

LETTER OF COMMITMENT TO TASB ENERGY COOPERATIVE FIXED-RATE TRANSPORTATION FUEL POOL

Re: Commitment to Participate in TASB Energy Cooperative Fixed-Rate Transportation Fuel Pool

Commitment Period: Date of execution of this Letter of Commitment through May 31, 2022

Fixed-Rate Period: June 1, 2022 through August 31, 2023

The independent school district (ISD) or other political subdivision listed below (“Entity”) executes this Letter of Commitment and the attached Annex 1 and Ratable Schedule (collectively “Commitment Agreement”) to the TASB Energy Cooperative (“Cooperative”). Entity hereby commits to purchase gasoline and/or diesel fuel (collectively “Fuel”) through the Cooperative’s Fixed-Rate Transportation Fuel Program, specifically the fuel pool organized for the Fixed-Rate Period set forth above (“Pool”), from the Selected Vendor (as described and provided for herein) in the volume and under the terms set forth in this Commitment Agreement.

Entity acknowledges that the Cooperative, through a competitive procurement process, has approved three vendors, Colonial Industries, Inc., Petroleum Traders Corporation and Mansfield Oil Company, which are eligible to bid on specific fixed-rate fuel pools established by the Cooperative. Working with and through its administrator, the Texas Association of School Boards, Inc. (TASB), the Cooperative will request executable pricing for the Pool and will award the Selected Vendor of the Pool if the Cooperative or its designee determines that the vendor’s submitted pricing provides the best value for Entity and other Pool participants. (In this Agreement, the awarded vendor for the Pool is referred to as “Selected Vendor.”)

If the Cooperative establishes the Pool, Entity hereby commits to purchase its Fuel from the Selected Vendor, in accordance with this Commitment Agreement, provided that the Fuel price does not exceed the per gallon price set forth in Annex 1, which amount is at or below the per gallon cap established by the Cooperative.

This Commitment Agreement shall be binding upon Entity until the earlier of the end of Commitment Period set forth above, or the date the purchase agreement for the TASB Energy Cooperative fixed-rate transportation fuel program (“Purchase Agreement”) is executed between Entity and the Selected Vendor. If, by the end of the Commitment Period, the Cooperative, directly or through TASB, does not choose a Selected Vendor, i.e., does not award the Pool to any vendor as the best value vendor for Entity and other Pool participants, then Entity is not required to purchase Fuel through the Pool and the Cooperative is not required to solicit additional bids to provide Fuel to Entity.

Entity understands and agrees to be bound by the following terms:

1. Entity represents and affirms that it is a member of the Cooperative and has previously executed, and has not otherwise terminated, its Interlocal Participation Agreement.

v.02.01.2022

2. Entity represents and affirms that Entity (i) wishes to participate in the Pool, (ii) has reviewed the standard Purchase Agreement, a copy of which is attached hereto as Exhibit A, and (iii) shall execute the Purchase Agreement with the Selected Vendor under the terms selected and set forth in Annex 1 and the Ratable Schedule attached thereto.
3. In consideration for the services provided by the Cooperative and the Cooperative's administrator, TASB, in establishing and administering the fuel program and the Pool, Entity agrees that the Cooperative and TASB shall be jointly entitled to receive, and the Selected Vendor shall pay, a service fee based on the total number of gallons of Fuel purchased by Entity under the Purchase Agreement and calculated as five cents (\$0.05) per gallon for the first 500,000 gallons delivered to Entity under the Purchase Agreement; two cents (\$0.02) per gallon for gallons 500,001 through 1,000,000 delivered to Entity under the Purchase Agreement; and one-half cent (\$0.005) per gallon for gallons 1,000,000 and above delivered to Entity under the Purchase Agreement..
4. Subject to Section 5 (regarding force majeure), Entity shall be in default of this Commitment Agreement if Entity fails to execute the Purchase Agreement approved by the Cooperative, provided that the per gallon cap set forth in Annex 1 has not been exceeded.
5. If, by reason of act of God, flood, storm, explosion, fire, labor trouble, strike, insurrection, riot, acts of the public enemy, pandemic or epidemic, or federal, state or local law, order, rule, or regulation affecting all similarly situated companies or entities, the Cooperative, Entity, or Selected Vendor is prevented from complying with any obligation, covenant, or condition in this Commitment Agreement without negligence and upon exercise of due diligence, the claiming party shall be relieved of the obligation to comply with such obligation or covenant and may terminate this Commitment Agreement without liability. Termination in accordance with this paragraph for a force majeure event shall not be deemed an event of default under this Commitment Agreement.
6. In the event of a default by Entity, either the Selected Vendor or the Cooperative (including the Cooperative's third-party designee) may provide Entity with notice of such default. If Entity has not cured such default within five (5) calendar days after receipt of such notice, then a breach will have occurred and the Cooperative and/or Selected Vendor may terminate this Commitment Agreement and obtain recourse as provided herein.
7. If the Selected Vendor terminates this Commitment Agreement because of Entity's default, the Selected Vendor may determine whether it has incurred direct damages, including, but not limited to, purchasing gasoline and diesel fuel in the wholesale market to supply Entity and any lost revenue, and shall calculate the direct, actual damages incurred, provided, however, that in no event shall such damages include or shall Entity be responsible for consequential, speculative, incidental, exemplary, punitive, special, or indirect damages (including lost profits). Further, the Selected Vendor shall have the duty to mitigate

damages and to use commercially reasonable efforts to minimize any damages it may incur as a result of Entity's default. Entity shall pay the damages within 45 days of receipt of a written damages calculation, accompanied by detailed supporting documentation, from the Selected Vendor. Neither the Cooperative nor TASB shall be liable or have any obligation to the Selected Vendor arising from or related to Entity's default under this Commitment Agreement.

8. TASB, on behalf of the Cooperative, has negotiated the terms of the attached standard Purchase Agreement with the Selected Vendor. However, neither TASB nor the Cooperative is providing specific expert or legal advice to Entity, and no agency, fiduciary, or attorney-client relationship exists between or among TASB, the Cooperative and Entity.
9. The person executing this Commitment Agreement on behalf of Entity represents that he or she has the authority to enter into this Commitment Agreement on behalf of Entity, that all necessary and prerequisite administrative procedures, policies, and laws have been complied with and that the governing body of Entity is bound by such execution of this Commitment Agreement.
10. This Commitment Agreement, together with the Interlocal Participation Agreement executed by Entity with the Cooperative, and any amendments thereto, represents the complete understanding of the parties. To the extent that there is a conflict between these agreements and any prior agreements or any oral or written communications, this Commitment Agreement shall control and take precedence over all prior agreements.

[Signature Follows on Next Page]

Entity, intending to be legally bound, does, acting through its authorized representative, affix its signature as evidence of its agreement.

ENTITY NAME:

Stephenville ISD

Justin Stemmmons
Printed Name

Director of Transportation
Title

By Entity's Authorized Representative:

Signature Justin Stemmmons

3/18/2022
Date

NOTICES AND INFORMATION

Entity Contact: Justin Stemmmons
Address: 2680 W Overhill Dr., Stephenville TX, 76401
Telephone: 254-552-6541
E-mail: justin.stemmmons@sville.us

ANNEX 1:

**Binding Commitment to the TASB Energy Cooperative and its Selected Vendor
Fixed-Rate Transportation Fuel Pool**

Entity agrees to purchase a total of 22,500 gallons of regular unleaded gasoline and 31,000 gallons of ultra-low sulfur diesel during the Fixed-Rate Period of **June 1, 2022** through **August 31, 2023**, provided that the fixed price per gallon (excluding regulated delivery charges and applicable taxes) **does not exceed \$2.68 per gallon for regular unleaded gasoline and does not exceed \$2.81 per gallon for ultra-low sulfur diesel fuel.** Entity further agrees to use commercially reasonable efforts to lift each product at each delivery point in accordance with the attached Ratable Schedule and terms of the Purchase Agreement.

This Binding Commitment shall be in effect until **May 31, 2022**. For purposes of establishing the Pool, each Fuel type will be considered a separate commitment. Market conditions may result in the Pool for each Fuel type being established on different dates. If unfavorable market conditions prevent the Cooperative from achieving the per gallon cap price for any particular Fuel, a Pool may still be established for the remaining Fuel(s), if any, for which the cap price was achieved. Entity agrees that, if the cap price is achieved and a Pool established before the end of the Commitment Period, it will execute the designated Purchase Agreement on or before the start of the Fixed-Rate Period. If the Commitment Period ends within five business days of the start of the Fixed-Rate Period, Entity shall execute the Purchase Agreement within 10 business days of the end of the Commitment Period and prior to scheduling Entity's first Fuel delivery. The undersigned signatory represents and warrants that he/she has all necessary authorization and approvals to execute this Binding Commitment.

Entity: Stephenville ISD

Signature: Justin Stemmmons

Printed Name: Justin Stemmmons

Title: Director of Transportation

v.02.01.2022

RATABLE SCHEDULE

Delivery Month	Unleaded Gasoline (Gallons)	Ultra Low Sulfur Diesel (Gallons)
June 2022	0	0
July 2022	0	0
August 2022	0	0
September 2022	2,500	4,000
October 2022	2,500	3,500
November 2022	2,000	3,000
December 2022	2,500	3,000
January 2023	1,500	3,000
February 2023	2,500	2,000
March 2023	3,000	3,000
April 2023	1,500	3,500
May 2023	1,500	2,500
June 2023	1,000	1,000
July 2023	500	500
August 2023	1,500	2,000

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22,500

31,000

Name of ISD or Political Subdivision: Stephenville ISD

Signature: Justin Stemmons

Printed Name of Signatory: Justin Stemmons

Address: 2680 W. Overhill Dr., Stephenville TX, 76401

Telephone: 254-552-6541

Email: justin.stemmons@sville.us

Date: 3/18/2022

Tank Address: 2680 W Overhill Dr., Stephenville TX 76401

Delivery Contact: Carey Arthur

Telephone: 254-552-6541 / 254-968-3759

Purchasing Contact: Carey Artur

Telephone: " "

PLEASE COMPLETE AND RETURN THE ENTIRE DOCUMENT TO THE
COOPERATIVE'S ADMINISTRATOR BY SENDING VIA EMAIL TO:
adrian.porras@tasb.org

EXHIBIT A
PURCHASE AGREEMENT FORM

v.02.01.2022