

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

SERVICE CONTRACT
C-07-122-02-20

~~THIS CONTRACT is made and entered into this 1st day of March, 2008 by and between~~
the County of Hidalgo, Texas ("County"), and Arguindegui Oil Company, II Ltd. a Limited
Company("Company").

WHEREAS, Company responded to request for bids for "Gasoline & Diesel Fuel" (the
"Services"); and

WHEREAS, Company submitted a bid to provide services in accordance with the
specifications as bid, a copy of such specifications and bid being attached hereto as Exhibits "A" and
"B" respectively, and incorporated herein for all purposes (the "Specifications"); and

WHEREAS, in recognition of and in consideration of Company's agreement to perform the
Services in accordance with Specifications, the Commissioners Court of County awarded the bid to
Company.

NOW, THEREFORE, in mutual consideration of the foregoing and the further consideration
of the following, the parties hereto agree as follows:

1. County and Company hereby agree that this Contract is entered into in order to
provide the Service to locations within Hidalgo County for "Gasoline & Diesel Fuel". This
Contract does not extend to any third parties any duties or benefits conferred in any manner
hereunder or otherwise.

2. Company hereby promises and agrees to render and provide, during the term of this

Contract, and shall be obligated to render and provide the Services in accordance with the Specifications within **Hidalgo County** following a request for Services by the designated agent. Company agrees in performing the Services that it will use proper professional standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period beginning **March 1, 2008** and ending **March 1, 2009** with the County's option to renew two (2) additional one (1) year terms based on the prior year's performance evaluation and contingent upon cost remaining unchanged and it is agreed that the Products will meet the specifications set forth in Exhibit "A" hereto unless this Contract is terminated pursuant to the provisions herein, whichever occurs first.

4. County and Seller agree that either party may terminate this contract upon thirty (30) days written notice at any time for any reason or no reason at all.

5. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

5. All trucks or vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employ of Company who operate such trucks or vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such trucks or vehicles in providing the Services.

6. As consideration for rendering the Service provided for in this Contract, the County agrees

to pay Company the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Company.

7. Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with the coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

8. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

9. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

10. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

11. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County has no supervision of the performance of the Services provided by Company, and that Company is an independent contractor under this Contract.

12. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, as set forth below:

If to County: **The County of Hidalgo**
 Attn: County Judge
 100 E. Cano
 Edinburg, Texas 78539

If to Company **Arguindegui Oil Co.**
Attn: Carlos Arguindegui
PO Box 1367
Laredo, Tx 78401

13. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County.

WITNESS our hands in duplicate originals this ____ day of _____, 2008

Approved by Commissioners Court on, **February 20, 2008**

APPROVED AS TO FORM:

By: *Arthur Hall, CEO*
SH
Atlas & Hall, LLP

ATTEST:

Arturo Guajardo, Jr.
Arturo Guajardo, Jr. County Clerk *AG*

COUNTY OF HIDALGO

By: *Juan D. Salinas, III*
Juan D. Salinas, III, County Judge

COMPANY: *Arguindegui Oil Co. II LTD.*

By: *Alfonso Arguindegui*
Printed Name: *Alfonso Arguindegui*
Title: *President*

EXHIBIT "A"
SPECIFICATIONS

Exhibit "A"

HIDALGO COUNTY "GASOLINE AND DIESEL FUEL (ALL GRADES)" BID NO. 2007-122-01-09-ROL

SPECIFICATIONS

PROJECT OVERVIEW

Hidalgo County is seeking bids from qualified and interested vendors for purchases of fuel, i.e. gasoline (**all grades**) and diesel (**all grades**). Hidalgo County will contract with the lowest responsible bidder meeting all specifications and/or requirements contained herein. All purchases of gasoline and/or, diesel fuel will be on an "As needed basis" only. The most common fuels used for Bulk and fuel station delivery are Unleaded Regular, Unleaded Mid-Grade, Unleaded Premium, Unleaded Super, #2 Ultra Low Sulfur Diesel and #2 Ultra Low Sulfur Dyed Diesel. There is **no guarantee** on annual volume. Hidalgo County purchases approximately 80% bulk fuel and 20% fuel from fueling stations. Bidders may bid on **Option I and/or Option II** on the Exhibit B bid page. **Hidalgo County has the option to seek purchases from state awarded vendors or any other state cooperative purchasing programs whenever it is in the County's best interest to do so.**

IMPORTANT! A Pre Bid conference will be held at the Hidalgo County Purchasing Department 2802 S. Business Highway 281 Edinburg TX. , Thursday, January 3, 2008 at 2: 30 P.M. It is strongly recommended that interested vendors attend.

BID PRICE:

Bid your lowest margin of profit for **all** gasoline and diesel grades.

All costs and expenses associated with the preparation and submission of bids shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.

Prices that Hidalgo County will pay for all fuel deliveries will be based upon the bidder price above or below OPIS report (Harlingen Pad) Rack Price and the profit margin. Bidder must provide a copy of the January 4, 2008 OPIS report along with the bid.

Awarded bidder must submit a relevant current OPIS report (Harlingen Pad) with each invoice with each invoice to the County

REFERENCES:

A list of a minimum of five references/ contracts for any national, state, local political subdivision, private sector or other entity must be submitted along with your bid for qualification. Information regarding point of contact and contract term should include, but not limited to, the following:

Company
Contact Person
Phone Number
Term of the contract

If bid is awarded and the awarded bidder(s) default(s) in meeting the general instructions to bidders and/or comply with contract agreement, HIDALGO COUNTY reserves the right to seek goods/services from the secondary vendor, state awarded vendors or any other cooperative purchasing programs at no additional cost to the County.

RESPONSIBLE BIDDER:

Bidders having a history of inconsistent services and unreliability will not be considered by the County to be a responsible bidder.

The business must be a well established organization and have any adequate number of trained personnel to ensure quality and performance and completion of contract within a specified time period.

Successful bidder shall provide a Countywide, major brand fleet fuel monitoring system and dispensing system and electronic capture and report of transactions, card fuel access control security system.

Successful bidder must be able to have 24 hour facility and personnel, emergency disaster fuel availability.

Successful bidder must provide the fuel cards and replacement cards as necessary at no additional cost to the County.

Successful bidder will also establish base-pricing information on a weekly basis. Base pricing information shall consist of a PAD report pricing, plus differential equaling total price.

Awarded vendor will maintain an emergency disaster fuel program available for Hidalgo County fuel locations. Emergencies may include power outages, riots, civil disobedience, etc., and disasters will be acts of God such as hurricanes, floods tornadoes, etc., 24 hour facilities and personnel, and emergency disaster fuel availability in Hidalgo County.

Fuel card tracking must include:

- Vehicle number
- Date and Time of fueling
- Identification of fueling station
- Identification of mileage of vehicle fueled
- Type and price per gallon of fuel
- Total volume and dollar amount of fuel and vehicle miles per gallon
- Electronic transaction file must match hard copy

TERM OF THE CONTRACT:

HIDALGO COUNTY is requesting bids for "GASOLINE, AND DIESEL FUEL (ALL GRADES)" for a one (1) year term with the County's option to extend the contract for an additional two (2) one (1) year terms.

Hidalgo County reserves the right to extend the contract for an additional sixty (60) day grace period at the end of the contract term due to unforeseen delay in the procurement of subsequent bid process.

TERMINATION:

Either party may terminate this agreement upon giving written notice ninety (90) days prior to effective date of said termination.

Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a bid or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.

If termination of contract is necessary, the successful bidder will not add any termination penalties to said contract.

COMPLIANCE WITH SPECIFICATIONS & HIDALGO COUNTY'S RIGHT OF SELECTION:

All bidder(s) shall abide by & comply with the true intent of the specifications and not take advantage of any unintentional error or omission.

Bidders will be required to comply with all applicable equal employment opportunity laws and regulations.

EVALUATION OF BIDS:

All bids shall be evaluated on all factors involved, i.e., price, quality, and service, etc., whichever is in the best interest of the County.

No cash advance discount will be considered.

DEVIATIONS FROM SPECIFICATIONS:

All deviations from the specifications must be noted in writing, in detail by bidder at the time of submittal of the bid. Deviations will be submitted to Commissioner's Court for discussion.

'OR EQUAL' INTERPRETATION CLAUSE:

Any time a particular manufacturer's name brand may be specified, it shall mean any product of equal quality. Bids shall be considered on all other brands submitted and on equal quality product of other manufacturers. On all such bid, the bidder shall indicate clearly the product on which bidding, and shall supply sufficient data on his/her own letterhead to enable an intelligent comparison to be made with the particular brand or manufacturer specified. If after analyzing the bid, it is found that the bidder did not bid on the brand and model specified and a statement to the contrary is not submitted, the item will not be considered.

No substitutions will be accepted after item(s) have been awarded as specified.

REPRESENTATIONS:

The vendor represents that the items/and or services provided by the vendor hereunder shall conform to the presentations of same as represented and described in the attachments. Notwithstanding anything to the contrary herein, if for any reason Hidalgo County determines in its sole discretion, that part of or all of the items and/or services fail to meet the expectations of HIDALGO COUNTY, HIDALGO COUNTY may on a ten (10) day notice, terminate this agreement and be relieved of any further obligation to vendor.

ERRORS IN BIDS. RELIEF OF BIDS:

Bidders or their authorized representative are expected to fully inform themselves as to the conditions, requirements and specifications before submitting bids, failure to do so will be at the bidder's own risk and bidder cannot secure relief of the plea or error. Neither law nor regulation makes the allowance for errors or omission or commission on the part of bidders. In case of error in extension of prices in the bid, the unit price shall govern.

PRODUCT QUALITY:

Detailed explanation of warranties must be provided with bid.

For purpose of this specification, contamination is defined as any element which enters pure refined gasoline and diesel fuel either naturally or by purposeful action which is not a product of refined crude oil. With the exception of winter additives, detergents, and identifying dyes, any amount of alcohol is considered contamination and will not be allowed. Suspected contaminated fuel will be sent to a Laboratory for testing. Should laboratory test results show fuel contains any level of alcohol or other contaminants, the ~~vendor shall be responsible for the removal of contaminated fuel from HIDALGO COUNTY property~~ within three (3) working days after requested to do so. The vendor shall also be responsible for all cleanup required to all HIDALGO COUNTY property, storage facilities, vehicles and equipment as a result of non-compliance with specifications. Furthermore, the vendor shall be fully responsible for any and all cost incurred by HIDALGO COUNTY for any vehicles or equipment sustaining damage which is attributed to contaminated fuel(s) which the vendor has delivered.

BID AWARD:

HIDALGO COUNTY will award bid to the bidder with the lowest margin of profit. A "Primary" and "Secondary" vendor will be awarded for purchases from this contract through the effective period of this award. In situations when the "Primary" vendor does not comply with the specifications, requirements, terms, conditions, obligations, including delivery all contained within this bid packet, departments will purchase from the "Secondary" vendor. For evaluation & consideration of items bid, samples may be requested.

DELIVERY INSTRUCTIONS:

Delivery hours are from 8:00 A.M. through 12:00 P.M., and 1:00 P.M. through 4:00 P.M. Monday through Friday (Saturdays if Necessary).

Bidder shall deliver the requested amount of fuel within 24 hour of a properly executed purchase order. Partial orders will be considered as a basis of non-compliance.

BILLING AND PAYMENT INSTRUCTIONS:

Invoice must include:

- A) Marked- "HIDALGO COUNTY- GASOLINE AND DIESEL FUEL (ALL GRADES)"
- B) Copy of signed delivery ticket

County makes payments monthly upon request of a properly executed invoice & documentation from the cosignee.

Contact person for Billing & Payment questions:

*Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
Physical 2802 S. Business Highway 281
Postal/Mailing 2812 S. Business Highway 281
Edinburg, Texas 78539
(956) 318-2626*

ADDITIONAL REQUIREMENTS

Hidalgo County is additionally requesting loaner tanks by vendor be constructed of steel.

Filtering system for loaner tanks will be the responsibility of the awarded vendor. Sampling of the fuel must be conducted by awarded vendor along with County authorized personal to witness sampling of bulk fuel for every delivery to all County locations requiring bulk fueling. If fuel is found to be contaminated, replacement of fuel will be required to be delivered within 24 hours of findings and retested for satisfactory fuel.

Awarded vendor shall have available delivery trucks for the specified fuel requested only which fuel will be delivered to Hidalgo County.

Compliance with all specifications is required. Detailed specifications are included.

Bidder shall also be available to provide **HIDALGO COUNTY** with **additional fuel tank(s) , pumps and dikes as needed or required**. Bidder must deliver fuel ordered to these locations within 24 hours of the County's order. Tanks, pumps and/or installation of tanks, pumps and dikes will be **at no additional charge** to Hidalgo County.

Spill Containment/Dike area: Vendor is responsible for providing a spill containment/dike area for any new tank requested by Hidalgo County to be in compliance with OSHA under the OSHA Standards for general industry §1910.106(b)(2)(vi)(c).

Awarded Bidder must provide one (1) 1000 gallon Gasoline Tank,(2) Two 1000 gallon Gasoline fuel tank, (2) Two 2000 gallon Diesel fuel tanks, (4) four pumps and Spill Containment/Dike area for each new tank at the following locations.

DESIGNATED DEPARTMENT &	NO. OF TANKS	NO. OF PUMPS EACH
Precinct No. 2 301 E. State- Pharr, Texas Phone: 956/787-1891 Contact: Yoli Cisneros	One (1) 1000 Gallon Gasoline Tank One (1) 1000 Gallon Diesel Tank	1
Precinct No. 3 414 W. 12 th Street- Mission, Texas Phone 956/585-4509 Contact: Mingo Villarreal	One (1) 2000 Gallon Gasoline One (1) 2000 Gallon Diesel One (1) 2000 Gallon Diesel	None
Precinct No. 4 1102 N. Doolittle - Edinburg, Texas Phone No.: 956/383-3112 Contact : Jr. Munoz	None	One (1) Gasoline Two (2) Diesel

Note: Any and all equipment will be honored by awarded vendor.

Bidder must provide a list of secured, contracted and operational fueling stations with bid submission. Hidalgo County reserves the right to confirm and verify fueling locations. Failure to submit will disqualify bid.

Bidder must also provide County and all of its departments the convenience and the ability to refuel gasoline or diesel, at a minimum of one (1) gasoline & diesel dispensing location open at least twelve (12) hours situated within cities listed below & one (1) gasoline dispensing location (in the Edinburg area) open at least 24 hours each day:

-
- Edinburg, Texas
 - McAllen, Texas
 - Mission, Texas
 - Pharr, Texas
 - Weslaco, Texas

Bidder shall fully service HIDALGO COUNTY vehicles and personnel from all departments and/or branches of the County in the location listed at least twelve (12) hours each day. EDINBURG location shall be open twenty-four (24) hours each day.

Bidder shall deliver the fuel ordered within 24 hours of the County's order to County's existing tanks at the sites listed as follows:

DESIGNATED DEPARTMENT/ ADDRESS	NO. OF TANKS EACH
Hidalgo County Adult Detention Center (Motor Pool) 713 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114 X-6185 Contact: Rene Gonzales	One (1) 20,000 Gallon Gasoline Tank One (1) 4,000 Gallon Diesel Tank
Hidalgo County Precinct no. 1- Adm./ Shop 1902 Joe Stephens- Weslaco, Texas Phone No. 956/968-8733 Contact: Noe Montes	One (1) 1000 Gallon Gasoline Tank One (1) 2000 Gallon Diesel Tank One (1) 2000 Gallon Dyed Diesel Tank
Hidalgo County Precinct No. 2 301 E. State- Pharr, Texas Phone No. 956/787/1891 Contact: Yoli Cisneros	One (1) 3000 Gallon Diesel Tank
Hidalgo County Precinct No. 3- Shop 414 W. 12 th Street- Mission, Texas Phone No. 956/585-4509 Contact: Mingo Villarreal	One (1) 1,000 Gallon Diesel Tank (Landfill) One (1) 200 Gallon Diesel (Anzaldua Park)
Hidalgo County Precinct No. 4- Adm./ Shop 1102 N. Doolittle Road- Edinburg, Texas Phone No.: 956/383-3112 Contact: Jr. Munoz	Two (2) 4000 Gallon Diesel Tank Two (2) 1000 Gallon Diesel

Old Hidalgo County Sheriff's Department 3100 S. Highway 281 Edinburg, Texas 78539 Phone No.: (956) 318-2649 Contact: Daniel Flores	One (1) 15,000 Gallon Diesel Tank One (1) 150 Gallon Diesel
--	--

Note: Any and all tanks will be honored by awarded vendor.

Bidder shall also deliver the fuel ordered within 24 hours of the County's order to County's existing generators at the sites listed as follows:

DEPARTMENT ADDRESS	NO. OF GENERATORS EACH
Hidalgo County Adult Detention Center 701 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114 Contact: Capt. Rene Gonzales	Two (2) 2,400 Gallon Diesel Fuel Tanks
Hidalgo County Sheriff's Office 711 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114 Contact: Capt. Rene Gonzales	One (1) 1,000 Gallon Diesel Fuel Tank One (1) 150 Gallon Diesel Fuel Tank
Hidalgo County Sheriff's Office (Academy) 715 E. El Cibolo Road- Edinburg, Texas Phone No. 956/383-8114 Contact: Capt. Rene Gonzales	One (1) 600 Gallon Diesel Fuel Tank
Hidalgo County Court House 100 E. Closner- Edinburg Texas Phone No. 956/318-2646 Contact: Daniel Flores	One (1) 250 Gallon Diesel Fuel Tank One (1) 25 to 50 Gallon Natural Gas
Administration Building 2802 S. Bus. Hwy 281-Edinburg, Texas Phone No. 956/318-2646 Contact: Daniel Flores	Two (2) 265 Gallon Diesel Fuel Tank
Juvenile Detention Center 1001 North Doolittle- Edinburg Texas Phone No. 956/381-8600 Contact: Buddy Silva	One (1) 300 Gallon Diesel Fuel Tank

Precinct 3 724 N. Breyfogle Road- Mission Texas Phone: 956/585-4509 Contact: Mingo Villarreal	One (1) 250 Gallon Diesel Fuel Tank
Health and Human Service 1304 S. 25 th Street- Edinburg Texas Phone: 956/383-6221 Contact Person: Eddie Olivarez	Two (2) 400 Gallon Diesel Fuel Tank

Note: Any and all new Generators will be honored. In the event discounts are to be granted for rapid payment, bidder is encouraged to express any such discount in its bid.

Market Volatility and Unit Price Adjustments:

Hidalgo County recognizes that during periods of national crisis and unstable economic conditions, unforeseen price increases might affect costs for goods and services contracted on an annual basis. The following procedure may be employed to mediate price volatility:

Requesting Price Adjustment: Upon written request of the Vendor to the County Purchasing Agent, the County may review evidence of prevailing industry-wide market conditions that warrant an adjustment in bid prices contained in the contract.

- A Vendor must tie any price change clause to an industry-wide or otherwise nationally recognized index, or some other form of verifiable document. Such written request must be accompanied by a certified copy of the supplier's advisory or notification to the vendor of the price changes.
- The Vendor must put the Purchasing Agent on the mailing lists for such publications so that the Purchasing Agent can monitor said changes. Such membership shall be at no cost to the County.
- The County Purchasing Agent retains the right to determine whether or not such proposed price changes are in the best interest of the County.
- No price escalation will be authorized in excess of the amount of the increase referred to in the supplier's notice.
- The County may only grant a price increase if the evidence presented is deemed reliable. Should the County allow a price increase, the approved price change shall be honored for all orders received by the vendor or contractor after the effective date of such price change. Approved price changes are not applicable to orders already issued and in process at time of price change.

Price Reduction: Vendor shall notify the County at the time when the Vendor's costs for items and/or supplies reduce due to stabilization in the market at which time prices for items on this contract shall be reduced accordingly. Failure by the Vendor to notify the County of a decrease in costs for items and/or supplies for which the Vendor was granted a price adjustment, may result in immediate termination of this contract and the County shall not be obligated to pay the Vendor the difference between the contract price and the price adjustment.

Timeframe for Adjusted Price Increases: Price increases are only valid for the quarter in which they are requested and approved. Prices shall return to the original contract price at the beginning of the following quarter unless a Vendor notifies the County in writing within ten (10) days of expiration of the quarter in which the price increase is in effect, that it desires to have the price increase continue or that the Vendor is requesting a different price increase for the following quarter. Such request must be supplemented with sufficient justification to demonstrate that the price increase remains necessary. The County Purchasing Department shall have sole discretion whether to grant the price increase extension. The County too, shall have discretion to unilaterally

reduce, eliminate or extend a price adjustment to the Vendor at any time upon written notice from the County to the Vendor demonstrating justification for such reduction, elimination or extension of the price adjustment.

Allowable Review Periods: Price adjustment reviews may only be requested by the Vendor on a quarterly basis. However, the County may at its own discretion, conduct temporary price adjustment reviews at any time. The County Purchasing Agent and/or the County Auditor reserve the right to audit and/or examine any pertinent books, documents, papers, records or invoices relating directly to the contract transaction in question after reasonable notice and during normal business hours.

Dollar Limit to Price Changes: The total increase in contract price shall not exceed twenty-five percent (25%) of the original contract price during the contract term.

ADDITIONAL INFORMATION:

Hidalgo County is requesting that any all and questions, inquiries, and clarifications regarding this bid be addressed to, Martha L. Salazar, Purchasing Agent, Hidalgo County Purchasing Department, Physical:2802 S. Bus. Hwy. 281 Postal/Mailing: 2812 S. Bus. Hwy. 281, Administration Building, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN, Wednesday, January 2, 2008, 5:00 P.M.** Responses to said inquiries will be sent to all applicants via facsimile by no later than, 5:00P.M., **January 4, 2008**.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/25/2009

PRODUCER Phone: 361/358-2412 Fax: 361/358-7403
TCOR Insurance Management
P.O. Box 790
Beeville TX 78104

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Arguindegui Oil Company II LTD
PO Box 1367
Laredo TX 78042

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Texas Mutual Insurance	
INSURER B: AMERICAN GUAR & LIAB INS	26247
INSURER C: RSUI Indemnity Company	
INSURER D: ZURICH AMERICAN INS CO OF IL	27855
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
D	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	CPO9470237	6/27/2009	6/27/2010	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Benefits \$ 1,000,000
B	X	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CPO9470237	6/27/2009	6/27/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
C		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	NHA049354	6/27/2009	6/27/2010	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ \$ \$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? yes If yes, describe under SPECIAL PROVISIONS below OTHER	TSP0001130384	5/1/2009	5/1/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

*6/29/2009
2:53 PM*

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Workers Compensation contains Blanket waiver of subrogation endorsement as required by written contract. USL&H coverage is provided.

CERTIFICATE HOLDER

Hidalgo County
Attn: Purchase Dept
2812 S. Business Highway 281
Edinburg TX 78539 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

By: R. Dool

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.