

STATE OF TEXAS

DEALER DEPUTY AGREEMENT

COUNTY OF HIDALGO

This Agreement is made and entered into this _____ day of _____, 2025, by and between the COUNTY OF HIDALGO, by and through its Tax Assessor-Collector, (hereinafter referred to as "County"), and **CLARK-KNAPP MOTOR COMPANY, L.C., DBA CLARK-KNAPP HONDA** (hereafter referred to as "Dealer Deputy") for **GDN Number P125449**.

WHEREAS, §520.0071 of the Texas Transportation Code and Subchapter H of Chapter 217 of the Texas Administration Code (TAC) authorizes a county tax assessor-collector, with the approval of Commissioners Court, to deputize a motor vehicle dealer to act as a dealer deputy, as defined therein, to provide motor vehicle titling and registration services in the same manner and with the same authority as though done in the office of the county tax assessor-collector, except as limited therein.

WHEREAS, Dealer Deputy desires to act as an agent of the County to provide motor vehicle titling and registration services in accordance with the applicable law, including but not limited to 43 TAC §217.166 and the provisions indicated above;

WHEREAS, in accordance with §520.005(e) of the Texas Transportation Code, the Hidalgo County Tax Assessor Collector has made available to motor vehicle dealers upon request the electronic system designed by the Texas Department of Motor Vehicles ("webDEALER") that allows a motor vehicle dealer to submit a title and registration application online in the name of the purchaser of a motor vehicle.

WHEREAS, public convenience and processing will be furthered by the ability of Dealer Deputy to directly provide motor vehicle titling and registration services.

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 Dealer Deputy hereby agree as follows:

1. The County agrees to provide point of sale supplies to the Dealer Deputy needed for issuance of motor vehicle titling and registration services to the public upon the terms and conditions hereof. Dealer Deputy must hold a valid general distinguishing number ("GDN") under Transportation Code, Chapter 503, Subchapter B and may act as a dealer deputy only for a type of motor vehicle for which the Dealer Deputy holds a GDN. Dealer Deputy agrees to comply with the requirements of the Web Dealer System of the Texas Department of Motor Vehicles. All necessary equipment will be maintained by the Dealer Deputy.
2. In order to guarantee the faithful performance of the duties of the Dealer Deputy hereunder and to insure that all funds coming into the possession or control of the Dealer Deputy by virtue of this Agreement are paid over to the County, the Dealer Deputy agrees to post a surety bond in accordance with 43 TAC §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 is \$100,000.00. The amount of the bond may be based on collection totals and is subject to modification by the County Tax Assessor-Collector. 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.

3. The Dealer Deputy shall have its person in charge of local operations and all employees of the Dealer Deputy who handle or in any way assist in motor vehicle titling and registration services take an oath of deputation to be given by the County to serve as authorized agents for the issuance of license registration stickers and license plates. The Dealer Deputy shall not allow any of its officers, agents, or employees to participate in any manner in the handling or processing motor vehicle titling and registration services until said officer, agent or employee has been deputized by the County, and until all Dealer Deputy personnel involved in motor vehicle titling and registration services are trained in accordance with the County qualifications, and follow all training programs of the Hidalgo County Tax Assessor-Collector Officer before processing motor vehicle titling and registration services.
4. The Dealer Deputy shall, in writing, designate one or more of its employees who have been deputized to serve as a receiving agent for the Dealer Deputy. The County agrees it will not furnish any point of sale equipment and supplies for the account of the Dealer Deputy other than directly to the Dealer Deputy's receiving agent. The Dealer Deputy assumes full liability for the safekeeping of all license registration stickers, license plates, and supplies furnished by the County to the Dealer Deputy's receiving agents.
5. All motor vehicle titling and registration equipment, supplies and funds received in the Dealer Deputy's custody shall be insured against burglary and robbery by the Dealer Deputy.
6. The Dealer Deputy shall collect the fees prescribed by the County for each motor vehicle titling and registration transaction issued (including applicable Road and Bridge Fees & RMA Fees County of Hidalgo). Fees collected for the motor vehicle titling and registration services by the Dealer Deputy shall not be commingled with any other funds in the possession of the Dealer Deputy. Registration stickers, license plates that are unaccounted for will be hand delivered to and signed for by designated Tax Assessor-Collector office personnel. All packages of registration sticker and license plates inventory must be accounted for before additional boxes are issued. All unassigned registration sticker inventory and license plates must be accounted for. Missing inventory

will be considered sold or lost and will be charged to the Dealer Deputy at a rate of \$84.00 for each missing registration sticker and \$6.50 per each missing license plate. Pursuant to 43 TAC §217.168(b)(2), for each motor vehicle title transaction processed, a dealer deputy may charge the customer a fee of up to \$10, as determined by the dealer deputy and approved by the tax assessor-collector. The dealer deputy retains the entire fee charged to the customer. This section does not preclude a dealer deputy from charging a documentary fee authorized by Finance Code, §348.006. Additionally, pursuant to 43 TAC §217.185 the Dealer Deputy must remit any registration transaction fee established under 43 TAC §217.183 to the County Tax-Assessor-Collector

7. The Dealer Deputy may accept individual checks and cash in payment of fees for the issuance of registration stickers and license plates provided that checks are made payable to the Dealer Deputy, and provided, further, that Dealer Deputy assumes full responsibility for collection for all such checks. Dealer Deputy shall be responsible for collecting on all Non-Sufficient Funds checks. Dealer Deputy shall allow on a daily basis, the County, to initiate debit transactions from the Dealer Deputy's financial institution. Said ACH fund debit shall not include the \$10.00 title convenience fee Dealer Deputy charges and collects as compensation for providing motor vehicle titling and registration services which processing fee will not exceed the amount pursuant to the Texas Administrative Code, Title 43, Part 10, Chapter 217, Subchapter H, Rule section 217.168. Failure by the Dealer Deputy to allow the required access to the County for sums owed for motor vehicle titling and registration services via daily ACH transfer to the County shall result in the immediate termination of this Agreement.
8. The Dealer Deputy is subject to audit by the Hidalgo County Tax Assessor-Collector, Hidalgo County Auditor, the State of Texas Department of Motor Vehicles, the Comptroller of the State of Texas, any certified public accountant (or any other person or entity) designated by any one or more of the same, at any time during normal business hours of the Dealer Deputy, at the place of business of the Dealer Deputy designated in this Agreement. The Dealer Deputy's receiving agent shall be present and shall make available at the place of the audit all supplies or forms required.
9. The Dealer Deputy shall deliver as often as required by the County a motor vehicle titling and registration services 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 to Dealer Deputy in its entirety for correction or clarification or may result in immediate termination of this Agreement.
10. Dealer Deputy shall, upon receiving a delivery of license plates and registration sticker inventory from the County, verify that the shipping invoice matches the number of license plates and sticker inventory packages delivered before using any of the supplies. Any discrepancies will be reported immediately in writing to the County.

11. Any changes in the ownership of Dealer Deputy must be immediately reported in writing to the County. Any such changes will automatically nullify this Agreement and a new agreement must be executed by the new owner(s) if the new owner(s) desires to continue to act as a dealer deputy. It will also be necessary to audit any supplies on hand and a closing report shall be made by the current owner.
12. Dealer Deputy will provide access to the authorized representatives of the County to the area where license registration stickers and license plates are sold and stored, and will provide the necessary assistance requested in auditing or checking license stickers or supplies.
13. Dealer Deputy will verify Proof of Texas Liability Insurance, when applicable, before selling a license registration sticker and license plate.
14. In order to serve as a dealer deputy, Dealer Deputy agrees to abide by all rules, regulations, and requirements of the County, as may from time to time be amended and all rules and regulations of the State of Texas, as may be amended relating to motor vehicle titling and registration services.
15. This Agreement may be voluntarily terminated by either party upon thirty (30) days written notice to the party. If the Agreement is terminated in accordance with this paragraph or for any other reason, the Dealer Deputy shall return to the County all equipment and all outstanding inventories of stickers and license plates, together with supplies and payment for stickers issued and a final report within twenty four (24) hours after the termination date along with any and all funds owed to the County under this Agreement.
16. Breach of any obligation to be performed by the Dealer Deputy shall constitute a breach of this entire Agreement and shall give County the right to immediately terminate this Agreement. The parties hereto agree that any breach by the Dealer Deputy shall be considered a substantial breach, and Dealer 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 delivered on the third day after mailing) Dealer Deputy shall have twenty four (24) hours to return to the County all equipment, registration stickers, license plates, supplies, payment for registration stickers and/or plates issued, and final report to the County at the location in numbered paragraph 19 hereof.
17. In the event that any audit or report of the Dealer Deputy discloses that any equipment, supplies, stickers, license plates 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 or cash deposit for payment and apply the proceeds therefrom 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 breach by the Dealer Deputy in accordance with numbered paragraph 16 herein or other breach by the Dealer Deputy, and the Dealer Deputy fails to return equipment, funds, stickers, license plates supplies within the time allowed in numbered paragraph 15 hereof, the County shall be entitled to retain proceeds of the bond or cash deposit stated in paragraph 2 hereof as liquidated damages or, in the alternative, shall be entitled to seek recovery of actual damages. The remedies provided by forfeiture of the bond are in addition to any other remedies at law or equity that the County have.

18. The term of this Agreement shall commence upon receipt by the County of the bond and/or cash deposit herein referred to, and shall continue in full force and effect thereafter until terminated in accordance with the terms hereof. This Agreement shall be effective upon the date of execution by the last party to execute, and shall supersede any other prior Agreements.
19. Any notices given under this 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
2804 S. Bus. Hwy 281
P.O. Box 178
Edinburg, Texas 78540-0178

DEALER DEPUTY: **CLARK-KNAPP MOTOR COMPANY, L.C.**
DBA CLARK-KNAPP HONDA
900 N. SUGAR RD
PHARR, TX 78577

20. This Agreement constitutes the entire agreement of the parties and all prior agreements, written or oral, are hereby superseded. This Agreement shall not be amended or modified, except in writing signed by the Hidalgo County Tax Assessor-Collector. No official, agent, or employee of the County has the authority, expressed or implied, to orally amend or modify this Agreement. This Agreement may not be assigned by Dealer Deputy.
21. 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 Dealer Deputy is an independent contractor under this Agreement.
22. Governing Law. **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.**

23. 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 Dealer 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 Dealer 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).
24. 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.
25. Nondiscrimination. Dealer 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. Dealer Deputy agrees to comply with the Title VI of the Civil Rights Act of 1964, as amended.
26. Confidentiality. Dealer 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. Dealer 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.

[SIGNATURE PAGE TO FOLLOW]

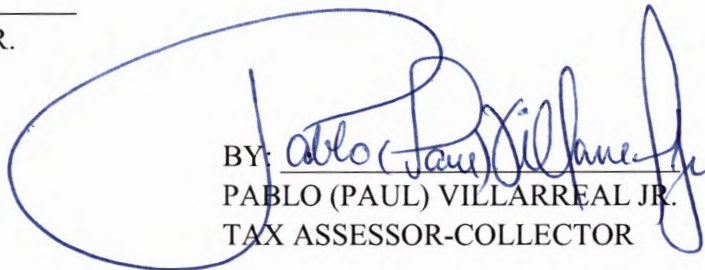
EXECUTED and effective as of the day and year first written above.

COUNTY OF HIDALGO

BY: _____
RICHARD F. CORTEZ
COUNTY JUDGE

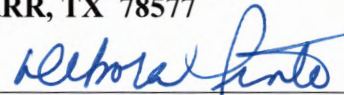
ATTEST:

BY: _____
ARTURO GUAJARDO JR.
COUNTY CLERK

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

DEALER DEPUTY:

CLARK-KNAPP MOTOR COMPANY, L.C.
DBA CLARK-KNAPP HONDA
P125449
900 N. SUGAR RD
PHARR, TX 78577

BY:  _____
PRINTED NAME: DEBOEA Pinto
TITLE: Office Manager

APPROVED AS TO FORM:
Hidalgo County Criminal District Attorney's Office
Toribio "Terry" Palacios
By: _____
Robert Viña, III, Assistant District Attorney