

**THE STATE OF TEXAS
COUNTY OF HIDALGO**

**LIMITED SERVICE DEPUTY
AGREEMENT**

This Agreement is made and entered into this _____ day of _____, 2020, by and between the **County of Hidalgo**, acting by and through its **Hidalgo County Tax Assessor-Collector**, (hereinafter referred to as "**County**"), and **Lone Star National Bank**, (hereafter referred to as "**Deputy**)."

WHEREAS, §520.0071 of the Texas Transportation Code and Subchapter H of Chapter 217 of the Texas Administration Code authorize a county tax assessor-collector, with the approval of Commissioners Court, to deputize an individual or business entity to perform motor vehicle registration renewal services as a limited service deputy.

WHEREAS, Deputy desires to act as a limited service deputy of the County in accordance with the applicable law, including but not limited to the provisions indicated above; 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 accordance with 43 Texas Administrative Code Rule Section 217.167. The amount shall be posted as a single bond as determined by the county tax assessor-collector. The county tax assessor-collector has determined the amount of the bond shall be calculated by multiplying the number of locations indicated in Exhibit A attached hereto by \$5,000.00. The Hidalgo County Tax Assessor-Collector shall be named 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. The amount of

bond shall be subject to change as determined by the county tax assessor-collector.

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 renewal 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 reports will be delivered either by hand delivery or by certified mail return receipt requested to the Hidalgo County Tax Assessor-Collector Attention Limited Service Deputy Clerk. 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 Hidalgo County Tax Assessor Collector, that each check bears such information as may be required by the County, and provided, further, that County assumes full responsibility for collection for all such checks. Deputy shall deposit funds (as agreed in advance by the parties) to the Tax Assessor-Collector's designated account representing the checks and cash received by the Deputy during the previous week. Said deposit 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, via deposit 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 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 other 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. The remedies provided by forfeiture of the bond are in addition to any other remedies at law or equity that the County may have in order to collect money belonging to the County and received by the Deputy.

20. The term of this Agreement shall be for a period of **three (3) years**, commencing upon receipt by the Hidalgo County Tax Assessor-Collector of the bond referred to in numbered paragraph 2 herein, and may be extended at the sole discretion of the County for an additional **two (2) one (1) year** terms under the same rates, terms and conditions. Hidalgo County also reserves the right to continue this contract for an additional sixty (60) day grace period at the end of the contract term for unforeseen delay of award for the next term and contingent upon rates, terms and conditions remaining unchanged.

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: County of Hidalgo
Attn: County Judge
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

With copy to: Pablo (Paul) Villarreal, Jr.
Hidalgo County
Tax Assessor-Collector
P.O. Box 178
Edinburg, Texas 78540-0178

Deputy: Lone Star National Bank
Attn: Executive Vice President/ Chief
Investment Officer
520 E. Nolana Ave.
McAllen, Texas 78504

22. Hidalgo County Tax Assessor-Collector may in accordance with 43 Texas Administrative Code Rule section 217.164 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.

24. Independent Contractor. It is expressly agreed that this Agreement and the performance by the parties hereunder does not create any agency relationship or master-servant relationship and that Deputy is an independent contractor under this Agreement.
25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and/or applicable federal law and shall be performable in Hidalgo County.
26. Commitment of Current Revenues Only. In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of County under this Agreement, County may terminate this Agreement upon sixty (60) days written notice to Deputy. County agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of County. *Agreements for the acquisition, including lease of real or personal property under Tex. Loc. Govt. Code §271.903*: In the event that, during any term hereof, the Commissioner's Court does not appropriate sufficient funds to meet the obligations of County under this Agreement, County may terminate this Agreement upon sixty (60) days written notice to Deputy, County agrees, however, to use a best efforts attempt to obtain and appropriate funds for payment of the Agreement. The parties intend this provision, if applicable, to be a continuing right to terminate this at the expiration of each budget period of County in accordance with Tex. Loc. Govt. Code §271.903 (Vernon Supp. 1996).
27. Immunities. Nothing in this Agreement is intended to and County does not hereby waive, release or relinquish any right to assert any of the defenses County enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to County as to any claim or action of any person, entity, or individual against County.
28. Nondiscrimination. Deputy, including subcontractors, assignees and successors in interest, ensures that no person shall on the grounds of race, religion, color, national origin, sex, age, or disability, or any other protected class under law, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination or retaliation in any federally or non-federally funded program or activity when providing any services described herein under this Agreement. Deputy agrees to comply with the Title VI of the Civil Rights Act of 1964, as amended.

29. Confidentiality. Deputy, including, without limitation, its employees and agents, shall not disclose privileged or confidential communications or information acquired in the course of the performance of services under this Contract, unless authorized by law. Deputy agrees to safeguard and adhere to all confidentiality, privacy and security requirements according to this Contract and the applicable federal, State and local rules and regulations for all information deemed confidential.
30. In order to comply with federal regulations and the Office of Foreign Assets Control (OFAC), Deputy, as an entity subject to said regulations, is solely responsible for screening vehicle owner names against the names listed on the Specially Designated Nationals and Blocked Persons (SDN) list at Deputy's expense. Deputy will run a search of the SDN list prior to processing the transaction. If a positive match is identified, Deputy will not proceed with processing the renewal. Deputy will conduct a second search prior to submitting a weekly batch total of funds collected. If a positive match is identified, the Deputy is required to hold the funds and report the transaction to OFAC. The funds will be withheld from the batch total submitted to the County. Per OFAC regulations, withheld funds will remain frozen/blocked until the individual in question is removed from the applicable OFAC list and OFAC approves the release of funds. Deputy shall report any positive matches to the County in writing within fourteen (14) calendar days.

[SIGNATURE PAGE TO FOLLOW]

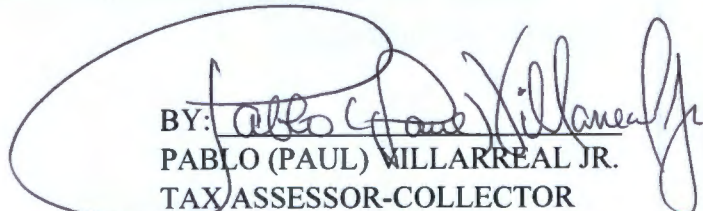
EXECUTED and effective as of the day and year first written above.

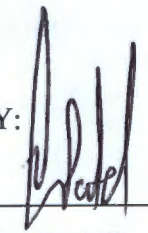
COUNTY OF HIDALGO

BY: _____
RICHARD F. CORTEZ
COUNTY JUDGE

ATTEST:

BY: _____
ARTURO GUAJARDO JR.
COUNTY CLERK

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

DEPUTY: 
BY: _____
PRINTED NAME: VIPUL Patel
TITLE: CVL, Chief Investment officer

APPROVED AS TO FORM:

Office of Criminal District Attorney

By: _____
Robert Viña III
Assistant District Attorney

EXHIBIT "A"

LIST OF PARTICIPATING LONE STAR NATIONAL BANK BRANCHES

Name	Location	Address	City	Zip	Phone #	Fax #	Contact	Email Address
1 Lone Star National Bank	Alton	605 S. Alton Boulevard	Alton, TX	78573	(956) 391-3683	(956) 391-3696	Sinthia Reyna	reynas@lonestarnationalbank.com
2 Lone Star National Bank	Hidalgo	633 S. International Blvd.	Hidalgo, TX	78557	(956) 843-4916	(956) 984-2770	Juan Lopez	lopezjua@lonestarnationalbank.com
3 Lone Star National Bank	La Placita	2109 S. 10th Street	McAllen, TX	78501	(956) 971-6700	(956) 994-9961	Mayra Torres Palomares	torresma@lonestarnationalbank.com
4 Lone Star National Bank	Lone Star Plaza	1505 Lone Star Way	Edinburg, TX	78540	(956) 971-6735	(956) 971-6728	Ruben Estrada	estradar@lonestarnationalbank.com
5 Lone Star National Bank	Linberg	200 Linberg Avenue	McAllen, TX	78501	(956) 682-6364	(956) 618-2646	Dina Granados	gonzalezd@lonestarnationalbank.com
6 Lone Star National Bank	Mission Medical	1100 S. Bryan Road	Mission, TX	78574	(956) 424-0874	(956) 984-2667	Aracely Guajardo	marina@lonestarnationalbank.com

6 SUBSTATIONS @ 5,000 PER WORKSTATION = \$30,000 BOND