

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

February 20, 2014

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

Dear Mr. Cruz,

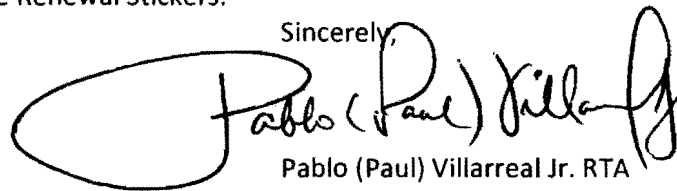
Our Contracted limited-service authorized agent Guzman Insurance will need to update their contract agreement. The Texas Department of Motor Vehicles has replaced the Remote Sticker Printing System (RSPS) with the WebAgent program. Guzman Insurance desires to continue to act as a limited-service deputy authorized agent. They have agreed to comply with the requirements of the WebAgent system. Guzman Insurance has guaranteed faithful performance of duties by posting a surety bond in the amount of \$5,000 per location.

Our office also updated changes in the contract regarding names of officials and cost of windshield stickers. I have include a copy of the agreed upon contract already signed by representative of Guzman Insurance along with the previous contract on file. At this time, we request legal approval so that we can place this item on the commissioners' court agenda for consideration and approval.

Caption:

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

Sincerely,



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

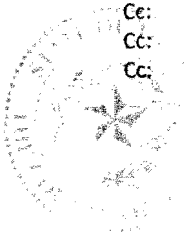


PV/sc/ig

Cc: Valde Guerra, Hidalgo County Executive Officer of Commissioners Court
Cc: Eva Mireles, Tax Office Chief of Operations
Cc: Ray Eufrazio, CPA, Hidalgo County Auditor
Cc: Josephine Ramirez Solis, Assistant Criminal District Attorney, Hidalgo County Affairs Section
Cc: Santos Castilleja III, Motor Vehicle Manager

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
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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 Guzman Insurance Agency, 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: GUZMAN INSURANCE AGENCY
ATTN: BONNIE GUZMAN
300 EAST EXPRESSWAY 83 STE D
PHARR, TX 78577

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 nor 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.
PABLO (PAUL) VILLARREAL JR.
TAX ASSESSOR-COLLECTOR



ATTEST:

ARTURO GUAJARDO JR.
COUNTY CLERK

DISTRIBUTOR:

GUZMAN INSURANCE AGENCY

BY: [Signature]

PRINTED NAME: THOMAS GUZMAN JR.

TITLE: OWNER

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



9025 North Lindbergh Dr. - Peoria, IL 61615

OFFICIAL BOND AND OATH

Bond No. RSB- 528321

Know All Men By These Presents:

That we, TOMAS GUZMAN JR. dba GUZMAN INSURANCE as Principal, and RLI INSURANCE COMPANY, a corporation duly licensed to do business in the State of TEXAS, as Surety, are held and firmly bound unto the COUNTY OF HIDALGO in the penal sum of SIX THOUSAND DOLLARS AND NO CENTS-- (\$ 6,000.00) DOLLARS, to the payment of which (Not valid if filled in for more than \$50,000)

sum, well and truly to be made, we jointly and severally bind ourselves and our legal representatives firmly by these presents.

Signed this 18th day of AUGUST, 19 98.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas, the said Principal was duly elected to the office AS DEPUTY TAX ASSESSOR/COLLECTOR FOR THE LIMITED PURPOSE OF SELLING AUTOMOBILE LICENSE RENEWAL STICKERS of PHARR State of TEXAS, for the term commencing on the 18th day of AUGUST, 19 98.

NOW THEREFORE, if the said Principal shall faithfully perform the duties of his said office, then this obligation shall be void and of no effect, otherwise to remain in full force and effect.

Countersigned [Signature] Resident Agent

[Signature] Principal RLI INSURANCE COMPANY By [Signature] President

APPROVAL: I have inspected the above Bond and do hereby certify that the same is sufficient.

Approving Officer's Title:

STATE OF TEXAS County of HIDALGO TOMAS GUZMAN JR dba GUZMAN INSURANCE being duly sworn, says that he will support the Constitution of the United States and the Constitution of the State of TEXAS as DEPUTY

OATH OF OFFICE

[Signature] Principal

Sworn to before me and signed in my presence this 18th day of AUGUST, 19 98. My Commission Expires, 19

Notary Public

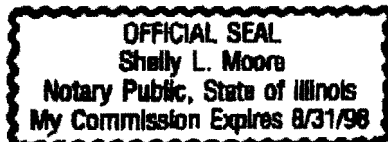
STATE OF ILLINOIS County of Peoria

ACKNOWLEDGEMENT OF SURETY (Corporate Officer)

On this 18th day of AUGUST, 19 98, before me, the undersigned officer, personally appeared Jonathan E. Michael, who acknowledged himself to be the aforesaid officer of the RLI INSURANCE COMPANY, a corporation, and he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I have herunto set my hand and official seal.

[Signature] Notary Public - Peoria County



COMPLAINT NOTICE: Should any dispute arise about your premiums or about a claim that you have filed, contact the agency or write to the issuer of this bond, RLI Insurance Company. If the problem is not resolved, you may also write to the Texas Department of Insurance, Box 149104, Austin, Texas, 78714-9104, Fax # (512) 475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this bond.



RLI Insurance Co.
9023 N. Lindbergh Dr.
Peoria, IL 61615

POWER OF ATTORNEY

(Irrevocable)

BOND NO. RSB- 543421

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That RLI INSURANCE COMPANY, an Illinois corporation, does hereby make, constitute and appoint Thomas Guzman, Jr., III

in the City of Peoria, State of Illinois its true and lawful Agent and Attorney-in-Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following bonds.

An ORIGINAL bond required by Statute, Decree of Court or Ordinance for:

Table with columns for bond type (A-F) and Authority Limit. Includes categories like FIDUCIARY, COURT, LICENSE AND PERMIT, CONTRACT OR PERFORMANCE, PUBLIC OFFICIAL, and INDEMNITY.

Shaded area printed blue indicates authenticity

Note: Authority Limit refers to the aggregate amount for any single obligation, regardless of the number of instruments issued for that obligation. THIS POWER OF ATTORNEY does not authorize any OPEN PENALTY BONDS OR UTILITY BONDS.

The acknowledgment and execution of any such document by the said Attorney-in-Fact, shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

RLI Insurance Company further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force, to-wit: "All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the said RLI INSURANCE COMPANY has caused these presents to be executed by its President with its corporate seal affixed this 15th day of January, 1995.

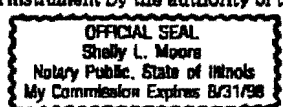
ATTEST Camille J. Hensey Secretary

RLI INSURANCE COMPANY Seal and signature of Jonathan E. Michael, President

State of Illinois)
County of Peoria) SS

On this 15th day of January, 1995, personally came before me Jonathan E. Michael and Camille J. Hensey, to me known to be the individuals and officers of RLI Insurance Company who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and described to the said instrument by the authority of the Board of Directors of said corporation.

Shelley L. Moore Notary Public



CERTIFICATE: I, the undersigned officer of RLI Insurance Company, a corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this 18th day of AUGUST, 1998. RLI INSURANCE COMPANY By: Jonathan E. Michael President

*IMPORTANT: This date must be filled in before it is attached to the bond, and it must be the same date as the bond.

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 TOMAS GUZMAN DBA GUZMAN INSURANCE AGENCY, 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 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.
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 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 and Bridge 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 blank paper must be accounted for before additional boxes are issued. All blank sticker sheets of paper must be accounted for. Missing sheets will be considered sold or lost and will be charged to the Distributor at a rate of \$70.80.
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," 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 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 State of Texas Department of Highways and Public Transportation, 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 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 blank paper from the Tax Assessor-Collector, verify that the shipping invoice matches the number of blank paper 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.
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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 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 point of sale equipment, supplies, payment for sticker issued, and final reports, as set forth in numbered paragraph 19., 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 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.
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.
HIDALGO COUNTY
TAX ASSESSOR-COLLECTOR
P.O. BOX 178
EDINBURG, TEXAS 78540-0178

DISTRIBUTOR: TOMAS GUZMAN
DBA GUZMAN INSURANCE AGENCY
EAST EXPRESSWAY 83 SUITE D.
PHARR, TX 78577

22. 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.
23. 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 21st DAY OF April, 2004.

BY: [Signature]
RAMON GARCIA
COUNTY JUDGE

BY: [Signature]
ARMANDO BARRERA JR.
TAX ASSESSOR-COLLECTOR

ATTEST:
[Signature]
JUAN D. SALINAS
COUNTY CLERK

DISTRIBUTOR:

TOMAS GUZMAN
DBA GUZMAN INSURANCE AGENCY
BY: [Signature]

PRINTED NAME: THOMAS GUZMAN JR.

TITLE: OWNER

APPROVED AS TO FORM
Atlas & Hall, L.L.P.
By: [Signature]
Date: 11-20-06

Approved by Commissioners' Court
on 4-19-05

HIDALGO COUNTY TAX ASSESSOR COLLECTOR
DEPARTMENT OF AUTO LICENSE AND REGISTRATION

EXHIBIT A

Name	Address	City	Zip
TOMAS GUZMAN DBA GUZMAN INSURANCE AGENCY	EAST EXPRESSWAY 83 SUITE D.	PHARR	78577