

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, 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
GDN# P4916
2101 E EXPRWY 83
WESLACO, TX 78596

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
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: 9/29/15 *gmb*

DISTRIBUTOR:

ED PAYNE MOTORS LLP
GDN# P4916
2101 E EXPRWY 83
WESLACO, TX 78596

BY: Bob Guzman
PRINTED NAME: Bob Guzman
TITLE: CFO - Sec

THE STATE OF TEXAS

Bond No. 3372777

COUNTY OF HIDALGO

KNOW ALL MEN BY THESE PRESENTS:

That We, Ed Payne Motors LLP as Principal and SureTec Insurance Company as Surety, are held and firmly bound unto Pablo "Paul" Villarreal, Jr., Tax Assessor-Collector of Hidalgo County, Texas, as obligee, in the full and just sum of (\$5,000.00) Five Thousand Dollars, lawful money of the United States for the payment of which sum, we bind ourselves, our heirs, our executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS the above bounden Principal, Ed Payne Motors LLP desires to pick up License Plates and License Registration Receipts from the Tax Assessor-Collector for Hidalgo County, Texas, of a value not exceeding \$ (\$5,000.00) Five Thousand Dollars and has entered into a Dealer's Agreement with the Tax Assessor-Collector of Hidalgo County, Texas.

NOW, THEREFORE, THE CONDITION OF SAID OBLIGATION IS SUCH, THAT, if the above bounden Principal, Ed Payne Motors LLP timely remits and pays all sales tax, title fees, or registration or licensing fees due to the said Tax Assessor-Collector for Hidalgo County, Texas or his successors in office as required by the Dealers' Agreement, then this obligation shall be null and void; otherwise, to remain in full force and effect.

This obligation may be cancelled by said Surety by giving thirty (30) days notice in writing of its intention so to do, to said Tax Assessor-Collector for Hidalgo County, Texas and the said Surety shall be relieved of any further liability under this bond thirty (30) days from receipt of said notice by the said Tax Assessor-Collector for Hidalgo County, Texas.

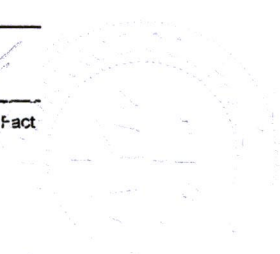
IN WITNESS WHERE OF the said Principal has hereunto set his hand and the said Surety has caused these presents to be executed by its duly authorized Attorney-In-Fact this 15th DAY OF January, 2015.

Ed Payne Motors LLP

By: [Signature] Principal
Title

SureTec Insurance Company
Surety

By: [Signature]
Raul Cabaza, Attorney in Fact



SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Raul Cabaza

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for:

Principal: Ed Payne Motors LLP
Obligee: Pablo "Paul" Villarreal, Jr., Tax Assessor-Collector of Hidalgo County, Texas
Amount: \$ 5,000.00

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 21st day of March, A.D. 2013.

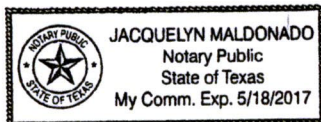
SURETEC INSURANCE COMPANY

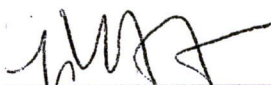
By: 
John Knox Jr., President



State of Texas ss:
County of Harris

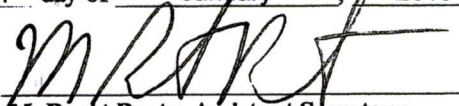
On this 21st day of March, A.D. 2013 before me personally came John Knox Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.




Jacquelyn Maldonado, Notary Public
My commission expires May 18, 2017

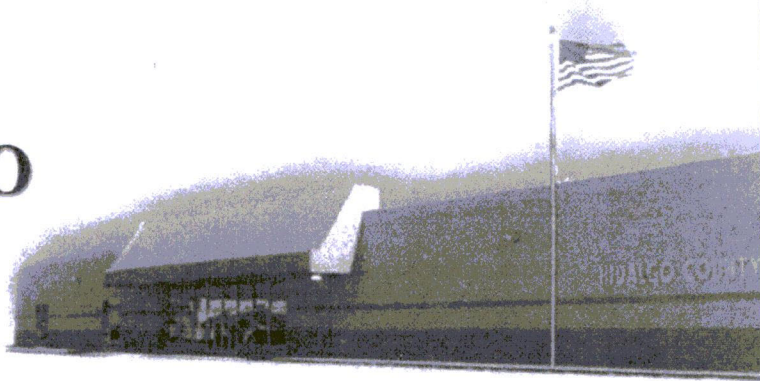
I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 15th day of January, 2015, A.D.


M. Brent Beaty, Assistant Secretary

Office of Tax Assessor - Collector
COUNTY of HIDALGO

Pablo "Paul" Villarreal, Jr. RTA



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 Motors LLC
 Mailing Address 2101 E. Egmont 93 City Weslaco State Tx Zip 78596
 Email debbieS@payregroup.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 Henegosa Title Group Controller
 Signature [Signature] Date 6/8/15
 Printed Name Ed 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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