

THE STATE OF TEXAS
COUNTY OF HIDALGO

**LIMITED SERVICE DEPUTY
AGREEMENT**

This Agreement is made by and between the County of Hidalgo, acting by and through its Hidalgo County Tax Assessor-Collector, hereinafter referred to as "County", and Fred Loya Insurance Agency Inc., hereafter referred to as "Deputy."

WHEREAS, Deputy desires to act as a limited service deputy of the County to process motor vehicle registration renewals in accordance with the provisions of Section 520.0071 (b) of the Texas Transportation Code; and

WHEREAS, public convenience will be furthered by the addition of locations for the public to obtain motor vehicle registration renewals.

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 Deputy hereby agree as follows:

1. The County and the Deputy agree to the terms of this Agreement to provide point of sale supplies to the Deputy, needed for issuance of vehicle registration renewals to the public and to execute such further documents as required to accomplish same at Deputy's location(s) described on Exhibit A attached hereto. Deputy agrees to comply with the requirements of the WebAgent System of the Texas Department of Motor Vehicles and all applicable statutes and regulations in processing motor vehicle registration renewals. All necessary equipment will be furnished and maintained by the Deputy.
2. In order to guarantee the faithful performance of the duties of the Deputy hereunder and to insure that all funds coming into the possession or control of the Deputy by virtue of this Agreement are paid over to the County, the Deputy agrees to post a surety bond, in the amount of \$5,000.00 naming the Hidalgo County Tax Assessor-Collector as obligee on said 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 acceptable to the County. Upon posting of said bond, the Deputy shall be entitled to the issuance of point of sale supplies.
3. Deputy shall have its person in charge of local operations and all employees of the Deputy who handle or in any way assist in the issuance of motor vehicle registration renewals take an oath of deputation to be given by the Tax Assessor-Collector to serve as authorized agents for the issuance of registration renewals stickers. Deputy shall not allow any of its officers, agents, or employees to participate in any manner in the handling or issuance of registration renewal stickers until said officer, agent or employee has been deputized by the Tax Assessor-Collector, and until all Deputy personnel of Deputy are trained in accordance with the Tax Assessor-Collector



qualifications and follow all training programs of the Hidalgo County Tax Assessor-Collector's before the issuance of said license registration renewals.

4. Deputy shall, in writing, designate one or more of its employees who have been deputized to serve as a receiving agent for the Deputy. The County agrees it will not furnish any point of sale supplies for the account of the Deputy other than directly to the Deputy's receiving agent. Deputy assumes full liability for the safekeeping of all registration renewal stickers and supplies furnished by the County to the Deputy's receiving agents.
5. All point of sale supplies and funds in the Deputy's custody shall be insured against burglary and robbery by the Deputy.
6. Deputy shall collect the fees prescribed by the Hidalgo County Tax Assessor-Collector for each registration renewal sticker issued (including applicable Road & Bridge Fees and RMA Fees). Fees collected for the issuance of registration renewal stickers by the Deputy shall not be commingled with any other funds in the possession of the Deputy. The Deputy 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 registration renewal stickers sold and fees collected. 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 registration renewal stickers will be considered sold or lost. Deputy agrees to pay for any missing stickers in an amount equal to the average value of the registration renewal sticker.
7. Deputy may accept individual checks and cash in payment of fees for the issuance of registration renewal stickers, provided that checks are made payable to the Deputy, that each check bears such information as may be required by the Deputy, and provided, further, that Deputy assumes full responsibility for collection for all such checks. Deputy 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 Deputy during the previous week. Said ACH funds transfer or money order shall not include the one dollar (\$1.00) processing fee Deputy charges and collects as compensation for providing services of issuance of registration renewals as provided for by 43 Texas Administration Code Rule section 217.168. Failure by the Deputy to pay the Hidalgo County Tax Assessor-Collector within seven (7) days the sums owed for registration renewal stickers, whether via ACH transfer or in the form of money order to the Hidalgo County Tax Assessor-Collector shall be grounds for the suspension of this Agreement and the Hidalgo County Tax Assessor-Collector shall not issue additional inventory point of sale supplies until all sums owed are paid.
8. Deputy, in accordance with section 43 Texas Administration Code Rule section 217.168, may retain from each customer a per transaction fee of \$1.00 for each



transaction processed. The monies collected for these transaction fees shall be retained by the Deputy to offset costs for the issuance of registration renewal stickers. Registration renewal transaction fees described herein other than the One Dollar transaction fee retained pursuant to 43 Texas Administrative Code Rule Section 217.168 fee retained by Deputy shall not be commingled with any other funds in the possession of the Deputy.

9. Deputy 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, or any certified public accountant (or any other person or entity) designated by any one or more of the same, to determine compliance with this Agreement as well as the laws and regulations of any governmental entity having jurisdiction of the subject matter of this Agreement at any time during normal business hours of the Deputy, at the place of business of the Deputy designated in this Agreement. The Deputy's receiving agent shall be present and shall make available at the place of the audit all supplies of forms required. The audit will be limited to those activities conducted by Deputy, in relation to this Agreement, as it relates to activities surrounding the issuance of registration renewal stickers to the public and not to Deputy's business.
10. Deputy 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. Deputy 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 registration renewal 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. Registration 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. **(Registration renewal 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 Deputy 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 limited service deputy. It will also be necessary to audit any supplies on hand and a closing report shall be made by the current owner.
14. Deputy will provide access to the authorized representatives of the Hidalgo County Tax Assessor-Collector's Office to the area where registration renewal stickers are

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sold and stored, and will provide the necessary assistance requested in auditing or checking registration renewal transactions or supplies.

15. Deputy will verify Proof of Texas Liability Insurance, when applicable, before selling a registration renewal sticker.
16. In order to serve as a registration renewal deputy, Deputy 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 Deputy shall return to the County all outstanding inventories of registration renewal stickers, together with supplies and payment for registration renewal 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 Deputy 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 Deputy shall be considered a substantial breach, and Deputy 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) Deputy will have thirty (30) days to cure such breach and if it does not, Deputy shall have five (5) business days to return to the County all point of sale supplies, payment for registration renewal stickers issued, and final reports, as set forth in numbered paragraph 17. hereof.
19. In the event that any audit or report of the Deputy discloses that any registration renewal stickers or funds are missing or otherwise unaccounted for by Deputy, the County Tax Assessor and County Auditor shall be notified promptly, and if such discrepancy is not resolved within thirty (30) days of such notice either by payment of applicable fees to County or proof of finding, of such registration renewal stickers or funds 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 officials. In the event that this Agreement is terminated by the County for uncured breach by the Deputy and the Deputy fails to return point of sale supplies and funds within the time allowed in numbered paragraphs 17. and 18. hereof as applicable, the County shall be entitled to retain proceeds of the bond described in numbered paragraph 2 herein as liquidated damages.
20. The term of this Agreement shall commence upon receipt by the Hidalgo County Tax Assessor-Collector of the bond referred to in numbered paragraph 2 herein, 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

Deputy: Fred Loya Insurance Agency Inc.
1800 Lee Trevino
El Paso, Texas 79936
Attention: Benjamin Salazar Jr.

22. Hidalgo County Tax Assessor-Collector may in accordance with 43 Texas Administrative Code Rule section 217.64 post notices identifying Deputy's physical location(s) at which Deputy's services will be offered, along with the mailing address, phone number and hours of service of Deputy's participating location(s) on the County's or the Hidalgo County Tax Assessor-Collector's website.

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 and Deputy. 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 Deputy.

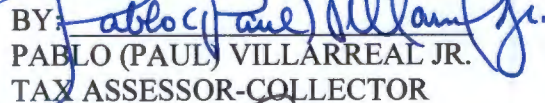
EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL THIS THE ____ DAY OF _____, 2016.

HIDALGO COUNTY

ATTEST:

BY: _____
ARTURO GUAJARDO JR.
COUNTY CLERK

BY: _____
RAMON GARCIA
COUNTY JUDGE

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

DEPUTY: 

BY: _____
PRINTED NAME: BENJAMIN SALAZAR JR.
TITLE: VP-COO

EXHIBIT "A"**LIST OF PARTICIPATING FRED LOYA OFFICES**

ID	SUBCONTRACTOR	ADDRESS	CITY	ZIP	PHONE #	CONTACT	email address
1	FRED LOYA #4161 Donna	522 N. Salinas Ave	Donna, TX	78537	(956) 464-6066	Olga Maya	omaya@fredloya.com
2	FRED LOYA #4228 Elsa	102 W. Edinburg Ave Ste C	Elsa, TX	78543	(956) 262-4441	Leticia Martinez	lmartinez@fredloya.com
3	FRED LOYA #4110 La Joya	237 W. Expressway 83	La Joya, TX	78560	(956) 583-9500	Jeanette Elizalde	jelizalde@fredloya.com
4	FRED LOYA #4030 McAllen 1	917 N. 10th	McAllen, TX	78501	(956) 971-8787	Delia De La Cruz	dsalinas@fredloya.com
5	FRED LOYA #4205 McAllen 2	5000 N. 23rd St. Ste D	McAllen, TX	78504	(956) 686-0400	Delia De La Cruz	dsalinas@fredloya.com
6	FRED LOYA #4035 Mission 1	400 S. Conway Ste B	Mission, TX	78572	(956) 583-3000	Erika Gonzalez	erikagonzalez@fredloya.com

6 SUBSTATIONS @ 5000 PER WORKSTATION = \$30,000 BOND