

THE STATE OF TEXAS §

COUNTY OF WEBB §

**MOTOR VEHICLE REGISTRATION, LICENSE VALIDATION STICKER
SUBCONTRACTOR 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 "County," and **POWELL WATSON MOTORS INC. DBA MERCEDES BENZ OF LAREDO**, hereinafter to as "Dealer."

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

NOW, THEREFORE, 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. The County Tax Assessor-Collector shall supply the Dealer with an inventory of license plates and 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 the County issue to the Dealer any number of plates and/or stickers when such issuance will cause the Dealer's outstanding inventory of plates and/or stickers to exceed the amount authorized in numbered paragraph two (2) hereof. Dealer's inventory of license plates and stickers shall be maintained at 6324 Bob Bullock Laredo, Texas 78041.

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 the County, the Dealer agrees to post a surety bond in the amount of TWENTY THOUSAND FOUR HUNDRED SIXTY DOLLARS (\$20,460.00) per sticker package and ONE HUNDRED SIXTY-FIVE DOLLARS (\$165.00) per set of license plates, and ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) motor sales tax per dealer, naming Webb County as obligee on said bond. 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 intent purposes. Upon posting of said appropriate bond, or deposit, the Dealer shall be entitled to the issuance of not more than one (1) packages of stickers and sets of license plates 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 or cash deposit.

3. The Dealer shall have any persons, designated by Dealer, who handles or in any way assists in the issuance of stickers and license plates for Dealer take an oath of deputation to be given by the Tax Assessor-Collector to serve as authorized agents for the issuance of license plates and stickers. The Dealer shall not allow any of its officers, agents, or employees to participate in any manner in the handling or issuance of license plates and 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 plates and 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 stickers, license plates 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 stickers, license plates and supplies furnished by the County to the Dealer's receiving agents.
5. Prior to receiving any stickers, license plates 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 sticker and set of license plates issued (including applicable road and bridge fees). Fees collected for the issuance of stickers and license plates by the Dealer shall not be commingled with any other funds in the possession of the Dealer. The Dealer shall, not less often than weekly, prepare and deliver to Webb County, on the day each 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 and license plates issued by Dealer, and shall be accompanied by full payment for all such issued stickers and license plates, including applicable road and bridge fees in the form of a check drawn on Dealer's customary bank made payable to "Webb County Tax Assessor-Collector." Failure to promptly deliver reports and payments as provided in this paragraph shall be grounds for the immediate termination of this Agreement, in which event Dealer shall immediately return to Webb County all unissued stickers and license plates and any equipment leased to Dealer as mentioned in paragraph five (5) of this Agreement.

7. The Dealer shall in connection with its weekly report, remit such amounts in accordance with numbered paragraph 6 hereof. Dealer assumes full responsibility for collection of all fees for title registrations handled by Dealer hereunder.
8. 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 place of business of the Dealer designated in this Agreement. The Dealer's receiving agent shall be present and shall make available at the place of the audit all supplies or forms required.
9. The Dealer shall deliver on a weekly basis to the Webb County Tax Assessor-Collector the license 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.
10. The Dealer shall return all voided inventory (license stickers, license plates, Form 31) to the Webb County Tax Assessor-Collector on a timely basis.
11. Dealer shall, upon receiving a delivery of license stickers and license plates from the Webb County Tax Assessor-Collector, verify that the shipping invoice matches the stickers and license plates 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.
12. Dealer shall use the license sticker packages and license plates in numerical sequence, and any fees or charges for missing license stickers or license plates which are not reported must be paid to County at the price calculated by the Webb County Tax Assessor-Collector.
13. License stickers and license plates will only be sold to persons acquiring new, previously untitled motor vehicles from Dealer.
14. Any changes in the ownership of Dealer must be immediately 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) in 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.
15. Dealer will provide access to the authorized representatives of the Webb County Tax Assessor-Collector's Office to the area where license stickers and license plates are sold and stored, and will provide the necessary assistance requested in auditing or checking license stickers, license plates or supplies.
 16. Dealer will verify proof of liability insurance and state inspection before selling a license sticker or license plate.
 17. In order to serve as a license agent, 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.
 18. 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 license stickers and license plates together with supplies and payment for license stickers and license plates issued, and a final report within twenty-four (24) hours after the termination date. Dealer must also return all computer hardware and software leased through Webb County.
 19. Breach of any 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 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 twenty-four (24) hours to return to Webb County all outstanding inventory of license stickers, license plates, supplies, payment for license plates and license stickers issued, all hardware and software mentioned under paragraph five (5) of this Agreement, and final reports.
 20. In the event that any audit or report of the Dealer discloses that any license plates, license stickers, or funds are missing or otherwise unaccounted for, Webb County shall be entitled to collect on the bond or declare forfeited the cash deposit 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 Dealer and the Dealer fails to return all license stickers, license plates, supplies or funds within the time allowed in numbered paragraphs 19 or 20 hereof, Webb County shall be entitled to retain

proceeds of the bond or cash deposit as liquidated damages or, in the alternative, shall be entitled to seek recovery of actual damages.

- 21. This Agreement shall commence on February 19, 2021 through February 18, 2023 but is effective 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 set period of three (3) years, unless earlier terminated in accordance with the terms hereof.

- 22. Any notices given under this Agreement shall be sufficient if in writing and mailed either by Registered or Certified Mail, return receipt requested, postage paid, 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:
POWATOY OF LAREDO INC.
DBA TOYOTA OF LAREDO
3701 E Saunders St
Laredo, TX 78041

- 23. 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. 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.

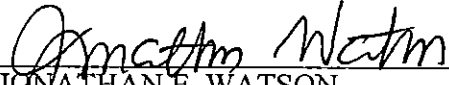
EXECUTED THIS _____ DAY OF _____, 2022.

WEBB COUNTY, TEXAS

DEALER: POWATOY OF LAREDO INC.
DBA TOYOTA OF LAREDO



HON. TANO TIJERINA
WEBB COUNTY JUDGE




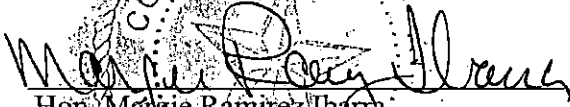
JONATHAN E. WATSON
CONTROLLER VICE PRESIDENT

WEBB COUNTY TAX ASSESSOR-COLLECTOR

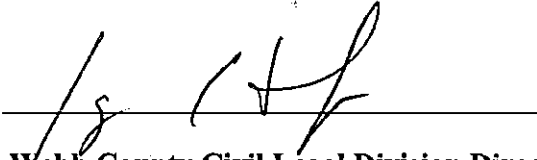


HON. PATRICIA A. BARRERA

ATTESTED:



Hon. Margie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:



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 April 25, 2022: Item No. 13g*



Sentry Insurance – Surety Bond Department
1800 North Point Drive
P.O. Box 8022
Stevens Point, WI 54481
Phone: 800.473.6879

**Sentry Select Insurance Company
RENEWAL DECLARATION**

March 21, 2022

POWELL WATSON MOTORS INC
DBA MERCEDES BENZ OF LAREDO
6301 ARENA BLVD
LAREDO, TX 78041

BOND NUMBER: 25-64733-03
POLICY PERIOD: FROM 5/14/2022 TO 5/14/2023
AGENCY: 10000108

In consideration of the sum of \$275.00, it is hereby agreed and understood that your Webb County \$100,000 Tax Assessor and Collector Automobile Dealer Vehicles Registration Bond is extended for another term.

NOTE: This rider is for your records only! A separate invoice will be sent closer to your renewal date.

For service call: 1-800-473-6879

Sentry Insurance
Bond Department – D3/42-23
1800 North Point Drive
Stevens Point, WI 54481



800.473.6879
715.346.8958 FAX
bpbonds@sentry.com

March 21, 2022

POWELL WATSON MOTORS INC
ATTN: MARY CORTEZ
6324 BOB BULLOCK LOOP
LAREDO, TX 78041

IMPORTANT NOTICE...

THIS IS THE RENEWAL OF YOUR SURETY BOND

Enclosed is your Renewal Declaration for your Bond. This Rider is for your records only. We'll mail you a separate invoice closer to your bond renewal date.

If you have any questions or concerns regarding your renewal, please do not hesitate to call us at 800-473-6879.

Thank you for your business.

Colleen A. Rajski
Surety Bond Underwriter

Enclosure: