

THE STATE OF TEXAS §

COUNTY OF WEBB §

MOTOR VEHICLE LICENSE VALIDATION STICKER SUBSTATION CONTRACT

This Agreement is made by and between **WEBB COUNTY**, a political subdivision of the State of Texas, on behalf of the Webb County Tax Assessor-Collector, hereinafter referred to as "Webb County," and **HEB Grocery Company, LP**, hereinafter to as "Dealer."

WHEREAS, Dealer desires to act as an agent of the Tax Assessor-Collector in the issuance of motor vehicle license validation stickers; and

WHEREAS, public convenience will be furthered by the ability of Dealer to directly issue motor vehicle license validation 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, Webb County and Dealer hereby agree as follows:

1. Webb County shall supply the Dealer with an inventory of motor vehicle license validation stickers and supplies as needed for issuance by the Dealer (collectively, the "inventory"), as well as instructions for their issuance; provided, however, that in no case shall Webb County issue to the Dealer any number of motor vehicle license validation stickers when such issuance will cause the Dealer's outstanding inventory of stickers to exceed the amount authorized in numbered paragraph two (2) hereof. Dealer's inventory of motor vehicle license validation stickers shall be maintained at 1911 North East Bob Bullock Loop, Laredo, Texas 78045; and 2314 South Zapata Highway, Laredo, Texas 78046; and 4801 San Dario Ave., Laredo, Texas 78041; and 2310 Saunders St., Laredo, Texas 78041; and 7811 McPherson Rd., Laredo, Texas 78045.
2. In order to guarantee the faithful performance of the duties of the Dealer hereunder and to insure that all funds coming into the possession or control of the Dealer by virtue of this Agreement are paid over to Webb County, the Dealer agrees to post a surety bond in the amount of SIXTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$62,500.00) for five (5) locations for five (5) motor vehicle validation sticker packages and each package contains One Hundred Twenty Four (124) motor vehicle validation stickers. If the Dealer 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 Webb County Tax Assessor-Collector, and shall be issued by a surety company or financial institution acceptable to Webb County. A copy of Dealer's Surety Bond and Bond Change Rider is attached as Exhibit "A" and is hereby incorporated into this Contract for all intensive purposes. Upon posting of said appropriate bond, the Dealer shall be entitled to the issuance of not more than five (5) motor vehicle validation packages per Dealer location containing motor vehicle

license validation stickers pursuant to numbered paragraph one (1) hereof. In no event shall inventory in the possession of the Dealer exceed the amount of the surety bond.

3. The Dealer shall have any persons, designated by Dealer, who handles or in any way assists in the issuance of motor vehicle license validation stickers for Dealer take an oath of deputation to be given by the Tax Assessor-Collector to serve as authorized agents for the issuance of motor vehicle license validation stickers. The Dealer shall not allow any of its officers, agents, or employees to participate in any manner in the handling or issuance of motor vehicle license validation stickers until said officer, agent or employee has been deputized by the Tax Assessor-Collector for acting under the terms of this Contract, and until all Dealer personnel are trained in accordance with the Tax Assessor-Collector requirements, and follow all training programs required by the Tax Office before the issuance of said license validation stickers.
4. The Dealer shall, in writing, designate one or more of its officers, agents, or employees, who has been deputized hereunder to serve as a receiving agent for the Dealer. The County agrees it will not furnish any motor vehicle validation stickers or supplies for the account of the Dealer other than directly to the Dealer's receiving agent. The Dealer assumes full liability for the safekeeping of all motor vehicle license validation stickers and supplies furnished by the County to the Dealer's receiving agents.
5. Prior to receiving any motor vehicle license validation stickers or supplies hereunder, Dealer shall, at its sole cost and expense, obtain and make operational all computer hardware and software, including the Texas Department of Transportation's Dealer Title Application Software, necessary to perform Dealer's duties hereunder, as directed by Webb County.
6. The Dealer shall collect the fees prescribed by the Webb County Tax Assessor-Collector for each motor vehicle license validation sticker issued (including applicable road and bridge fees). Fees collected for the issuance of stickers by the Dealer shall not be commingled with any other funds in the possession of the Dealer. The Dealer shall, not less often than bi-weekly, prepare and deliver to Webb County, on the day every other week specified by Webb County, such reports as may be from time to time prescribed by Webb County, and in the format and content so prescribed by Webb County. Said reports shall include the quantity and series numbers of stickers issued by Dealer, and shall be accompanied by full payment for all such issued stickers, including applicable road and bridge fees in the form of a Western Union Money Order made payable to "Webb County Tax Assessor-Collector." Failure to promptly deliver reports and payments as provided in this paragraph MAY be grounds for the immediate termination of this Agreement, in which event Dealer shall within 5 business days return to Webb County all unissued motor vehicle license validation stickers to Dealer as mentioned in paragraph five (5) of this Agreement.

7. Dealer may accept personal checks, at Dealer's own risk, in payment of fees for the issuance of motor vehicle license validation stickers, provided that said checks are made payable to the Dealer. The Dealer's own Western Union Money Order must be submitted to the Webb County Tax Assessor-Collector for the full amount as indicated in the report. The Western Union Money Order is to be delivered pursuant to paragraph nine (9) hereof.
8. Dealer is entitled to charge and keep ONE DOLLAR (\$1.00) for each motor vehicle license validation sticker. Said ONE DOLLAR (\$1.00) fee is compensation from the P&H Fee rather than collecting separately. The P&H Fee will be reflected on both the registration renewal notice and the registration receipt. TxDMV will continue to calculate and provide the total amount owed by the customer for the registration renewal. TxDMV will provide the totals for the amount collected, the compensation to be retained from the P&H Fee, and the amount to remit to the Webb County Tax Assessor-Collector.
9. The Dealer shall in connection with its bi-weekly report, remit such amounts in accordance with numbered paragraph six (6) hereof. Dealer assumes full responsibility for collection of all fees for issued motor vehicle license validation sticker handled by Dealer hereunder.
10. The Dealer is subject to audit by the Webb County Tax Assessor-Collector, Webb County Auditor, the 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 to determine compliance with this Contract as well as laws and regulations of any governmental entity having jurisdiction of the subject matter of this Contract, at any time during normal business hours of the Dealer, at the mutually agreed upon place of business of the Dealer, or the place of business of the Dealer designated in paragraph one (1) of this Agreement. The Dealer's receiving agent shall be present and shall make available at the place of the audit all supplies or forms reasonably required.
11. The Dealer shall deliver on a bi-weekly basis to the Webb County Tax Assessor-Collector the motor vehicle license validation sticker report as required by numbered paragraph six (6) hereof in the form as may from time to time be required by the Webb County Tax Assessor-Collector. 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.
12. Dealer shall return all voided license validation stickers to the Webb County Tax Assessor-Collector on a timely basis.

13. Dealer shall, upon receiving a delivery of license validation sticker package(s) from the Webb County Tax Assessor-Collector, verify that the shipping invoice matches the stickers delivered before using any of the supplies. Any discrepancies must be reported in writing no later than 12:00 noon on the next business day to the Webb County Tax Assessor-Collector's Office.
14. Dealer shall use the license validation stickers in numerical sequence, and any fees or charges for missing license stickers which are not reported must be paid to Webb County at the price calculated by the Webb County Tax Assessor-Collector.
15. A motor vehicle license validation sticker will only be sold to a person who presents a valid renewal registration notice, proof of liability insurance for said vehicle named on renewal notice, state inspection, as well as a valid Texas Driver's License.
16. Any material changes in the ownership of Dealer must be promptly reported in writing to the Webb 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(s) if the new owner(s) desires to continue to act as a license agent. It will also be necessary to audit any supplies on hand and a closing report shall be made by the current owner.
17. Dealer will provide reasonable access to the authorized representatives of the Webb County Tax Assessor-Collector's Office to the area where license validation stickers are sold and stored, and will provide the necessary assistance reasonable requested in auditing or checking license validation stickers and supplies.
18. In order to serve as an agent of the Webb County Tax Assessor-Collector, Dealer agrees to abide by all rules, regulations, and requirements of the Webb County Tax Assessor-Collector, as may from time to time be amended.
19. 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 Dealer shall return to the County all outstanding inventories of validation stickers together with supplies and payment for validation stickers issued, and a final report within five (5) business days.
20. Breach of any material obligation to be performed by the Dealer shall constitute a breach of the entire agreement and shall give Webb County the right to immediately terminate this Agreement. The parties hereto agree that any material breach by the Dealer shall be considered a substantial breach, and Dealer shall be notified by Webb County of such breach by certified mail, return receipt requested, and by facsimile

transmission at the following number (956) 523-5050. Upon the receipt of notice (which shall be deemed to be three (3) days after mailing), Dealer shall have five (5) business days to return to Webb County all outstanding inventory of motor vehicle license validation stickers, supplies, payment for validation stickers issued, all hardware and software mentioned under paragraph five (5) of this Agreement, and final reports.

21. In the event that any audit or report of the Dealer discloses that any validation stickers or funds are missing or otherwise unaccounted for and Dealer is unable to care such breach within 15 business days of written notice from Webb County, Webb County shall be entitled to collect on the bond for payment and apply the proceeds there from against the actual damages incurred by Webb County or any of its agents, employees, or public officials. In the event that this Agreement is terminated by Webb County for breach by the Dealer and the Dealer fails to return all validation stickers, supplies or funds within the time allowed in numbered paragraphs 19 and 20 hereof, Webb 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.
22. The term of this Agreement shall commence upon receipt by the Webb County Tax Assessor-Collector of the bond or cash deposit herein referred to, and shall continue in full force and effect for a period of three (3) years, unless earlier terminated in accordance with the terms hereof.
23. 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:

Webb County:
Webb County Tax Assessor-Collector
P.O. Box 420128
Laredo, Texas 78042
Attn: Webb County Tax Assessor-Collector

Dealer:
HEB Grocery Company, LP
646 South Main Avenue
San Antonio, Texas 78204
Attn: Director, Services Co.

With copy to:

HEB Grocery Company, LP
646 South Main Avenue
San Antonio, Texas 78204
Attn: VP, Corporate Law


24. This Agreement constitutes the entire Agreement of the parties with respect to the subject matter hereof, and all prior agreements, written or oral, are hereby superseded. This Agreement shall not be amended or modified, except in writing signed by the Webb County Tax Assessor-Collector and Dealer. No official, agent, or employee of

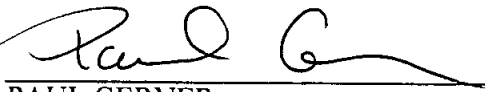
Webb County has the authority, expressed or implied, to orally amend or modify this Agreement. This Agreement may not be assigned by Dealer.

EXECUTED THIS 7th DAY OF March, 2018.

WEBB COUNTY, TEXAS

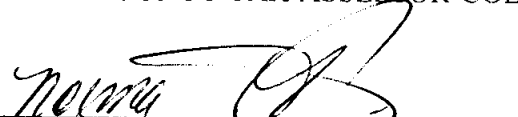
DEALER: HEB GROCERY COMPANY, LP


HON. TANO TIJERINA
WEBB COUNTY JUDGE



PAUL GERNER
VICE PRESIDENT

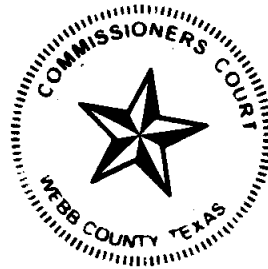
SB
**APPROVED BY
LEGAL DEPT.**

WEBB COUNTY TAX ASSESSOR-COLLECTOR


HON. NORMA FARABOUGH

ATTESTED:


Hon. Margie Ramirez Ibarra
Webb County Clerk



APPROVED AS TO FORM:


Alexandra Colessides-Solis
Webb County Civil Legal Division Director

*By law, this office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

*Passed and approved by the Webb County Commissioners Court
On 02/12/18, 2018. Item No. 5d*