

THE STATE OF TEXAS

COUNTY OF HIDALGO

This Agreement is made by and between the COUNTY OF HIDALGO, on behalf of the Tax Assessor-Collector, hereinafter referred to as "County", and ED PAYNE MOTORS LLP DBA PAYNE FIAT OF THE RIO GRANDE VALLEY, hereafter referred to as "DISTRIBUTOR".

WHEREAS, Distributor desires to act as an agent of the County in the issuance of motor vehicle license registration stickers and license plates, and in the application for vehicle titles; and

WHEREAS, public convenience will be furthered by the ability of vehicle dealers to directly register automobiles and to issue registration stickers and license plates.

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 agrees to provide point of sale supplies to the Distributor needed for issuance of license plates and registration stickers to the public upon the terms and conditions hereof. Distributor agrees to comply with the requirements of the Web Dealer 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 in the amount of **\$5,000.00** per General Distinguishing Number (GDN) naming the Hidalgo County Tax Assessor-Collector as obligee on said bond or post a cash deposit with the Hidalgo County Tax Assessor-Collector in the amount of **\$5,000.00** per General Distinguishing Number (GDN). 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.
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 County to serve as authorized agents for the issuance of license registration stickers and license plates. The Distributor shall not allow any of its officers, agents, or employees to participate in any manner in the handling or issuance of license registration stickers and license plates until said officer, agent or employee has been deputized by the County, and until all Distributor personnel are trained in accordance with the County qualifications, and follow all training programs in the Tax Office before the issuance of said license registration stickers and license plates.

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 equipment and 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 license registration stickers, license plates, and supplies furnished by the County to the Distributor's receiving agents.
5. License registration stickers, license plates, 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 County for each sticker issued (including applicable Road and Bridge Fees & 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. Stickers that are unaccounted for will be hand delivered to and signed for by designated Tax Office personnel. All packages of sticker inventory must be accounted for before additional boxes are issued. All unassigned sticker inventory must be accounted for. Missing inventory will be considered sold or lost and will be charged to the Distributor at a rate of \$80.25 for each missing sticker and \$7.00 per each missing license plate.
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, and provided, further, that Distributor assumes full responsibility for collection for all such checks. Distributor shall be responsible for collecting on all Non Sufficient Funds checks. Distributor shall allow on a daily basis, the County, representing those checks and cash received by the Distributor, to initiate debit transactions from the Distributor's financial institution. Said ACH fund debit shall not include the processing fee Distributor charges and collects as compensation for providing issuance of stickers which processing fee will not exceed the amount set by the Texas Department of Motor Vehicles under Section 502.1911 of the Transportation Code. Failure by the Distributor to allow the required access to the County for sums owed for stickers via daily ACH transfer to the County shall result in the immediate termination of this Agreement.
8. The Distributor 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 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 or forms required.

9. The Distributor shall deliver as often as required by the County 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 or may result in immediate termination of this Agreement.
10. Distributor 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 Distributor 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 if the new owner 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.
12. Distributor 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. Distributor 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 license agent, Distributor agrees to abide by all rules, regulations, and requirements of the County, as may from time to time be amended.
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 numbered paragraph 15 or for any other reason, the Distributor shall return to the County all outstanding inventories of stickers and license plates, together with supplies and payment for stickers issued, a final report within twenty four (24) hours after the termination date, and funds owed to the County under this Agreement.
16. This Agreement shall constitute the entire agreement between the parties hereto. Breach of any obligation to be performed by the Distributor shall constitute a breach of the entire agreement and shall give 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 shall have twenty four (24) hours to return to the County all supplies, payment for stickers issued, and final report, To County at the location in numbered paragraph 19., hereof.

17. 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 immediately, and the County is entitled to collect on the bond or cash deposit 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 breach by the Distributor in accordance with numbered paragraph 9 herein or other breach by the Distributor, and the Distributor fails to return funds and supplies within the time allowed in numbered paragraph 15 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.
18. The term of this agreement shall commence upon receipt by the County of the bond 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

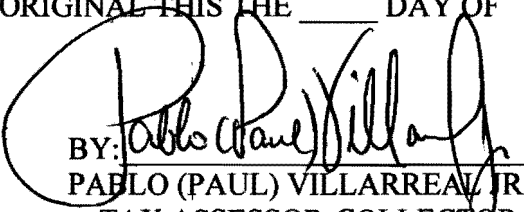
DISTRIBUTOR: ED PAYNE MOTORS LLP
DBA PAYNE FIAT OF THE RIO GRANDE VALLEY
GDN# P119124
2101 E EXPRESSWAY 83 BLDG B
WESLACO, TX 78596-5019

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 Distributor.

21. 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.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL THIS THE _____ DAY OF _____, 2015.

BY: _____
RAMON GARCIA
COUNTY JUDGE


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

ATTEST:

ARTURO GUAJARDO, JR.
COUNTY CLERK

DISTRIBUTOR:

ED PAYNE MOTORS LLP
DBA PAYNE FIAT OF THE RIO GRANDE VALLEY
GDN# P119124
2101 E EXPRESSWAY 83 BLDG B
WESLACO, TX 78596-5019

BY: 
PRINTED NAME: BOB GROVES
TITLE: CFO - See



SureTec Motor Vehicle Dealer Bond Application

Bond Eff. Date 5/29/2015	Bond amount \$ 5,000.00	Who is requiring the bond (Obligee)? Hidalgo County Tax Assessors-Collector
Name (as it is to appear on the bond) Ed Payne Motors dba Payne Flat of The Rio Grande Valley		
Address 2401 E Expresswa	City Weslaco	State TX Zip 78596
SS# or Tax ID# 742679489	Phone 956-989-2525	Fax
Type of Business <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> S Corp <input type="checkbox"/> LLP <input checked="" type="checkbox"/> LLC		
Date business started	No. years experience	Approx. no. of cars sold in 3 month period
Prior Surety? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No if yes, please give name and reason for change		

Does the business or any principal involved: if yes, attach an explanation			
Have any outstanding collection items or liens?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Had any lawsuits or judgments against them?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Ever failed in business or declared bankruptcy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Ever had a license or bond canceled or denied?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Owner Information to be completed by all owners. For more than two owners, make copies and attach

Name EM Payne	SSN 453-84-0562	Email
<input type="checkbox"/> Own <input type="checkbox"/> Rent Home Address	City	State Zip
Date of Birth	Home Phone	Spouse Business Ownership %
Name	SSN	Email
<input type="checkbox"/> Own <input type="checkbox"/> Rent Home Address	City	State Zip
Date of Birth	Home Phone	Spouse Business Ownership %

Agency Contact

Agency Recommendation

Agency Shepard Walton King Ins Group	<input type="checkbox"/> We are not familiar with the applicant
Contact Raul Cabaza	<input type="checkbox"/> Applicant has been referred to us for bond placement
Address 121 W Pecan, McAllen, TX 785701	<input checked="" type="checkbox"/> The agency writes all Applicant's insurance and we highly recommend
Phone 956-682-2841 Fax 956-630-4015	<input type="checkbox"/> Other
Mobile	Email rcabaza@swkins.com

Indemnification Agreement – Read Carefully and Sign

IN CONSIDERATION of the execution of such bond, and in compliance with a promise of the undersigned made prior thereto, the undersigned individually hereby agree, for themselves, their personal representatives, successors and assigns, jointly and severally, as follows:

- That the provided information is true and correct.
- To reimburse SureTec Insurance Company ("Surety") upon demand for all payments made for and to indemnify Surety from: a) all loss, contingent loss, liability and contingent liability, claim, expense, including attorneys' fees and claims adjusting fees, for which Surety shall pay, become liable or shall become contingently liable by reason of such suretyship, whether or not Surety shall have paid same at the time of demand; and b) to pay Surety an advance premium for the first year or a fractional part thereof that is fully earned and to pay annually thereafter such annual premium for suretyship as is billed until satisfactory evidence of discharge or release of liability shall be furnished to Surety by the obligee. c) Upon written demand, to deposit with the Surety a sum of money requested by Surety to cover any claim, suit, expense or judgment that Surety in its absolute discretion determines necessary and the deposit shall be pledged as collateral security on any bond or other bonds the Surety may have issued for the undersigned.
- A facsimile of this Agreement shall be considered an original and shall be admissible in a court of law to the same extent as an original copy.
- Surety and undersigned agree that the place of performance of this agreement, including the promise to pay Surety, shall be in Houston, Harris County, Texas and venue for any suit, arbitration, mediation or any other form of dispute resolution shall be in Harris County, Texas.
- Surety is authorized to investigate, at any time, the undersigned's credit, employment history, and department of motor vehicle records. Privacy Notice: All nonpublic personal information gathered pursuant to the application shall not be disclosed except as permitted by law.
- Surety, at its sole discretion and without notice to the undersigned is authorized, but not required, to make or consent to changes in the bond or to issue substitute bonds or renewals thereof and this indemnification shall apply to such change, substitute or renewal bond.
- Regardless of the date of signature, this indemnity is effective as of the date of execution of the aforementioned bond(s) and is continuous until Surety is satisfactorily discharged from liability pursuant to the terms and conditions contained herein and in the bond(s).

Important Signature Instructions

- If sole owner, applicant must sign as duly authorized representative. Spouse must sign as additional indemnitor below.
- If a general partnership, an authorized partner must sign as duly authorized representative. All authorized partners and spouses must sign as additional indemnitor below.
- If a corporation, the president must sign as the authorized representative. All stockholders of 10% or more and spouses must sign as additional indemnitor below.

Signed and dated this 2 day of June, 2015

Ed Payne Motors LLC dba Payne Flat of the Rio Grande Valley x [Signature] (Principal's authorized representative) eFO (Title)

Witness: _____ x _____ (Signature) EM Payne (Print Name)

Witness: _____ x _____ (Signature) _____ (Print Name)

Office of Tax Assessor - Collector
COUNTY of HIDALGO

Pablo "Paul" Villarreal, Jr. R7A

Automatic Bank Draft Authorization Form

Auto License
 2804 S. Bus. Hwy 281

P.O. Box 178
 Edinburg, Texas 78540-0178
 Ph. (956) 318-2158 • Fax (956) 318-2191

Please choose from the following

Tax, Title and License

Registration Fees

**** Please note that if your bank has an ACH limit, please notify this office and make sure that your work does not exceed that limit, have the limit raised if necessary or authorize the Hidalgo County Tax Office to be able to exceed the limit if your work requires****

I (we) hereby authorize the Hidalgo County Tax Assessor/Collector's Office, herein called Company, to initiate debit transactions from the U.S. Bank named below, herein called Depository, for the payment of Tax, Title, and License fees, or registration fees. I (we) understand that a NSF fee will be charged, as allowed by applicable law, if any item is returned for any reason.

Name Ed Payne Fiat of the RGV
 Mailing Address 2101 E. Egghy City Weslaco State Tx Zip 78596
 Email debmes@paynegroup.com Phone 956-969-2525 ext 2327
 Bank Name BBVA Compass Account Name Payne Dealer Group Registration acct
 Routing Number 113010547 Account Number 6730579878
 Bank Representative Sharon McGee Phone 956-393-9763

This Authority is to remain in full force and effect until Company and Depository have received written notification from me (us) of this termination in a timely manner as to afford Company and Depository a reasonable opportunity to act on it.

Signature [Signature] Date 6/8/15
 Printed Name Daniel Sanchez Title Group Controller
 Signature [Signature] Date 6/8/15
 Printed Name Bud Payne Title Owner

Return this form to Hidalgo County Tax Assessor/Collectors office at 2804 S. Bus. Hwy 281 Edinburg, TX 78540 Attn: Guillermo Palacios or fax to us at (956) 318-2191. For more information please call (956) 318-2158

Tax Office Sub-Stations

1429 S. Tower Rd. Alamo, TX 78516 (956) 784-8688 Fax (956) 784-3539	509 E. Earling Rd. San Juan, TX 78589 (956) 283-1645 Fax (956) 283-1855	1902 Joe Stephen Ste. 201 Weslaco, TX 78596 (956) 973-7825 Fax (956) 973-7829	722 N. Breyfogle Rd. Ste. 104 Mission, TX 78574 (956) 581-8898 Fax (956) 580-7425	300 W. Hall Acres Rd. Ste. C Pharr, TX 78577 (956) 784-3555 Fax (956) 784-3556
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