

SCHOOL DISTRICT AGREEMENT

This Agreement (“**Agreement**”) is made effective as of October 6th, 2015 between Bottling Group, LLC and its affiliates and/or respective subsidiaries collectively comprising Pepsi Beverages Company, with an office located at 4010 Crittenden Dr., Louisville, KY 40209 (“**Pepsi**”) and the Nelson Co. School District having its principal place of business at 288 Wildcat Ln Bardstown, KY 40004 (“**Customer**”).

RECITALS

WHEREAS, Pepsi desires the right to be the exclusive supplier of Beverages (defined below) to the Customer.

WHEREAS, Pepsi is experienced in installing, operating, servicing and maintaining equipment for dispensing Beverage products and the Customer determined that it is in the best interests of the Customer to contract with Pepsi to provide services for the sale of Beverage products.

WHEREAS, the parties desire to confirm the terms and conditions under which the Customer will contract with Pepsi to install, operate, service and maintain all equipment dispensing Beverage products.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

1. Definitions.

“**Beverage**” or “**Beverages**” means all carbonated and non-carbonated, non-alcoholic drinks, however dispensed, including but not limited to, (i) colas and other flavored carbonated drinks; (ii) fruit juice, fruit juice containing and fruit flavored drinks; (iii) chilled coffee drinks; (iv) chilled tea products; (v) hypertonic, isotonic and hypotonic drinks (sports drinks and fluid replacements); (vi) energy drinks, (vii) packaged carbonated or still water (including spring, mineral or purified), (viii) liquid concentrate teas (“**LCT**”), (ix) frozen carbonated and non-carbonated beverages (“**FB**”), and (x) any future categories of nonalcoholic beverage products that may be distributed by Pepsi.

“**Cases**” shall mean the number of cases of Packaged Products purchased by the Customer from Pepsi, initially delivered in quantities of 24, 15, and 12 bottle/can units, and thereafter in such other size, quantity and type of containers as determined by Pepsi, from time to time.

“**Competitive Products**” means any and all Beverages that are not Products (as defined herein), excluding hot coffee, hot tea and 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).

“**Equipment**” means the following types of equipment owned and operated by Pepsi and used to sell or dispense the Products: (1) full service vending machines (“**Vending Machines**”); (2) retail single-serve food service equipment and (3) fountain service equipment.

“**Facilities**” means the entire premises of every school and facility owned or operated by the Customer, now or in the future, including all elementary, middle, high, and alternative schools, 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. All elementary, middle and high schools within the School District shall be listed 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.

“**Packaged Products**” shall mean Beverages that are distributed 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**” shall mean beverage products 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 by Pepsi from time to time by Pepsi to include Beverages permitted pursuant to the then-current School Policy.

“**Products**” shall mean Postmix Products and Packaged Products manufactured, bottled, sold and/or distributed, now or in the future, by Pepsi. A current list of Products is attached hereto as **Exhibit B**, which may be amended from time to time by Pepsi to include Beverages permitted pursuant to the then-current School Policy (defined below).

“**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 Gallons and Cases (including Cases sold through Vending Machines). For the purposes of determining Units sold, 1 Case shall equal 1 Gallon.

“**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 5 school years, commencing on October 6, 2015 and expiring on June 30, 2020 (“**Term**”), unless sooner terminated as provided herein.

3. Exclusive Beverage Availability Rights.

The Customer hereby grants to Pepsi the following exclusive Beverage availability rights:

(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 or served or available at the Facilities. The hours during which the Products will be available for sale, both through Vending Machines and the Food Service Area, are attached hereto as **Exhibit C**.

(B) Pepsi shall have the exclusive right to install Equipment throughout the Facilities. Pepsi shall 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 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. Pepsi, or one of its affiliates, shall retain title to all Equipment. The Customer shall not permit the operation of any other equipment used for the sale of Beverages at the Facilities without the prior written consent of Pepsi.

(C) The Customer shall purchase, and shall require that all concessionaires, Food Service Operators, booster clubs or other third parties selling Beverages at the Facilities purchase all Products, cups, lids and carbon dioxide directly from Pepsi.

(D) The Customer agrees to comply with Pepsi's School Policy, attached hereto as Exhibit D ("***School Policy***") as may be updated from time to time during the Term. A copy of the Policy in effect as of the beginning of the Term is attached hereto as **Exhibit D**. 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. The Customer's or Food Service Operator's failure to comply with the School Policy shall be a material breach of this Agreement. If the Customer requests that middle school(s) with common access to high school(s) receive Products based on the School Policy for high schools, then the Customer must complete and sign the School Policy Exemption Form attached hereto as **Exhibit E**.

(E) The Customer shall 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.

4. Pricing.

(A) Products sold through Vending Machines. The price for Products sold from Pepsi's Vending Machines shall be determined by Pepsi from time to time during the Term.

(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**.

(C) The Customer acknowledges that the Annual Sponsorship Fee (as herein defined) 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 Food Service Operator demands or requires the purchase of Products from Pepsi at prices other than those established by this Agreement, then such action shall constitute a material breach of this Agreement.

5. Consideration.

In consideration of the exclusive rights granted in this Agreement and provided the Customer is not in breach of this Agreement, Pepsi shall provide to the Customer the following:

(A) **An Annual Sponsorship Fee**, payable annually pursuant to the following:

Year	Applicable Time Period	Amount	Due Date: within 30 days after:
1	October 6, 2015 – June 30, 2016	\$3,000	The execution of this Agreement by both parties.
2	July 1, 2016 – June 30, 2017	\$1,000	July 1, 2016
3	July 1, 2017 – June 30, 2018	\$1,000	July 1, 2017
4	July 1, 2018 – June 30, 2019	\$1,000	July 1, 2018
5	July 1, 2019 – June 30, 2010	\$1,000	July 1, 2019

(B) **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 fees or deposits (“*Commissions*”). Such Commissions shall be at the rate(s) set forth below (the “*Commission Rate*”) and shall be calculated as follows:

(CIB – applicable fees/deposits) * Commission Rate = Commission due

Product	Minimum Vend Price	Commission Rate*
20oz carbonated soft drinks, Lipton & Brisk; 20oz Aquafina (including splash);	\$1.25	40%
20oz Gatorade, G2, Propel	\$1.50	40%
NCHS Teachers Lounge**	\$1.00	25%
12oz can**	\$0.50	15%
*Commission Rate stated above shall only apply to Products sold by Pepsi through its Vending Machines at the beginning of the Term. If Pepsi proposes any new Products to the Customer during the Term, then Pepsi shall have the right to apply a different Commission Rate and/or Minimum Vend Price for such new Product. Pepsi reserves right to increase the minimum vend price in Year 3 of the Term by \$0.25.** All current vending at \$1.25 and student Vending must stay at minimum \$1.25 mech rate		

(1) **Commissions Payment.** Commissions shall be remitted by Pepsi to the Customer within thirty (30) days of the end of each 4-week or 12-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 applicable threshold amounts vary based on the payment period and will be established and communicated pursuant to Pepsi's policies and procedures related to its full service vending business, as may be revised by Pepsi from time to time.

(2) **Change to Commission Rate.** Customer acknowledges and agrees that Pepsi established the Commission Rate based on any applicable sales tax associated with the sale of the Products through the Vending Machines as of the commencement date of this Agreement. If, during the Term, applicable sales taxes should increase by more than five percent (5%), then Pepsi shall have the right to automatically reduce the Commission Rate by the same percentage amount.

(3) **Change to Commission Formula.** In addition to the above, Customer agrees that Pepsi shall have the right to change its formula/method for calculating Commissions at any time in its reasonable discretion provided that any such formula adjustments shall not result in a material change to the Commissions due with respect to the same sales of Products.

(4) **Vend Price.** The minimum vend price necessary for Customer to qualify for any Commissions is set forth above. Pepsi shall have the absolute right, at its sole discretion, to change such vend prices as it deems appropriate in light of cost of goods increases or to otherwise stay reasonably consistent with applicable vending prices for similar accounts operating in the relative geography.

(C) **Rebates.** Each Year throughout the Term, Pepsi shall calculate the total applicable Cases of bottle and can Products and applicable Gallons of postmix Products 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 of the end of each applicable Year during the Term.

Rebate Amount	Applicable Products
\$6.50/Case	24 packs of 20 oz bottles of carbonated soft drinks, Lipton, Brisk, Aquafina & Aquafina Flavorsplash
\$2.00/Case	24 packs of 20 oz bottles Gatorade & G2
\$.50/Case	24 packs of 16.9oz bottles of Aquafina

(D) Any additional consideration set forth on **Exhibit F**.

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 shall place Equipment based upon Pepsi's survey of the Customer's needs, and shall have the right to replace all current beverage vending, retail and dispensing equipment located at the Facilities that is not identified as equipment of Pepsi with Equipment owned by Pepsi. Pepsi shall be allowed to place and maintain a minimum of 20 Vending Machines at the Facilities during the Term. Notwithstanding the foregoing, 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.

(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. At the end of the Term, Pepsi shall have the right to, and shall upon request of the Customer, remove all Equipment from the Facilities at no expense to the Customer.

(D) Pepsi will provide, at no charge to the Customer, preventative maintenance and service to the Equipment. Pepsi's service of the Equipment will be provided during normal school hours, and Pepsi will not be obligated to provide service during periods in which it is prevented from doing so due to strikes, civil disturbances, unavailability of parts or other causes beyond the control of Pepsi, and shall not be liable for damages of any nature arising out of delays in rendering service.

(E) Pepsi shall 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. Pepsi shall 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) The Customer may terminate this Agreement for any breach of this Agreement's material terms by Pepsi, provided that the Customer shall first provide Pepsi with written notice of the breach and a thirty (30) day opportunity for Pepsi to cure such breach. If Pepsi fails to cure the breach within the thirty (30) day period, the Customer may terminate the Agreement upon written notice to Pepsi.

(B) If any of the material terms of this Agreement, including but not limited to the exclusive rights to sell any one or more of the Products, are terminated, violated, prohibited or limited during the Term of this Agreement for any reason, other than by Pepsi, including but not limited to: (1) if Pepsi is restricted from vending or the Food Service Operator is restricted from selling any of the Products on **Exhibit B**, or (2) if Pepsi is restricted from vending or the Food Service Operator is restricted from selling one or more of the Products during the permitted hours set forth in **Exhibit C** (“*Affected Rights*”), then Pepsi may give the Customer written notice of such event and the Customer shall have a thirty (30) day period within which to cure such breach. If the Customer fails to cure such breach within a thirty (30) day period, Pepsi shall have the right to:

(1) (a) reduce Pepsi’s ongoing fees including support and Commissions payable hereunder to an amount equal to the then-current ongoing fees and Commissions Pepsi would pay for the right to market, sell or distribute the remaining Products as a result of such Affected Rights; and

(b) recover, if applicable, an amount pursuant to Subsection (2)(b) below relative to the Products subject to such Affected Rights, as determined by Pepsi.

or

(2) (a) terminate this Agreement in its entirety; and

(b) then, if applicable, Pepsi shall, 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. With respect to the Annual Sponsorship Fee, the amount of such reimbursement shall be determined by multiplying the Annual Sponsorship Fee 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 shall 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 shall be responsible only for the payment of taxes on the sales of Products through Vending Machines. Pepsi shall 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 shall 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 harmless from 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; (ii) product liability suits resulting from the use or consumption of Products purchased directly from Pepsi; and/or (iii) the negligence or willful misconduct of Pepsi, (excluding claims arising out of the Customer's negligence or willful misconduct).

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

12. Injunctive Relief.

It is understood that the rights granted to Pepsi in this Agreement are special, unique and extraordinary, and are of peculiar value, the loss of which cannot be fully compensated by damages in an action at law or any application of any of the other remedies described herein. Accordingly, in the event the Products are not made available as provided in this Agreement or if any of the provisions concerning Competitive Products are not complied with, the Customer acknowledges and agrees that Pepsi shall be entitled to seek and obtain equitable relief including an injunction requiring the Customer to comply fully with its obligations under this Agreement to the extent permitted by law.

13. Relationship of Parties.

(A) The Customer and Pepsi are acting herein as independent contractors and independent employers. Nothing herein shall create or be construed as creating a partnership, joint venture or agency relationship between any of the parties and no party shall have the authority to bind the other in any respect. Pepsi and any person employed by or conducting business with the Customer shall not be a partner, employee, agent or joint venturer of the Customer. The sole relationship of the parties hereto created by this Agreement is that of licensor and licensee.

(B) No goods or equipment shall be purchased in the name of the Customer by Pepsi or any person employed by or conducting business with Pepsi nor shall any goods or equipment be purchased by the Customer in the name of Pepsi. No debts, liabilities, obligations or contracts of whatever kind made or incurred by either of the parties hereto or any person employed by or conducting business with said party shall be in the name or upon the credit of the other party, and the other party shall not be liable or responsible therefor.

14. Retention of Rights.

The Customer shall not obtain by virtue of this Agreement, any right, title or interest in the trademarks of Pepsi or PepsiCo, Inc., nor shall 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.

15. Confidentiality.

(A) Except as otherwise required by law or the rules or regulations of any national securities exchange or the rules or regulations of the Customer, the Customer and Pepsi agree not to disclose Confidential Information (as hereinafter defined) to any third party other than to their respective directors, officers, employees and agents (and directors, officers, employees and agents of their respective Affiliates) and advisors (including legal, financial and accounting advisors) (collectively, “*Representatives*”), as needed.

(B) “*Confidential Information*” shall include all non-public, confidential or proprietary information that the Customer or its Representatives make available to Pepsi or its Representatives or that Pepsi or its Representatives make available to Customer or its Representatives in connection with this Agreement. “*Confidential Information*” shall include, but not be limited to, the terms and conditions of this Agreement. It is expressly understood that the disclosure in or pursuant to this Agreement by the Customer, Pepsi or their respective Representatives of Confidential Information is not a public disclosure thereof, nor is a sale or offer for sale of any product, equipment, process or service of the Customer or Pepsi.

(C) The provisions of this Section and the obligations of the parties hereunder will survive the expiration or sooner termination of this Agreement for a period of three (3) years following such date of expiration or termination of this Agreement.

16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws principles.

17. Insurance.

(A) Each party hereto maintains and agrees to maintain, at all times during the Term and for a period of three (3) years thereafter, 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 name 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 shall 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.

(A) This document is intended by the parties as the final and binding expression of their agreement and is a complete and exclusive statement of the terms thereof and supersedes all prior negotiations, representations, and agreements and no representations, understandings, or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

(B) No modification or waiver of any of the terms and conditions of this Agreement shall be effective unless such modification or waiver is expressed in writing and signed by each of the parties. This Agreement may be amended only in writing signed by each of the parties. No course of prior dealings between the parties and no use of trade shall be relevant or admissible to supplement, explain or vary the terms of this Agreement, whether the same be consistent with the terms of this Agreement or otherwise.

19. Assignment; Binding Nature; Multiple Originals.

To the extent permitted by law, this Agreement shall be binding upon and inure to the benefit of Pepsi and the Customer and its respective successors and permitted assigns. The Customer may not subcontract or assign its rights or obligations under this Agreement to any other entity or person without the express written consent of Pepsi, which consent may be withheld at its sole discretion. 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.

20. Savings Clause.

If any provision of this Agreement shall be 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 shall not deprive any party of any remedy afforded under this Agreement.

21. Waiver.

No waiver of any breach of any provision of this Agreement shall operate as a waiver of such provision of this Agreement or as a waiver or subsequent or other breaches of the same or any other provisions of this Agreement, nor shall any action or non-action by either party be construed as a waiver of any provisions of this Agreement or of any breach thereof unless the same has been expressly declared or recognized as a waiver by such party in writing.

22. Fortius Contra Proferentem.

The parties agree that they have had meaningful discussion and/or negotiation of the provisions, terms and conditions contained in this Agreement. Therefore, doubtful and ambiguous

EXHIBIT A

List of Elementary, Middle and High Schools within the School District

Elementary Schools:

1. Bloomfield Elementary - 360 Arnold Lane Bloomfield, KY 40008
2. Cox's Creek Elem – 5635 Louisville Road Cox's Creek, KY 40013
3. Foster Heights Elem – 211 East Muir Avenue Bardstown, KY 40004
4. Boston School (K-8)- 130 Wilson Creek Road Boston, KY 40107
5. New Haven School – 489 High Street New Haven, KY 40051

Middle Schools:

1. Bloomfield Middle School - 96 Arnold Lane Bloomfield, KY 40008
2. Old Kentucky Home Middle – 301 Wildcat Lane Bardstown, KY 40004

High Schools:

1. Nelson County HS – 1070 Bloomfield Road Bardstown, KY 40004
2. Thomas Nelson HS – 2885 New Shepherdsville Road Bardstown, KY 40004

Additional Locations:

1. Horizons Academy - 304 Wildcat Lane Bardstown, KY 40004
2. Nelson County Area Technology Center – 1060 Bloomfield Road Bardstown, KY 40004
3. Nelson County Early Learning Center – 1200 Cardinal Drive Bardstown, KY 40004
4. Nelson County Board of Education - 288 Wildcat Lane Bardstown, KY 40004

Exhibit B**Products & Pricing**

Customer acknowledges and agrees (and shall require that any third parties or Food Service Providers 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.

Prices subject to a maximum increase of 3.5% per Year.

<u>Product</u>	<u>Package Size</u>	<u>Price</u>	<u>Rebate</u>	<u>Net Price</u>
20oz CSD, Lipton & Brisk	24 Pack	\$ 20.87	\$ 6.50	\$ 14.37
20oz Aquafina Incl Splash	24 Pack	\$ 16.23	\$ 6.50	\$ 9.73
20oz Gatorade & G2	24 Pack	\$ 20.87	\$ 2.00	\$ 18.87
20oz Gatorade Propel	24 Pack	\$ 22.52		\$ 22.52
20oz Sobe Life Water	12 Pack	\$ 13.78		\$ 13.78
10.1oz Robinson Fruit Shoots	24 Pack	\$ 16.60		\$ 16.60
16.9oz Aquafina	24 Pack	\$ 7.88	\$ 0.50	\$ 7.38
10oz Dole Juice	24 Pack	\$ 15.76		\$ 15.76
12oz G2	24 Pack	\$ 15.76		\$ 15.76
12oz Cans	24 Pack	\$ 7.88		\$ 7.88

Exhibit C

Vending and Food Service Hours

All hours permitted under applicable laws, unless otherwise stated below.

Exhibit D

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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Exhibit E**School Policy Exemption Form
For Middle Schools with common access to High Schools**

The Customer request that the following Middle School(s), with common access to High Schools, receive beverage Products pursuant to the School Policy for High Schools:

Middle Schools	With common access to the following high schools:
[List Middle School(s)]	[List High School(s)]

The Customer requests this exemption for the following reason(s):

ACKNOWLEDGED AND ACCEPTED:

Customer

By: _____

Print Name: _____

Title: _____

Date: _____

Exhibit F**Additional Consideration/Benefits**

In addition to the consideration specified in the Agreement, Pepsi shall provide the following further consideration to the Customer:

(A) Pepsi will provide annual Product donations of up to a total of **50** cases per Year upon Customer's request, provided however, that the Customer will administer all requests through a central contact so that the Customer may prioritize the requests, unused Product donations are limited to 12 oz cans and 16.9 oz bottles of Aquafina, and any unused Product donations may not roll over into the subsequent Year or be redeemed for cash

(B) Pepsi will provide the Customer with **Four (4)** Gatorade Sideline Kits per Year (2 per High School) upon Customer's request, provided however, that the Customer will administer all requests through a central contact so that the Customer may prioritize the requests.

The Customer acknowledges that any Gatorade Sideline Kits set forth above do not represent a cash payment to the Customer and any unused Gatorade Sideline Kit requests (in whole or in part) shall not be carried over to the next Year or redeemable for cash payment.

The consideration set forth in this Exhibit will only be provided by Pepsi if signed below by a Pepsi representative:

Approved and Accepted

By: _____

Print Name: _____

Title: _____

Date: _____