

SCHOOL AGREEMENT

This Agreement (“*Agreement*”) is between **Bottling Group, LLC** and its affiliates and/or respective subsidiaries collectively comprising Pepsi Beverages Company, with an office located at 1424 Burton Avenue, Waterloo, IA 50703 (“*Pepsi*”) and **Cedar Falls Community School District**, having its principal place of business at 1002 West First Street, Cedar Falls, IA 50613 (“*Customer*”). The support described below is in lieu of any other discounts, allowances or rebates to which the Customer might otherwise be entitled from time to time. When fully executed, this Agreement will constitute a binding obligation of both parties until expiration or termination.

1. Definitions.

“*Beverage*” or “*Beverages*” means all carbonated and non-carbonated, non-alcoholic drinks, however dispensed during the Term of the Agreement to the extent allowed by applicable state and federal law. Beverages do not include non shelf-stable, non-flavored fluid milk as currently defined by the USDA (i.e., milk beverages containing at least 6.5% non-fat milk solids).

“*Cases*” means the number of cases of Packaged Products (as defined herein) purchased by the Customer from Pepsi during the Term, initially delivered in quantities of 24 plastic bottles, aluminum cans, glass bottles (or equalized 24 pack cases, e.g., two 12-pack cases), eight 2-liter plastic bottles, or such other size, quantity and type of containers as Pepsi may make available from time to time during the Term.

“*Competitive Products*” means any and all Beverages that are not Products (as defined herein).

“*Equipment*” means equipment owned and loaned by Pepsi to Customer to dispense, store or cool Products (as defined below), including full-service vending machines (“*Vending Machines*”), as more fully described in Section 4 herein

“*Facilities*” means the entire premises of every school and facility owned or operated by the Customer, now or in the future, including with respect to each school, all academic buildings, athletic facilities, convenience stores, book stores, student operated stores, teachers’ lounges, and concession stands, parking lots, dining facilities, unbranded and branded food service outlets and vending areas. A list of current schools owned and operated by the Customer is set forth on **Exhibit A** attached hereto.

“*Food Service Area*” means all locations within the Facilities where meals, snacks and beverages are served or consumed, or areas managed or operated by the Customer’s designated Food Service Operator.

“*Food Service Operator*” means the Customer or any third party that provides food, Beverage or vending services at the Facilities.

“*Gallons*” shall mean the number of gallons of Postmix Products purchased by the Customer from Pepsi during the Term.

“*Packaged Products*” means Beverages that are sold and/or distributed by Pepsi in pre-packaged form (e.g., Bottles & Cans). A current list of Pepsi’s Packaged Products is found in attached **Exhibit B** which may be amended from time to time by Pepsi to include Beverages permitted pursuant to the then-current School Policy.

“*Postmix Products*” means beverage products sold and/or distributed by Pepsi and used to create and dispense fountain Beverages. A current list of Pepsi’s Postmix Products is found in attached **Exhibit B** which may be amended from time to time by Pepsi to include Beverages permitted pursuant to the then-

current School Policy.

“**Products**” means Postmix Products and Packaged Products.

“**Special Events**” means any athletic contests, booster club activities, and all other special events conducted at the Facilities where parents and other adults are a significant part of an audience.

“**Units**” means the total combined Gallons and Cases during any applicable time period. For the purposes of measuring total Units only, 1 Case of Packaged Products equals 1 Gallon of Postmix Product.

“**Year**” means each 12-month period during the Term commencing on the first day of the Term or an anniversary thereof.

2. Term. The term of this Agreement shall be for one (1) year, commencing on July 1, 2020 and expiring on June 30, 2021 (the “**Initial Term**”). This Agreement may be automatically renewed for four (4) additional one (1) year terms, unless written notice is given by either party to the other at least sixty (60) days prior to the expiration of the then current term. (the “**Renewal Term**”, together with the Initial Term, the “**Term**”). When fully executed, this Agreement will constitute a binding obligation of both parties until expiration or termination.

3. This Agreement, including all of Pepsi’s support to Customer as described below, is contingent upon Customer complying, throughout the Term, with all of the following performance criteria:

(A) Pepsi shall have the exclusive right to make the Beverages available for sale and distribution at the Facilities, including the right to provide all Beverages sold at Special Events. Subject to the terms and conditions set forth in this Agreement, the Customer agrees that Products shall be the exclusive Beverages sold, dispensed, served or made available at the Facilities. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that the Beverages provided pursuant to this Agreement do not include any beverages provided through Customer’s school meal programs, and the terms of this Agreement do not apply to any such beverages purchased by Customer for use in its school meal programs.

(B) The Customer shall continuously purchase, and shall require that all concessionaires, Food Service Operators, booster clubs or other third parties selling Beverages at the Facilities continuously purchase all Products, cups, lids and carbon dioxide directly from Pepsi. Throughout the Term, Customer will continuously serve, dispense, sell and/or otherwise make Products available to its customers throughout the Facilities. Customer agrees to pay all accounts owing to Pepsi in accordance with payment terms as established by Pepsi.

(C) The Customer agrees to comply with Pepsi’s School Policy, attached hereto as **Exhibit C** (“**School Policy**”) as may be updated from time to time during the Term, with prior notice to Customer. A copy of the Policy in effect as of the beginning of the Term is attached hereto as **Exhibit C**. The Customer agrees that it shall at all times during the Term comply with the School Policy and shall cause any designated Food Service Operator to comply with the School Policy, including applicable Beverage type, size and timing requirements/restrictions, but only to the extent Customer is notified of any change to Pepsi’s School Policy. The Customer’s or Food Service Operator’s failure to comply with the School Policy shall be a material breach of this Agreement.

(D) The Customer shall reasonably permit Pepsi, its employees, agents and representatives, during normal school hours, to enter the Facilities for purposes of servicing and stocking the Equipment, and verifying the Customer’s compliance with the School Policy. Pepsi shall make reasonable efforts to

notify Customer in advance of its intended visit to the Facilities. Due to the likely presence of students and staff in the school at times Pepsi may be on school property, Pepsi shall have the affirmative duty to do such background checks and other investigation sufficient to assure that all vendors, employees, contractors and other persons coming onto the premises or property comply with the certification and other requirements of Iowa Code Chapter 692A and are not on the Iowa Sexual Offender List or any similar list of any other state. Pepsi represents that it shall not knowingly assign any employee of Pepsi to work at the premises who Pepsi knows has committed a sex offense against a minor.

(E) Customer agrees to use the Postmix Products for use in preparing the fountain beverage products (the “*Fountain Products*”): (i) in accordance with the standards established by Pepsi and (ii) only for immediate or imminent consumption; Customer agrees not to resell the Postmix Products either to nonaffiliated outlets or to consumers in any form other than the Fountain Products.

(F) The parties recognize and agree that there are certain additional territorial restrictions that pertain to the purchase and resale of the Products. Customer agrees not to distribute or resell the Products, directly or indirectly, outside the territories serviced by Pepsi and shall cause its purchasing representative to abide by such territorial restrictions.

(G) Customer understands that the Products provided hereunder are provided with a best taste limit (“*BTL*”) date printed on the packaging. Neither Pepsi nor the bottlers replace Products that are past the BTL date. Customer agrees that no Product shall be sold past the BTL date, and that it shall abide by policies on product handling and quality control periodically published by the manufacturer.

4. Pricing.

(A) Products sold through Vending Machines. The price for Products sold from Pepsi’s Vending Machines shall be determined as set forth in Section 5.

(B) Products purchased by the Customer. Pricing for Products purchased by the Customer, its designated Food Service Operator or any other party from Pepsi for sale at the Facilities are listed on **Exhibit B**. The Customer recognizes that such pricing is available for the first Year of this Agreement, thereafter, the pricing may increase up to 3.5% per Renewal Term at Pepsi’s sole discretion and Pepsi shall provide the Customer with notice of any increases at least ninety (90) days before the end of the then current one-year term. Customer acknowledges and agrees (and shall require that any third parties or Food Service Operators purchasing Products through this Agreement agree) that Pepsi shall be entitled to pass-through any incremental fees, deposits, taxes or other governmentally imposed charges (whether local, state, federal or judicially imposed) and that the pass-through of any such governmentally imposed fees, deposits, taxes or charges on the Products shall not be deemed as a price increase subject to any pricing cap or notification restrictions that may be specified in this Agreement.

(C) The Consideration (as set forth in Section 5) was calculated based on the Customer and its purchasing representatives (including any designated Food Service Operator(s)) purchasing Products directly from Pepsi at the pricing structure established by this Agreement during the entire Term. Therefore, if the Customer or Food Service Operator demands or requires the purchase of Products from Pepsi at prices other than those established by this Agreement or purchases Products from sources other than Pepsi, then such action shall constitute a material breach of this Agreement.

5. Consideration. Provided Customer is not in breach its performance obligations under this Agreement, Pepsi agrees to provide Customer with the funding described below:

(A) **Annual Support Funds.** Each Year throughout the Term, Pepsi agrees to provide Customer with annual support funds in the amount of Four Thousand US Dollars (\$4,000.00), not to exceed Five consecutive payments (the “*Annual Support Funds*”). The Annual Support Funds will be paid to Customer within sixty (60) days after the commencement of each applicable Year, except that in the event an Annual Support Funds is payable for Year One, such payment will be made within sixty (60) days of the later of (i) the first day of the Term or (ii) the signing of this Agreement by both parties. The Annual Support Funds are earned throughout the Year in which they are paid. In the event of early termination for any reason other than an uncured material breach by Pepsi, the unearned Annual Support Funds will be repaid to Pepsi pursuant to the terms of Section 8(C) herein.

(B) **Commissions.** Pepsi agrees to provide Customer with commissions, as a percentage of the actual cash (“*cash in bag*” or “*CIB*”) collected by Pepsi from the Vending Machines placed at the Facilities, less any applicable government-imposed taxes/fees and deposits, as applicable (“*Commissions*”). Such Commissions shall be at the rate(s) set forth below (the “*Commission Rate*”) and shall be calculated as follows:

$$(CIB - \text{applicable taxes/fees/deposits}) * \text{Commission Rate} = \text{Commission due}$$

<i>Product</i>	<i>Initial Vend Price</i>	<i>Commission Rate*</i>
All Beverages	\$2.00 - \$3.00	18%
*Commission Rates and Vend Prices for new Product will be mutually agreed upon by Pepsi and Customer		

(1) **Commissions Payment.** Pepsi agrees to pay Commissions to the Customer within thirty (30) days of the end of each 4-week accounting period established by Pepsi. Pepsi shall make all pertinent revenue and sales records respecting the Vending Machines available to Customer. Customer agrees that it is responsible for reviewing such records and that any claim or dispute relating to the Commissions must be brought by Customer in writing within one (1) year of the date such Commissions payment is due. Customer further acknowledges and agrees that it shall not receive any Commissions payment from Pepsi if Commissions fail to reach a certain threshold amount per period or quarter. The current threshold amounts are \$50 per four-week period or \$75 per quarter. The threshold may be revised by Pepsi from time to time.

(2) **Change to Commission Rate/Formula.** Customer agrees that Pepsi shall have the right to change the Commission Rate and/or its formula/method for calculating Commissions as may be required by applicable laws or as reasonably necessary to respond to legislative acts in order that the Commission Rate remains cost neutral.

(3) **Vend Price.** The initial vend prices and minimum scheduled increases that are necessary for Customer to qualify for any Commissions are set forth in the Commission chart above. [Pepsi shall have the right to change such vend prices as it deems appropriate in light of increases of cost of goods.] Customer acknowledges that Pepsi has the right to pass through any incremental fees, deposits, taxes or other governmentally imposed charges (whether local, state, federal or judicially imposed on manufacturers, distributors, consumers or otherwise). The pass-through of any such governmentally imposed fees, deposits, taxes or charges on the Products will be in addition to any scheduled Vend Prices increases set forth herein or notification restrictions that may be specified in this Agreement.

(C) **Rebates.** Each Year throughout the Term, Pepsi agrees to calculate the total applicable Cases and Gallons purchased from Pepsi by the Customer and its Food Service Operator pursuant to this Agreement, and shall provide the Customer with rebates calculated based on applicable amounts set forth below (the “*Rebates*”). The Rebates, if applicable, shall be paid by Pepsi within sixty (60) days following the end of each applicable Year during the Term.

<i>Rebate Amount</i>	Eligible Products*
\$ 3.00 /Case	24-pk Cases of 20oz Packaged Products

Customer acknowledges that Pepsi policies prohibit business practices involving improper revenue recognition, including but not limited to channel stuffing and/or trade loading. As such, Customer agrees that to the extent any funding provided for herein is based on Customer achieving a threshold amount of purchases in a given time period, Pepsi has and reserves the right to not count purchases towards a given threshold in the event Pepsi determines in its good faith and reasonable discretion that such purchases were not made in the normal course of business for current product needs. Material changes in historical purchasing patterns shall be considered by Pepsi in making any such determination.

(D) **Gatorade Sideline Kit(s).** Each Year throughout the Term, Pepsi agrees to provide Gatorade Sideline Kit(s) to Customer, with a value not to exceed Five Hundred US Dollars (\$500.00). Customer acknowledges and agrees that any unused portion of the value of the Gatorade Sideline Kit(s) in any Year shall not be carried over to the subsequent Year or be redeemed for cash.

6. Competitive Products. During the entire Term of this Agreement:

(A) No Competitive Products shall be sampled, sold, served or dispensed anywhere at the Facilities;

(B) No permanent or temporary advertising, signage or trademark visibility for Competitive Products shall be displayed anywhere at the Facilities.

(C) No agreement will be entered into or maintained by the Customer and/or its designated Food Service Operator pursuant to which Competitive Products will be associated with the Customer or the Facilities in any advertising or promotional activity that creates a relationship or connection between Competitive Products and the Customer or the Facilities.

7. Equipment and Service.

(A) Pepsi will loan to the Customer, at no charge, appropriate Equipment for dispensing the Products at the Facilities and will have the exclusive right to install Equipment throughout the Facilities, based on Customer’s input and recommendation and Pepsi’s surety of Customer’s needs. Pepsi will have the further right to install additional Equipment in buildings and facilities acquired and/or constructed by the Customer after the date of this Agreement. Pepsi will place Equipment at mutually agreed upon locations throughout the Facilities. Pepsi reserves the absolute right to remove any glass front Vending Machines that sells less than eight (8) cases of Product per week or any other Vending Machines that sells less than two (2) cases of Product per week. Pepsi shall install Equipment at its sole expense, except where otherwise prescribed by law. Pepsi shall have the right to place full trademark panels on all sides of its Equipment. The Customer will not permit the operation of any other equipment used for the sale of Beverages at the Facilities without the prior written consent of Pepsi. Customer agrees that the Equipment shall be exclusively used to display and merchandise the Products, and the Customer will not

use the Equipment to display, stock, advertise, sell or maintain any Competitive Products (including on the exterior of the Equipment).

(B) Pepsi or one of its subsidiaries or affiliates shall retain ownership in and title to all Equipment

(C) The Equipment may not be removed from the Facilities without Pepsi's written consent, and the Customer agrees not to encumber the Equipment in any manner or permit other equipment to be attached thereto except as authorized by Pepsi in writing. Upon expiration or termination of this Agreement, Customer will allow Pepsi to pick up all Equipment and the parties shall work together to coordinate a pick-up schedule.

(D) Pepsi will provide, at no charge to the Customer, preventative maintenance and service to the Equipment.

(E) Pepsi will be responsible for collecting, for its own account, all cash monies from the Vending Machines and for all related accounting for all cash monies collected therefrom. Customer agrees to provide reasonable assistance to Pepsi in apprehending and prosecuting vandals but shall not be contractually responsible for the apprehending or prosecuting of vandals. Pepsi will not be obligated to pay Commissions on documented revenue losses resulting from vandalism or theft of Product with respect to any Vending Machines.

8. Breach of Contract and Termination.

(A) Either party may terminate this Agreement for any breach of this Agreement's material terms by the other party, provided that the non-breaching party shall first provide the breaching party with written notice of the breach and a thirty (30) day opportunity to cure such breach. If the breaching party fails to cure the breach within the thirty (30) day period, the non-breaching party may terminate the Agreement upon written notice to the breaching party.

(B) Without prejudice to any other remedy available to Pepsi at law or in equity in respect of any event described below, this Agreement may be terminated in whole or in part by Pepsi upon thirty (30) days' advance written notice to Customer if (i) any of the Products are not made available at the Facilities as required in this Agreement, (ii) any of the rights granted to Pepsi herein are materially restricted or limited during the Term; or (iii) a final judicial opinion or governmental regulation prohibits, or materially impacts or impairs (*e.g.*, beverage tax or package size restriction) the availability or cost of Beverages, whether or not due to a cause beyond the reasonable control of Customer. Before Pepsi exercises its right to terminate as described in this Section, Pepsi agrees to engage in good faith renegotiations with Customer to adjust the funding offered to Customer herein on an equitable basis to neutralize any negative impact such change may have on the economics of the original Agreement.

(C) If the Agreement is terminated early for any reason other than an uncured material breach by Pepsi, Pepsi will, without prejudice to any other right or remedy available to Pepsi, obtain a reimbursement from the Customer of any unearned funding paid by Pepsi to the Customer which remains unearned as of the time of termination and the Customer and its Facilities will surrender to Pepsi all Equipment provided by Pepsi. In addition, without prejudice to any other right or remedy available to Pepsi, Pepsi will have the right to immediately seek reimbursement from Customer and the Facilities for an amount reflecting reimbursement for all funding previously advanced by Pepsi but not earned by Customer pursuant to the terms of this Agreement. With regard to the Annual Support Funds, the amount of such reimbursement shall be determined by multiplying the total amount of such funds paid in the Year during which such termination occurs by a fraction, the numerator of which is the number of months remaining in such Year at the time of such termination or limitation and the denominator of which is twelve.

9. Taxes. Customer acknowledges and agrees that neither Pepsi nor its affiliates will be responsible for any taxes payable, fees or other tax liability incurred by the Customer in connection with any fees payable by Pepsi under this Agreement. In addition, Pepsi will be responsible only for the payment of taxes on the sales of Products through Vending Machines. Pepsi will not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to its Equipment.

10. Representations and Warranties

(A) Each party represents and warrants to the other: (1) it has full power and authority to enter into this Agreement and to grant and convey to the other the rights set forth herein; and (2) all necessary approvals for the execution, delivery and performance of this Agreement have been obtained and this Agreement has been duly executed and delivered by the parties and constitutes the legal, valid and binding obligation, enforceable in accordance with its terms, and nothing contained in this Agreement violates, interferes with or infringes upon the rights of any third party; (3) the respective signatory of this Agreement is duly authorized and empowered to bind the party to the terms and conditions of this Agreement for the duration of the Term; and (4) the parties have complied with all applicable laws, ordinances, codes, rules and regulations relating to its entering into this Agreement and its performance hereunder.

(B) Each of the parties hereto agree that: (1) the representations, warranties and covenants contained herein will survive the execution and delivery of this Agreement, and (2) except as expressly set forth herein, neither party has made, and neither party is relying on, any representation or warranty, express or implied, with respect to the subject matter hereof.

11. Indemnification.

(A) Pepsi will indemnify and hold the Customer, and its directors, officers, employees, and agents harmless from any and against all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys' fees) arising out of: (i) its breach of any term or condition of this Agreement; (ii) product liability suits resulting from the use or consumption of Products purchased directly from Pepsi; (iii) the negligence or willful misconduct of Pepsi, or its employees or agents, (excluding claims arising out of the Customer's negligence or willful misconduct), or (iv) any violations by Pepsi of applicable laws.

(B) To the extent permitted by applicable law, the Customer will indemnify and hold Pepsi, its subsidiaries, affiliates or assigns harmless from and against any and all suits, actions, claims, demands, losses, costs, damages, liabilities, fines, expenses and penalties (including reasonable attorneys' fees) arising out of (i) its breach of any term or condition of this Agreement, including failure to comply with the School Policy; and/or (ii) the negligence or willful misconduct of the Customer (excluding claims arising out of Pepsi's negligence or willful misconduct).

(C) If a suit, action or other legal proceeding is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all attorney fees, costs, expert witness fees and litigation expenses incurred by the prevailing party, including those incurred on appeal.

(D) The provisions of this Section will survive the termination of this Agreement.

12. Force Majeure. No party will be responsible to the other or to any third party for any failure, in whole or in part, to perform any of its respective obligations hereunder, to the extent and for the length of time that performance is rendered impossible or commercially impractical, owing to acts of God, public insurrections, pandemics, epidemics, floods, fires, strikes, lockouts, or other labor disputes, disruptions in supply, shortages or scarcity of materials, changes to applicable laws and regulations and other circumstances of substantially similar character beyond the reasonable control of the affected party(s), including extraordinary costs of goods increases (collectively, “*Force Majeure*”). Any party(s) so affected, will (i) use all reasonable efforts to minimize the effects thereof and (ii) promptly notify the other party(s) in writing of the Force Majeure and the effect of the Force Majeure on such party’s ability to perform its obligations hereunder. The affected party(s) will promptly resume performance after it is no longer subject to Force Majeure. In the event Customer’s performance is temporarily suspended pursuant to a Force Majeure event, Pepsi’s funding obligations will be suspended for the duration of Customer’s nonperformance. Once the Force Majeure event has concluded and Customer resumes performance or in the event Customer is able to perform some, but not all of its obligations herein, any fixed or guaranteed funding will be adjusted commensurate with the decline in volume associated with the suspended or partial performance.

13. Relationship of Parties. The parties are independent contractors with respect to each other. Nothing contained in this Agreement will be deemed or construed as creating a joint venture or partnership between the parties.

14. Retention of Rights. The Customer will not obtain by virtue of this Agreement, any right, title or interest in the trademarks of Pepsi or PepsiCo, Inc., nor will this Agreement give the Customer the right to use, refer to, or incorporate in marketing or other materials the name, logos, trademarks or copyrights of Pepsi or PepsiCo, Inc., except as may be authorized by Pepsi.

15. Non-Disclosure. Except as may otherwise be required by law or legal process, neither party will disclose to unrelated third parties the terms and conditions of this Agreement without the consent of the other.

16. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Iowa without regard to conflicts of laws principles. The parties agree that any litigation arising between the parties related to this Agreement shall be initiated and maintained only in the U.S. District Court for the Northern District of Iowa or the Iowa District Court in and for Black Hawk County.

17. Insurance.

(A) Each party hereto maintains and agrees to maintain, at all times during the Term a comprehensive program of risk retention and insurance with such insurance carriers and in such amounts of insurance coverage reasonably acceptable to the other party. Each party agrees to include the other, and each of its Affiliates, and their respective officers, directors, employees, agents, representatives and successors and assigns, as additional insureds on such insurance during the Term. Such insurance will contain a waiver of subrogation with respect to the additional insureds.

(B) Either party will have the right, during the Term from time to time, to request copies of certificates of insurance and/or other evidence of the adequacy of the above insurance coverages.

18. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all other agreements between the parties. This Agreement may be amended or modified only by a writing signed by each of the parties.

19. **Waiver.** No failure or delay of either party to exercise any rights or remedies under this Agreement shall operate as a waiver thereof, nor will any single or partial exercise of any rights or remedies preclude any further or other exercise of the same or any other rights or remedies. Any waiver must be in writing and signed by the party waiving the rights.

20. **Assignment; Counterparts.** To the extent permitted by law, this Agreement will be binding upon and inure to the benefit of Pepsi and the Customer and its respective successors and permitted assigns. Neither party may not subcontract or assign its rights or obligations under this Agreement to any other entity or person without the express written consent of the other, which consent may not be unreasonably withheld. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

21. **Severability.** If any provision of this Agreement is deemed or declared unenforceable, invalid or void, the same shall not impair any of the other provisions contained herein which shall continue to be enforceable in accordance with their respective terms, except that this clause will not deprive any party of any remedy afforded under this Agreement.

22. **Construction.** Customer and Pepsi acknowledge that both parties participated equally in the negotiation of this Agreement and that, accordingly, in interpreting this Agreement, no weight shall be placed upon which party hereto or its counsel drafted the provision being interpreted.

23. **Right of Offset.** Pepsi reserves the right to withhold payments due hereunder as an offset against amounts not paid by Customer for Products ordered from and delivered by Pepsi and any and all balances due and payable to Pepsi pursuant to this Agreement or any separate services agreement between Customer and Pepsi and/or its subsidiaries and affiliates.

24. **Distribution Limitations.** Pepsi reserves the right to limit quantities, withhold or deduct funding as an offset to amounts not paid by Customer or terminate this Agreement if Customer (i) sells Products directly or indirectly for resale outside of the Pepsi's exclusive territory where the Facility operates and (ii) purchases Products outside Pepsi's exclusive territory where the Facility operates and resells such Products within Pepsi's exclusive territory.

25. **Notices.** Any notice which either party is required or permitted to give hereunder will be in writing, signed by the notifying party and will be either delivery by hand or nationally-recognized overnight courier service or deposited in the United States mail, certified or registered mail, return receipt requested, postage paid, addressed as follows: If to Customer, to the name and address set forth in the preamble herein. If to Pepsi, to the name and address set forth in the preamble herein, with a copy thereof to: Pepsi Beverages Company, 1111 Westchester Avenue, White Plains, NY 10604, Attention: Law Department or to such addresses as the parties may subsequently provide in writing. Notice will be deemed to have been given when delivered by hand or nationally recognized overnight courier service, or when received as evidenced by the return receipt, or the date such notice is first refused, if that be the case.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed on the dates set forth below.

Bottling Group, LLC

Cedar Falls Community School District

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A**List of Schools**

School	
Aldrich	2526 Ashworth Dr.
Cedar Heights	2417 Rainbow Dr.
Hansen	616 Holmes Dr.
Lincoln	321 W. 8th St.
North Cedar	2419 Fern Ave.
Orchard Hill	3909 Rownd St.
Southdale	627 Orchard Dr.
Holmes Jr. High	505 Holmes Dr.
Peet Jr. High	525 E. Seerley Blvd
High School	1015 S. Division St.
Transportation	2201 Fairview Dr.
Warehouse	2201 Fairview Dr.
Building & Grounds	2201 Fairview Dr.
ITS	3809 Cedar Heights Dr
Robinson Admin Center	1001 W. First St.

Exhibit B

Products & Pricing

Aquafina 20oz 24-Pack - \$12.92

Carbonated Soft Drinks 20oz 24-Pack - \$18.95

Non-Carbonated Soft Drinks 20oz 24-Pack - \$18.95

Gatorade Total 20oz 24-Pack - \$18.95

Carbonated Soft Drinks 12oz 24-Pack Cans - \$8.40

Lipton Pure Leaf 18.5oz 12-Pack - \$14.08

Aquafina 16.9oz 24-Pack - \$5.40

Starbucks Cold Brew 11oz 12-Pack - \$19.85

Exhibit C
PepsiCo U.S. School Policy for Beverages
(Updated as of September 2014)

SUMMARY

PepsiCo follows all federal, state and local regulations governing beverage sales in schools and the company's Global School Beverage Policy (available on pepsico.com). In addition, PepsiCo will not offer caffeinated beverages that are marketed as energy drinks for sale to students in elementary, middle or high schools, even if they meet the nutrition thresholds in these standards.

PERMITTED PRODUCTS

Consistent with federal regulations issued by the U.S. Department of Agriculture (USDA) and PepsiCo's Global School Beverage Policy, PepsiCo will offer schools only those beverage products that meet the following standards, if such products are to be sold to students. In addition, PepsiCo will not offer caffeinated beverages that are marketed as energy drinks for sale to students in elementary, middle or high schools, even if they meet these standards, and will follow state and local regulations if stricter than these standards.

Elementary School

- Plain water or plain carbonated¹ water (no size limit)
- 100% fruit/vegetable juice (up to 8-ounce)
- 100% fruit/vegetable juice diluted with water - with or without carbonation¹ - and no added sweeteners (up to 8-ounce)
- Low-fat milk, unflavored (up to 8-ounce)
- Non-fat milk, flavored or unflavored, including nutritionally equivalent milk alternatives (up to 8-ounce)

Middle School

- Same as elementary school except that juice and milk meeting elementary school criteria may be up to 12-ounce
- If a middle school and high school are in the same building and students of all ages have access to the areas where beverages are sold, beverages must meet the middle school standards. If, in the above situation, the middle school students do not have access to the area where beverages are sold to high school students, high school beverage standards may be implemented for that area.

High School

Same as middle school except that the following beverages are also permitted:

- Zero-calorie beverages with or without flavors and with or without carbonation up to 20-ounce. (As defined by U.S. Food and Drug Administration (FDA), "zero-calorie" beverages are labeled to contain less than 5 calories per 8-ounce, or no more than 10 calories per 20-ounce)
- Low-calorie beverages with or without flavors and with or without carbonation up to 12-ounce. (As defined by FDA, "low calorie" beverages are labeled to contain no more than 40 calories per 8-ounce, or no more than 60 calories per 12-ounce)
- Sports drinks with more than 40 calories per 8-ounce: only before, during and after physical activity/exposure to heat (such as at sport practices, training sessions and competitions), when such sales take place either (1) during the "extended day" (as defined in this policy below) in those schools not subject to USDA regulations, or (2) outside of the "school day" (as defined by USDA¹) in those schools subject to USDA regulations

APPLICATION OF POLICY

Schools: This school beverage policy applies to all elementary, middle and high schools in the United States, whether public or private and whether or not such schools participate in the reimbursable school breakfast or lunch plan run by the Federal government.

Time of Day: This policy applies to beverages sold to students on school grounds during the school day as well as the extended school day. The “extended school day” is the time before and after school when students are involved in events (e.g., clubs, yearbook, band and choir practice, student government, drama and childcare programs) that are primarily under the control of the school or third parties on behalf of the school.

As noted above, the inclusion of the extended day in this school beverage policy does not prohibit sales of sports drinks with more than 40 calories per 8-ounce during the extended school day to student athletes at practices, training sessions and competitions or to other students engaged in physical activity/exposed to heat, except in those schools subject to the USDA regulations where sports drinks may be sold to these students only during the period from 30 minutes after the school day until midnight prior to the next school day.

Special Circumstances: This policy does not apply to the sale of beverages: (1) in staff areas of schools that are not accessible to students; (2) at, or immediately before or after, school-related events where parents and other adults are a significant part of an audience (e.g., sporting events, school plays and band concerts); or (3) for fundraisers held at schools (other than fundraising through vending machines, school stores, snack bars, à la carte sales).

Providing Choice and Information

PepsiCo will work to provide vending machines in a variety of graphic designs, including designs featuring low-calorie brands; to show calorie counts on vendor selection buttons; and to include a calorie awareness message such as “Calories Count – Check then Chose” (or similar) on vendor fronts.

Promoting Wellness and Education

PepsiCo will encourage schools to use contract-related sponsorship and marketing funds, if any, to promote student fitness, wellness and health education programs in schools.

Independent Bottlers and Third-Party Distributors

Independent bottlers and third-parties that distribute PepsiCo products to schools should comply with all federal, state and local regulations governing the sale of beverages in schools. In addition, PepsiCo encourages independent bottlers and third-party distributors to follow the product standards and other guidance outlined within PepsiCo’s policy above.

Notes:

1. The USDA regulations which took effect July 1, 2014 do not apply to (1) beverages sold to students in schools that do not participate in the reimbursable school breakfast or lunch plan run by the Federal government; or (2) beverages sold to students outside the “school day” (“school day” is defined by USDA as the period from midnight before, to 30 minutes after the end of the official school day).

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