGO**

*Pablo "Paul" Villarreal, Jr. RTA*



**Auto License**  
2804 S. Bus. Hwy 281

P.O. Box 178  
Edinburg, Texas 78540-0178  
Ph. (956) 318-2158 • Fax (956) 318-2191

April 3, 2014

Sergio Cruz  
Hidalgo County Budget Officer  
2818 S. Bus. Hwy 281  
Edinburg, TX 78539

Subj: HEB Contract Agreement / Guzman Insurance Contract Agreement

Dear Mr. Cruz,

As we noted, we have now transitioned into the WebAgent Program. This is a Web-enabled application that provides real-time registration functions to agents (subcontractors) of the County Tax Assessor-Collector. This program replaces the previous Remote Sticker Printing System (RSPS). The major goal of this program is to eliminate the need for proprietary hardware provided by the Texas Department of Motor Vehicles (TxDMV). Instead, the new web-based application will allow counties and their subcontractors to take advantage of using their own equipment and avoid the annual lease payments.

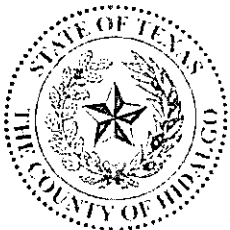
I have been in contact with Mr. Crain for legal advice regarding amending the existing contract agreement. We have made changes in the contract regarding the Web Agent changes, names of officials, cost of windshield stickers, and the addition of 2 locations. I have included a copy of the agreed upon contract already signed by representatives of HEB along with the previous contract on file. A copy of their Bond increase is also attached. At this time, we request legal approval so that we can place this item on the commissioners' court agenda for consideration and approval.

We would like to present the following item to Commissioners Court.

Caption:

Discussion, consideration, and approval to execute an agreement between the County of Hidalgo and HEB Grocery Company, LP to act as a limited-service deputy authorized agent of the County in the issuance of Motor Vehicle License Renewal Stickers.

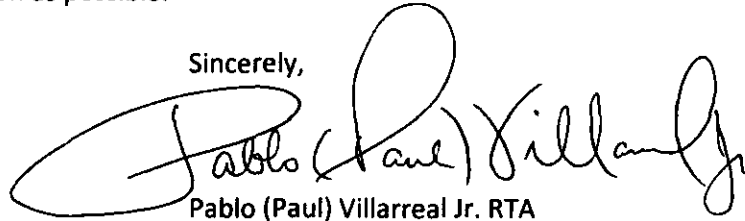
**Tax Office Sub-Stations**



1429 S. Tower Rd. Alamo, TX 78516 (956) 784-8688 Fax (956) 784-3539	509 E. Earling Rd. San Juan, TX 78589 (956) 283-1645 Fax (956) 283-1855	1902 Joe Stephen Ste. 201 Weslaco, TX 78596 (956) 973-7825 Fax (956) 973-7829	722 N. Breyfogle Rd. Ste. 104 Mission, TX 78574 (956) 581-8898 Fax (956) 580-7425	300 W. Hall Acres Rd. Ste. C Pharr, TX 78577 (956) 784-3555 Fax (956) 784-3556
--	--	--	--	---

At the same time, we would like to have legal approval to the similar contract pending for Guzman Insurance. The contract for Guzman was amended with similar changes made to the HEB Contract. We originally asked for approval to place this item on the agenda on February 20, 2014. Please help us execute these agreements as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Pablo (Paul) Villarreal Jr.", written in a cursive style.

Pablo (Paul) Villarreal Jr. RTA  
Hidalgo County Tax Assessor Collector

PV/sc/ig/jr

- Cc: Valde Guerra, Hidalgo County Executive Officer of Commissioners Court
- Cc: Eva Mireles, Tax Office Chief of Operations
- Cc: Steve Crain, Hidalgo County Attorney
- Cc: Ray Eufrazio, CPA, Hidalgo County Auditor
- Cc: Santos Castilleja III, Motor Vehicle Manager



March 26, 2014

Hidalgo County Tax Office  
Attn: Pablo "Paul" Villarreal, Jr.  
2804 US Hwy 281  
Edinburg, TX 78539  
RE: RSPS Program

Dear Mr. Villarreal,

Enclosed is the 2 signed Amendment contract with our new Web Sub language. Please send a sign contract for our records to: 646 S. Main San Antonio, TX 78204, Attn: Teresa Arocha, West 1 Bldg.

Please feel free to contact me at the number listed below or email me at [arocha.teresa@heb.com](mailto:arocha.teresa@heb.com) if you have any questions or concerns. Thank you for your time and attention to this matter.

Sincerely,

Teresa Arocha  
HEB Services Co. BDA  
210-938-7095  
[Arocha.teresa@heb.com](mailto:Arocha.teresa@heb.com)

**THE STATE OF TEXAS**

**COUNTY OF HIDALGO**

This Agreement is made by and between the COUNTY OF HIDALGO, on behalf of the Hidalgo County Tax Assessor-Collector, hereinafter referred to as "County", and HEB GROCERY COMPANY, LP, hereafter referred to as "DISTRIBUTOR."

WHEREAS, Distributor desires to act as an agent of the County 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 County and the Distributor agree to enter into an agreement to provide point of sale supplies to the Distributor, needed for issuance of license renewal stickers to the public. Distributor agrees to comply with the requirements of the WebAgent System of the Texas Department of Motor Vehicles. All necessary equipment will be furnished and maintained by the Distributor.
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 participating store, 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 or financial institution acceptable to the County. Upon posting of said bond, the Distributor shall be entitled to the issuance of point of sale supplies.
3. The Distributor shall have its person in charge of local operations and all employees of the Distributor who handle or 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 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 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 & Bridge Fees and 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 boxes of registration renewal stickers must be accounted for before additional boxes are issued. All registration renewal stickers must be accounted for. Missing stickers will be considered sold or lost. Distributor agrees to pay for any missing stickers in an amount equal to the average value of the sticker based on the bond amount.
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 the Distributor, that each check bears such information as may be required by the Distributor, and provided, further, that Distributor assumes full responsibility for collection for all such checks. Distributor shall either transmit funds via ACH or issue a money order (as agreed in advance by the parties) to the Tax Assessor-Collector representing those checks and cash received by the Distributor during the previous week. Said ACH funds transfer or money order shall not include the one dollar (\$1.00) processing fee Distributor charges and collects as compensation for providing services of issuance of Stickers. Failure by the Distributor to pay Tax Assessor-Collector within seven (7) days the sums owed for stickers, whether via ACH transfer or in the form of money order to the Tax Assessor-Collector shall be grounds for the suspension of this

Agreement and the Tax Assessor-Collector shall not issue additional inventory point of sale supplies until all sums owed are paid.

8. The Distributor, in accordance with TRC 520.009 of the Texas Transportation Code, may collect from each customer a per transaction fee of up to \$1.00 for each transaction processed. The monies collected for these transaction fees shall be retained by the Distributor to offset costs for the issuance of stickers. Transaction fees described herein shall not be commingled with any other statutory funds in the possession of the Distributor, and the additional \$1.00 will be collected separately from the license sticker fee.
9. The Distributor is subject to audit by the Hidalgo County Tax Assessor-Collector, Hidalgo County Auditor, the 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.
10. The Distributor shall deliver as often as required by the Hidalgo County Tax Assessor-Collector a license report in the form required by the 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.
11. Distributor shall, upon receiving a delivery of boxes of registration renewal stickers from the Tax Assessor-Collector, verify that the shipping invoice matches the number of sticker packages delivered before using any of the supplies. Any discrepancies will be reported promptly in writing to the Hidalgo County Tax Assessor-Collector's Office.
12. License renewal stickers will only be sold to persons presenting the renewal notice issued by the Texas Department of Motor Vehicles, and renewal stickers will be issued for the current and upcoming month only. (Stickers can be sold until midnight of the fifth day after the last of the month in which the person's registration expires.)
13. Any material changes in the ownership of Distributor must be promptly 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.

14. **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.**
15. **Distributor will verify Proof of Texas Liability Insurance, when applicable, before selling a license renewal sticker.**
16. **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.**
17. **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 five (5) business days after the termination date.**
18. **This Agreement shall constitute the entire agreement between the parties hereto. An uncured breach of any obligation to be performed by the Distributor shall constitute a breach of the entire agreement and shall give the 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 the 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 will have thirty (30) days to cure such breach and if it does not, Distributor shall have five (5) business days to return to the County all point of sale supplies, payment for sticker issued, and final reports, as set forth in numbered paragraph 17, hereof.**
19. **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 promptly, and in such discrepancy is not resolved within thirty (30) days of such notice either by payment of applicable fees to County or proof of finding, 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 uncured breach by the Distributor and the Distributor fails to return point of sale supplies and funds within the time allowed in numbered paragraphs 17 and 18 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.

20. 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.
21. 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: HEB GROCERY COMPANY, LP  
646 SOUTH MAIN AVENUE  
SAN ANTONIO, TX 78204  
ATTN: DIRECTOR, SERVICES CO.

WITH A COPY TO:

HEB GROCERY COMPANY, LP  
646 SOUTH MAIN AVENUE  
SAN ANTONIO, TEXAS 78204  
ATTN: CORPORATE LAW DEPT.

22. Whenever the Distributor elects to add an additional store, the distributor will have to increase the Bond by \$5,000.00.
23. Hidalgo County Tax Assessor-Collector shall not post any notices in or about Distributor's participating stores except as required by applicable law.
24. 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 and signed by the Hidalgo County Tax Assessor-Collector and Distributor. 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.

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:

HEB GROCERY COMPANY, LP

BY: 

PRINTED NAME: Bill Anderson

TITLE: Group VP

APPROVED BY  
LEGAL DEPT.

DBV

**EXHIBIT "A"****LIST OF PARTICIPATING H-E-B STORES**

ID	SUBCONTRACTOR	ADDRESS	CITY	ZIP	PHONE #	CONTACT	
1	301	HEB EDINBURG #1-172	1212 S. CLOSNER	EDINBURG, TX	78539	(956) 381-9136	Nora Trujillo
2	302	HEB EDINBURG #2-431	2700 W. FREDDY GONZALEZ	EDINBURG, TX	78539	(956) 383-4083	Sylvia Segovia
3	400	HEB ELSA #677	512 E. EDINBURG AVE	ELSA, TX	78543	(956) 282-1501	Rogelio Herrera
4		HEB MCALLEN #590	901 TRENTON RD	MCALLEN, TX	78501	(956) 818-0073	Norman Hesbrook
5	503	HEB MCALLEN #3-217	900 S. 10TH ST	MCALLEN, TX	78501	(956) 630-2913	Celia Moreno
6	303	HEB MCALLEN #4-212	3200 N. 10TH ST	MCALLEN, TX	78504	(956) 631-7138	Enrique Garza
7	501	HEB MCALLEN #1-334	3601 PECAN BLVD.	MCALLEN, TX	78501	(956) 971-9881	Veronica Diaz
8	101	HEB PALMVIEW #448	1840 W. Palma Vista	PALMVIEW, TX	78572	(956) 585-3161	Gloria Flores
9	102	HEB MISSION PLUS #3-094	2409 E. EXPRESSWAY 83	MISSION, TX	78572	(956) 205-8700	Belinda Mantley
10	103	HEB MISSION #2-571	200 E. GRIFFIN PARKWAY	MISSION, TX	78572	(956) 424-7908	Nora De La Rosa
11	104	HEB MISSION #1-228	820 S. CONWAY (RailRoad)	MISSION, TX	78572	(956) 581-2154	Mary E. Rodriguez
12		HEB PALMHURST #674	120 EAST MILE 3 ROAD	PALMHURST, TX	78573	(956) 580-7407	Gracie Villarreal
13	200	HEB DONNA #009	813 MILLER	DONNA, TX	78537	(956) 464-3471	Gloria Cuellar
14	401	HEB WESLACO #1-231	1004 N. TEXAS	WESLACO, TX	78596	(956) 968-9533	Rosalinda Diaz
15	402	HEB WESLACO #2-485	310 N. WEST GATE DR.	WESLACO, TX	78596	(956) 447-5901	Estela Anzaldue
16	600	HEB MERCEDES #370	209 N. TEXAS	MERCEDES, TX	78570	(956) 514-0003	Lupita Rowelett
17	700	HEB PHARR #842	1300 E. BUSINESS 83	PHARR, TX	78577	(956) 781-8121	Norma Rios
18	504	HEB SAN JUAN #038	901 W. EXPRESSWAY 83	SAN JUAN, TX	78589	(956) 781-0554	Elisena Ibanez
19	100	HEB ALAMO #421	1211 E. FRONTAGE	ALAMO, TX	78518	(956) 702-2289	Elizabeth Morales

19 SUBSTATIONS @ 5000 PER WORKSTATION = 95,000 BOND

Reporting Office  
 EDINBURG  
 MCALLEN  
 MISSION  
 WESLACO  
 SAN JUAN

**Increase PENALTY RIDER**

BOND AMOUNT \$90,000.00      BOND NO. POB8028071      PREMIUM \$360.00

To be attached and form a part of Bond No. POB8028071 dated the 18th day of February, 1998, executed by Fidelity and Deposit Company of Maryland as surety, on behalf of H. E. Butt Grocery Company as current principal of record, and in favor of County of Hidalgo County Clerk's Office, as Obligee, and in the amount of Ninety Thousand Dollars and 00/100 (\$90,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland hereby consents that effective from the 17th day of October, 2013, said bond shall be amended as follows:

**THE BOND PENALTY SHALL BE Increased:**

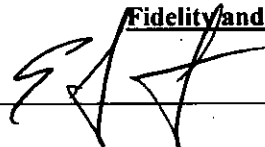
**FROM: Ninety Thousand Dollars and 00/100 (\$90,000.00)**

**TO: One Hundred Thousand Dollars and 00/100 (\$100,000.00)**

The Increase of said bond penalty shall be effective as of the 17th day of October, 2013, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 17th day of October, 2013.

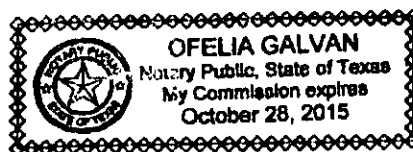
BY:  \_\_\_\_\_  
**H. E. Butt Grocery Company**  
PRINCIPAL

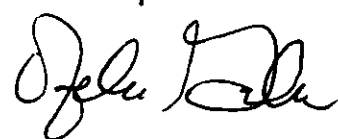
BY:  \_\_\_\_\_  
**Fidelity and Deposit Company of Maryland**  
SURETY  
Eric S. Feigl, ATTORNEY-IN-FACT

THE ABOVE BOND IS HEREBY AGREED TO AND ACCEPTED BY:

County of Hidalgo County Clerk's Office  
OBLIGEE

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



10/21/13  


**EXTRACT FROM BY-LAWS OF THE COMPANIES**

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

**CERTIFICATE**

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 17<sup>th</sup> day of October, 20 12.



A handwritten signature in cursive script that reads "James M. Carroll".

James M. Carroll, Vice President

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **THOMAS O. MCCLELLAN, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Philip N. BAIR, Phyllis RAMIREZ and Eric S. FEIGHL**, all of **Houston, Texas**, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings, EXCEPT bonds on behalf of Independent Executors, Community Survivors and Community Guardians.** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 2nd day of July, A.D. 2013.

**ATTEST:**

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**



By: *Eric D. Barnes*  
*Assistant Secretary*  
*Eric D. Barnes*

*Thomas O. McClellan*  
*Vice President*  
*Thomas O. McClellan*

State of Maryland  
City of Baltimore

On this 2nd day of July, A.D. 2013, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **THOMAS O. MCCLELLAN, Vice President, and ERIC D. BARNES, Assistant Secretary**, of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

*Maria D. Adamski*

*Maria D. Adamski, Notary Public*  
*My Commission Expires: July 8, 2015*



deputy in the manner the assessor-collector considers appropriate.

Transferred, redesignated and amended from Transportation Code, Section 502.114 by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 228, eff. January 1, 2012.

Sec. 520.009. LIMITED-SERVICE DEPUTIES. (a) A limited-service deputy appointed under Section 520.0091 may only accept registration renewals provided by the department and may not prepare or accept an application for title transfer.

(b) The county assessor-collector may pay a limited-service deputy an amount not to exceed the fee the assessor-collector could collect under Section 520.006(a) for each registration receipt issued. The commissioners court of the county may permit a limited-service deputy to charge and retain an additional fee not to exceed \$1 for each registration receipt issued by the deputy.

Transferred, redesignated and amended from Transportation Code, Section 502.113 by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 229, eff. January 1, 2012.

Sec. 520.0091. DEPUTY ASSESSOR-COLLECTORS. (a) A county assessor-collector, with the approval of the commissioners court of the county, may deputize an individual or business entity to:

(1) issue motor vehicle registration receipts as a limited-service deputy; or

(2) issue motor vehicle registration receipts and prepare or accept applications for title transfers as a full-service deputy.

(b) An individual or business entity is eligible to be deputized as a limited-service deputy if the person:

(1) is trained to issue registration receipts by the county assessor-collector; and

(2) posts a bond payable to the county assessor-collector:  
(A) in an amount determined by the assessor-collector; and

(B) conditioned on the person's proper accounting and remittance of all fees the person collects.

(c) An individual or business entity is eligible to be deputized as a full-service deputy if the person:

- (1) meets the requirements of Subsection (b); and
- (2) has experience in title transfers.

(d) A person deputized under this section shall keep a separate account of the fees collected and a record of daily receipts.

Transferred and redesignated from Transportation Code, Section 502.112 by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 230, eff. January 1, 2012.

Sec. 520.0092. ACTS BY DEPUTY COUNTY ASSESSOR-COLLECTOR. A deputy county assessor-collector, other than a limited service deputy appointed under Section 520.0091, may perform the duties of an assessor-collector under Chapter 501.

Transferred, redesignated and amended from Transportation Code, Section 501.136 by Acts 2011, 82nd Leg., R.S., Ch. 1296, Sec. 231, eff. January 1, 2012.

Sec. 520.0093. LEASE OF ADDITIONAL COMPUTER EQUIPMENT. (a) This section applies only to the lease of equipment to a county for the operation of the automated registration and titling system in addition to the equipment provided by the department at no cost to the county under a formula prescribed by the department.

(b) On the request of the tax assessor-collector of a county, the department may enter into an agreement with the commissioners court of that county under which the department leases additional equipment to the county for the use of the tax assessor-collector in operating the automated registration and titling system in that county.

(c) A county may install equipment leased under this section at offices of the county or of an agent of the county.

(d) Equipment leased under this section:

- (1) remains the property of the department; and
- (2) must be used primarily for the automated registration and titling system.

(e) Under the agreement, the department shall charge an amount not less than the amount of the cost to the department to provide the

**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 HEB GROCERY COMPANY, LP, hereafter referred to as "DISTRIBUTOR."

WHEREAS, Distributor desires to act as an agent of the ~~Tax Assessor-Collector~~ County 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 County and the Distributor agree to enter into an agreement to provide point of sale ~~sticker printing equipment and~~ supplies to the Distributor, needed for issuance of license renewal stickers to the public, ~~by the Distributor. Distributor agrees to pay actual cost of equipment as set forth by the Texas Department of Transportation. Distributor agrees to comply with the requirements of the WebAgent System of the Texas Department of Motor Vehicles. All necessary equipment will be furnished and maintained by Distributor.~~
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~~ participating store, 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 or financial institution acceptable to the County. Upon posting of said bond, the Distributor shall be entitled to the issuance of point of sale supplies. ~~not more than one (1) workstation 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 or 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 & Bridge Fees and 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 boxes of registration renewal stickers must be accounted for before additional boxes are issued. All registration renewal stickers must be accounted for. Missing stickers will be considered sold or lost and will be charged to the Distributor at a rate of ~~\$70.80~~ \$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 "~~Armando Barrera Jr., Tax Assessor-Collector,~~" "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, in accordance with TRC ~~502.113~~ 520.009 of the Texas Transportation Code, may collect from each customer a per transaction fee of up to \$1.00 for each transaction processed. The monies collected for these transactions fees shall be retained by the Distributor to offset costs for the issuance of stickers. Transactions fees described herein shall not be commingled with any other statutory funds in the possession of the Distributor, and the additional \$1.00 will be collected separately from the license sticker fee.
9. The Distributor is subject to audit by the Hidalgo County Tax Assessor-Collector, Hidalgo County Auditor, the Texas Department of ~~Highways and Public Transportation~~ 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.
10. The Distributor shall deliver as often as required by the Hidalgo County Tax Assessor-Collector a license report in the form required by the 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.
11. Distributor shall, upon receiving a delivery of boxes of registration renewal stickers from the Tax Assessor-Collector, verify that the shipping invoice matches the number of sticker 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.
12. License renewal stickers will only be sold to persons presenting the renewal notice issued by the Texas Department of ~~Transportation and Registration~~ Motor Vehicles, and renewal stickers will be issued for the current and upcoming month only. **(Stickers can be sold until midnight of the fifth day after the last of the month in which the person's registration expires.)**
13. 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.

14. 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.
15. Distributor will verify Proof of Texas Liability Insurance, when applicable, before selling a license renewal sticker.
16. 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.
17. 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.
18. 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 the 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 the 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 the County all point of sale ~~equipment~~, supplies, payment for sticker issued, and final reports, as set forth in numbered paragraph 17., hereof.
19. 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 point of sale ~~equipment~~, supplies and funds within the time allowed in numbered paragraphs 17 and 18 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.
20. 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.

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

DISTRIBUTOR: ~~CATHY SZYMANSKI~~  
HEB GROCERY COMPANY, LP  
~~SERVICES CO.~~  
~~646 SOUTH MAIN AVE.~~ AVENUE  
SAN ANTONIO, TX 78204  
ATTN: DIRECTOR, SERVICES CO.

WITH A COPY TO:

HEB Grocery Company, LP  
646 SOUTH MAIN AVENUE  
SAN ANTONIO, TEXAS 78204  
ATTN: CORPORATE LAW DEPT.

22. Whenever the Distributor elects to add an additional store, the distributor will have to increase the Bond by \$5,000.00. ~~and pay the lease amount designated by TXDOT annually for the use of the RTS Point of Sale equipment. If at the end of the first year that particular additional store has exceeded the minimum transactions set by TXDOT, the fee will then be waived for the following year.~~
23. 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 and 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.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE  
THE FULL FORCE AND EFFECT OF AN ORIGINAL THIS THE \_\_\_\_ DAY  
OF \_\_\_\_\_, 2013 4

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

BY: \_\_\_\_\_  
~~ARMANDO BARRERA JR.~~  
PABLO (PAUL) VILLARREAL JR.  
TAX ASSESSOR-COLLECTOR

ATTEST:

\_\_\_\_\_  
JUAN D. SALINAS  
ARTURO GUAJARDO JR.  
COUNTY CLERK

DISTRIBUTOR:

HEB GROCERY COMPANY, LP

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

PRINTED NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_