

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
RAMON GARCIA
COUNTY JUDGE

BY: Pablo (Paul) Villarreal Jr
PABLO (PAUL) VILLARREAL JR
TAX ASSESSOR-COLLECTOR



ATTEST:
Arturo Guajardo Jr
ARTURO GUAJARDO JR.
COUNTY CLERK

APPROVED BY
COMMISSIONERS' COURT
ON: 4/15/14

DISTRIBUTOR:
GUZMAN INSURANCE AGENCY
BY: [Signature]
PRINTED NAME: Thomas Guzman Jr
TITLE: Owner

