

COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT
Board of Trustees Meeting
December 13, 2021

CONSENT CALENDAR

8

Exclusive Beverage Agreement with PepsiCo

Status: Action

Presented by: Ron Perez
 Vice President, Administrative Services

Issue

College of the Sequoias' exclusive (5) year contract for Beverage and Vending Services with Pepsi dated January 1, 2016 to December 31, 2021 is nearing expiration and cannot be renewed.

Background

A Request for Proposals, RFP#1538, was issued to procure beverage vending & pouring rights on September 28, 2021. One (1) response was received and evaluated by a team of staff representing Administrative Services who determined the proposal submitted would provide a valuable partnership to the District.

PepsiCo was the only respondent and has demonstrated the importance of providing quality products and service to ensure the College's needs are met.

- Contract will include every campus and facility owned, leased, occupied or operated by the District, now or in the future, including all facilities, athletic facilities and concession stands, and, for each building, the dining areas, food service outlets and vending areas
- PepsiCo will support COS with a signing bonus of \$25,000.00 upon execution of the exclusive contract.
- PepsiCo will support COS with an annual sponsorship funding of \$40,000.00 for years 1-3 and \$45,000.00 for years 4-5. Funding will support the following:
 - ASB Support \$5,000 (1-5 years)
 - Athletics Support \$20,000 (1-3 years) and \$25,000 (4-5 years)
 - Co-Curricular Support \$5,000 (1-5 years)
 - Food Service Support \$10,000 (1-5 years)
- PepsiCo will support COS with an Annual Scholarship of \$2,000.00
- PepsiCo will support the COS Foundation with an annual contribution of \$2,000.00
- PepsiCo will support COS with a one-time Educational Grant of \$1,000.00 on behalf of the partnership with the Foundation for CA Community Colleges
- PepsiCo will support COS with payment of commissions on sales, paid at a commission rate of 40%
- PepsiCo will provide the COS Athletic Department with a Gatorade Sideline kit

(merchandise) on an annual basis, valued up to \$1,200.00

- PepsiCo will provide annual product donations of up to a total of 325 cases of a combination of cans of soft drinks & bottles of water per year
- PepsiCo will provide COS with marketing support valued at \$1,200.00 per year
- PepsiCo will provide COS with flex fund support of \$1,200.00 per year, to support District-sponsored programs
- PepsiCo will support the Food Service Department with rebates calculated as \$1.25/Case of packaged products purchased from PepsiCo
- PepsiCo will provide COS with a growth rebate for any sales volume exceeding the 2019 sales quota of 8,177 cs/gl
- Total financial summary potential of contract \$399,300

Recommended Action

It is recommended that the Board of Trustees approve the exclusive five (5) year contract with Pepsi beginning January 1, 2022 and ending December 31, 2026.

PepsiCo Financial Summary Comparison

Prior 2016-2021 vs. Proposed 2022-2027

Years	1	2	3	4	5	Total	5-Year Difference
Signing Bonus	\$25,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,000.00	+\$25,000.00
Prior	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Annual Partnership	\$40,000.00	\$40,000.00	\$40,000.00	\$45,000.00	\$45,000.00	\$210,000.00	+\$35,000.00
Prior	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$175,000.00	
Scholarship Support	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$10,000.00	+\$10,000.00
Prior	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Foundation Support	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$10,000.00	+\$10,000.00
Prior	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
FCCC Grant	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	+\$1,000.00
Prior	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Flex Fund	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$6,000.00	-\$6,500.00
Prior	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$12,500.00	
Gatorade Kits	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$6,000.00	\$0.00
Prior	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$6,000.00	
Marketing Support	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$6,000.00	-\$1,500.00
Prior	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$7,500.00	
Donated Products	\$1,950.00	\$1,950.00	\$1,950.00	\$1,950.00	\$1,950.00	\$9,750.00	\$0
Prior	Same amount of products, different figure due to inflation					\$0.00	
Bottle & Can Rebate (Estimated)	\$1.25/Case	\$1.25/Case	\$1.25/Case	\$1.25/Case	\$1.25/Case	\$43,250.00	\$17,300.00
Prior	\$.75/Case	\$.75/Case	\$.75/Case	\$.75/Case	\$.75/Case	\$25,950.00	
FSV Commision Project (Estimated)	40%	40%	40%	40%	40%	\$72,300.00	+10%
Prior	30%	30%	30%	30%	30%		
Sustainability Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$4,000.00
Prior	\$2,000.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$4,000.00	
Projected Annual Support 2022-2027	\$97,700.00	\$71,700.00	\$73,300.00	\$78,300.00	\$78,300.00	\$399,300.00	+\$86,300.00 (Plus FSV & Can rebate)



PEPSICO



RFP# 1538

**Exclusive Beverage Contract
for
Sequoias Community College District
October 19, 2021**

YOUR LOCAL & REGIONAL PEPSICO SUPPORT TEAM

PRIMARY SUPPORT TEAM



Sherry Luiz
Key Account Mgr.
40 Years
Bakersfield CA

Primary Contact



Cregg Jerri
Pepsi Cola
General Manager
2 Years
Zone Sales Director
for Frito Lay
34 Years
Fresno, CA



Tim Blanks
MEM Assoc.
Supervisor
31 Years
Fresno, CA

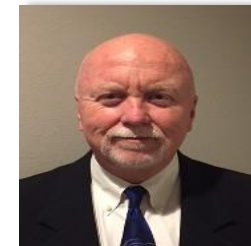
REGION LEADERSHIP SUPPORT TEAM



Jaime Cardenas
GM Senior Market
Director
20 Years
Fresno, CA



James Schneider
Senior Foodservice
Sales Manager
29 Years
Sacramento, CA



Alex Orr
Senior Manager
College & University
24 Years
Riverside, CA



PEPSICO



ONE PRIMARY POINT OF CONTACT FOR COS

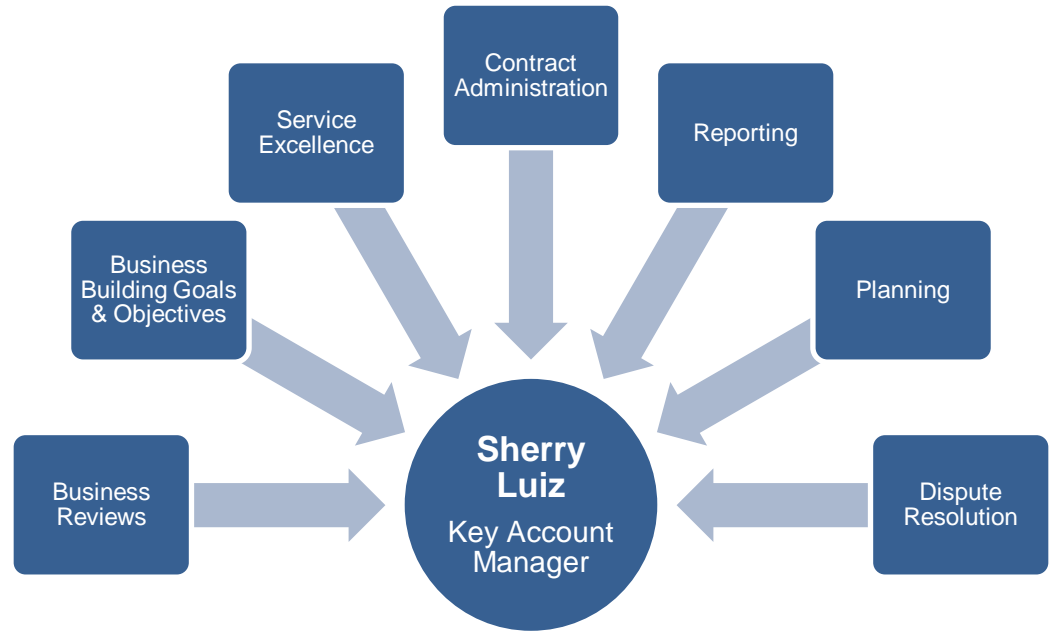
Sherry Luiz
40-year PepsiCo Employee



Contact Information

Sherry.Luiz@pepsico.com

(805)-865-4230



EXPERIENCE





PARTNERSHIP EXPERIENCE



PEPSICO

foodservice 

The icons represent various foodservice items: a soft drink cup with a straw, a green Gatorade bottle, a brown soda bottle, a red and white Fritos container, and a yellow bag of Doritos.

OUR PARTNERSHIP CAPABILITY – LOCAL COLLEGE & UNIVERSITY SHARE

PepsiCo is the share leader within the colleges and universities in the state of California

UC Partners



Total of 9 schools in the UC System

CSU Partners



Total of 22 schools in the CSU System

THIS ALSO EXTENDS TO THE PRIVATE AND CA CC'S AS WELL

Private



58% share

Total of 31 Private schools

CA Community College Partners



Plus many more!

73% share

Total of 113 schools in the CA CC System



PRODUCT PORTFOLIO



PEPSICO

foodservice 

The icons represent various foodservice products: a soft drink cup with a straw, a green Gatorade bottle, a clear soda bottle, a red and white Fritos container, and a yellow bag of Doritos.

OUR PORTFOLIO IS SET UP TO MEET STUDENTS DEMANDS FOR VARIETY



WE PROVIDE AN UNRIVALED PORTFOLIO OF NON-CARBONATED BEVERAGES DRIVING TRANSFORMATIONAL GROWTH



#1
GLOBAL TEA
BRAND

#1
PREMIUM
TEA

#1
BRANDED &
PREMIUM
WATER

#1
SPORTS
DRINKS

#1
PREMIUM
JUICE

#1
SPARKLING
FLAVOR
WATER

#1
RTD COFFEE



SERVICE



PEPSICO

foodservice 

PEPSI OFFERS A WIDE RANGE OF EQUIPMENT

Fountain

- Fountain equipment that meets the demand
- Equipment and product innovation
- Juice and non-carb options



Vending

- Mix of Traditional & Glass Fronts
- Healthy Vending
- Technology Enhancements & Cashless



Coolers/ Merchandisers

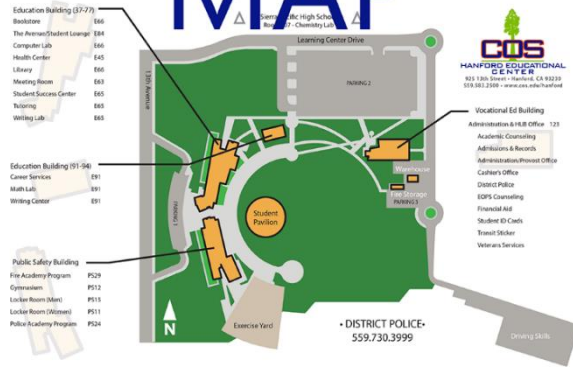
- Variety of Options to meet your needs
- Brand Specific to drive revenue
- Perm displays on innovation & growth brands



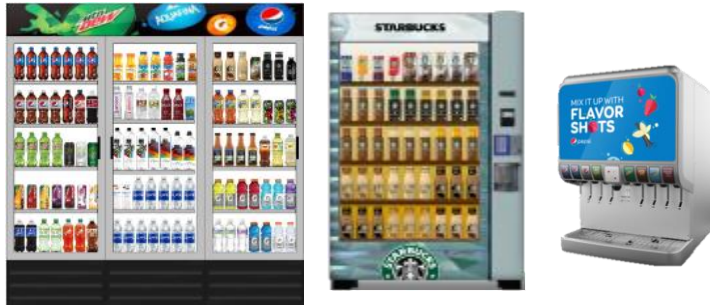
Equipment will be New or Certified "Like New" & Energy Star Rated

WE WILL CONSISTENTLY WALK THE COS CAMPUS TO ENSURE THE RIGHT EQUIPMENT IS PLACED IN THE RIGHT LOCATIONS TO MAXIMIZE SALES

CAMPUS MAP



- Identify current placements using a campus map
- Review volume history per machine
- Identify traffic patterns
- Determine opportunities for incremental placements
- Re-deploy existing placements if volume is below acceptable level
- Ensure right brands are merchandised based on campus retail sales
- Add/re-deploy based on seasonality

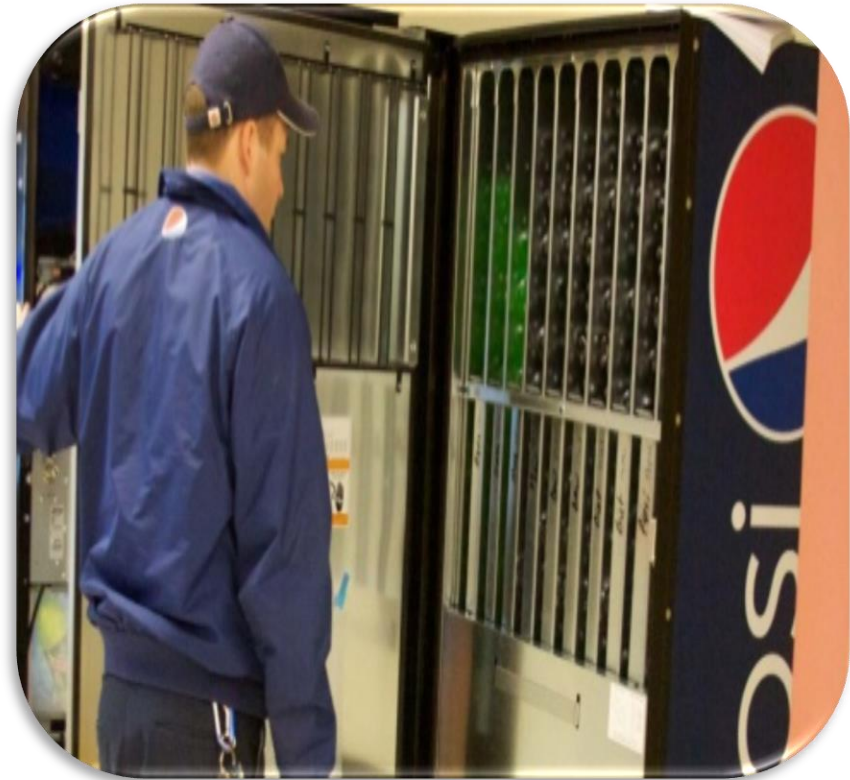


This is not a one time event. It is an on-going process to ensure that we are maximizing the total vending opportunity on campus.

PEPSICO'S FULL-SERVICE VENDING PROGRAM

Full Service Vending is a program administered by PepsiCo that manages all aspects of beverage vending campus.

- PepsiCo identifies the best possible placement locations through dialogue with administration and students
- A scheduling system is utilized that tracks and identifies when a vending machine needs to be filled with product
- PepsiCo administers the collection of all monies
- COS will have a dedicated Full Service Vending Representative on campus as needed by volume
- All vendors will include a dollar bill validator capable of returning change as needed
- All vendors on campus will be maintained, cleaned and inspected on a monthly basis



EQUIPMENT SERVICE THAT IS RESPONSIVE TO COS NEEDS

Service Response Commitment

- 24-Hour Response Time Fountain Commitment
- 24-Hour Response Time Coolers
- 24-hours Response Time Vendors
- Minimized Down-time
- Highly Trained PepsiCo Technical Teams

Service Center

- Calls Answered 365 Days – 24 Hr/Day
- Service Dispatched 24 Hour, 7 Days a Week
- Trained For Troubleshooting
- Phone Repair
- Equipment will be replaced after full assessment of the situation

1-800-555-4784



Preventative Maintenance

- Scheduled Proactive Maintenance
- 70 Point Checklist
- Comprehensive Coverage Of All Components



Training

- Providing Quality Guidelines And Troubleshooting
- Quality Kits Available
- Train The Trainer





HEALTH AND WELLNESS



PEPSICO

foodservice 

The icons represent various foodservice items: a soft drink cup with a straw, a green Gatorade bottle, a clear soda bottle, a red and white Fritos container, and a yellow bag of Doritos.

WE ARE COMMITTED TO PROVIDING BETTER-FOR-YOU OFFERINGS

Better for You beverages range from low or no calorie options to 100% ALL NATURAL ingredient offers



OUR COMMITMENT TO COS

PepsiCo will partner with campus to review our product portfolio and ensure we have a wide variety of healthier options available across campus outlets. We will share innovation when it becomes available and share trends we are seeing across the country with regards to health & wellness!



WE WILL SUPPORT PROGRAMS TO ENCOURAGE STUDENT TO MAKE HEALTHIER CHOICES WITH BETTER FOR YOU BEVERAGE OPTIONS

We will collaborate with COS to help communicate and engage students around healthier beverage choices when making their decisions each day

COMMUNICATION



ENGAGEMENT



EQUIPMENT



A Portfolio of curated Good and Better For You Products

Branding that makes Consumers Feel Good about their choices

Engaging Equipment designed for today's Consumers





FINANCIAL SUPPORT



ONE-TIME UP-FRONT SIGNING BONUS

PepsiCo will provide COS with a one-time signing bonus as follows:

5 Year Agreement= \$25,000



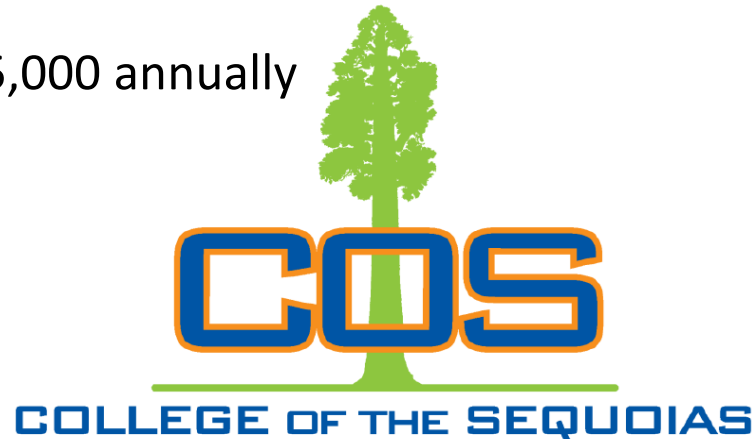
**5-Year Total
\$25,000**

ANNUAL PARTNERSHIP SUPPORT

PepsiCo will provide COS with annual Partnership support as follows:

5 Year Contract

- Year's 1 – 3 = \$40,000 annually
- Year's 4 – 5 = \$45,000 annually



5-Year Total
\$210,000

*Sponsorship support will be made annually as long as COS volume maintains 100% of existing baseline volume of **8,177** cases/gallons /vending (“units”) annually. Volume includes Barnes & Nobles. Support would be reduced by the percent of decline below 8,177 units (i.e., achieve 7,768 units = 95% index = 5% reduction in the Partnership support for the applicable year).

ANNUAL SCHOLARSHIP SUPPORT

PepsiCo will provide COS with Annual Scholarship support as follows:

- Years 1 - 5 = \$2,000 annually



**5-Year Total
\$10,000**

ANNUAL FOUNDATION SUPPORT

PepsiCo will provide COS with Annual Foundation support as follows:

- Years 1 - 5 = \$2,000 annually



**5-Year Total
\$10,000**

FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGE PARTNERSHIP SUPPORT

On behalf of the Foundation for California Colleges and PepsiCo, Sequoias Community College District will receive a one-time Educational Grant to be used where the need is the greatest.

**5-Year Total
\$1,000**



FLEX FUND SUPPORT

PepsiCo will provide COS with a Flex Fund budget over a 5-year term

Flex Fund support will be provided in the amount of \$1,200 annually to enhance programs that have already been identified and/or support throughout each school year.

Support is very flexible and can be used for any programming as agreed upon between COS and PepsiCo.



**5-Year Total
\$6,000**

ANNUAL ATHLETICS SIDELINES SUPPORT

PepsiCo will provide COS Athletics with an annual Gatorade Sidelines support value at \$1,200 Annually.



**5-Year Total
\$6,000**



ADD'L MARKETING SUPPORT ELEMENTS

Continued local marketing support to include menu boards, signage, advertising, and truck backs

BAKERSFIELD COLLEGE ATHLETICS
RENEGADES

2017 VOLLEYBALL SCHEDULE

Day	Date	Opposition	Location	Time
FRIDAY	AUG 26 & 28	PEPPERDINE STATE CLASSIC	PEPPERDINE COLLEGE	10A
SAT	SEPT 2	BAKERSFIELD COLLEGE	BAKERSFIELD COLLEGE	10A
SAT	SEPT 2	SANTA BARBARA STATE	SANTA BARBARA	10A
SUN	SEPT 3	EL CAMINO	EL CAMINO	10A
FRIDAY	SEPT 29 & 30	PEPPERDINE INVITATIONAL	PEPPERDINE COLLEGE	10A
FRIDAY	SEPT 27	REINOLDS	REINOLDS COLLEGE	10A
FRIDAY	SEPT 29	IN SANTA MONICA	BAKERSFIELD COLLEGE	10:00PM
SUN	OCT 1	PORTLAND	SANTA MONICA	10:00PM
FRIDAY	OCT 4	IN ANTELOPE VALLEY	BAKERSFIELD COLLEGE	10:00PM
SUN	OCT 11	PORTLAND	ANTELOPE VALLEY	10:00PM
SUN	OCT 11	PORTLAND	BAKERSFIELD COLLEGE	10:00PM
WED	SEPT 20	WEST LA	BAKERSFIELD COLLEGE	10:00PM
FRIDAY	OCT 27	ANTELOPE VALLEY	BAKERSFIELD COLLEGE	10:00PM
WED	NOV 1	IN BAKERSFIELD	BAKERSFIELD COLLEGE	10:00PM
FRIDAY	NOV 3	STC	STC	10:00PM
WED	NOV 8	IN CANTON	CANTON	10:00PM
FRIDAY	NOV 10	IN WEST LA	WEST LA	10:00PM

gogades.com
Phone: 801-395-4388

*Stanislaus Conference Member




COMPLIMENTARY PRODUCT

- 325 cases annually
- 12oz cans and/or 16.9oz Aquafina
- Primary use for non-sampling related events
- One point of contact is preferred for the District

**5-Year Total
\$9,750 Value**



ANNUAL RETAIL BOTTLE & CAN CASE REBATE

PepsiCo will provide COS with a Retail Bottle & Can Case Rebate of \$1.25 from case 1*. Volume based on 2019 sales including Barnes & Noble volume with a \$1.00 Rebate**.

- Projected Rebate Annually \$7,810
- Projected Barnes & Nobles Rebate Annually \$840



**5-Year
Projected Total
\$43,250**



*PBC delivered cases only. Excludes 16.9oz water, 12oz CSD cans, Tropicana, Naked and Kevita. Estimated 6,248cs annually

**COS will be paid \$1.25 rebate and a \$1.00 on Barnes & Nobles Volume based on 840cs

GROWTH REBATE

PepsiCo will provide Sequoias Community College District with a Growth Rebate Program on all cases/gallons, including Barnes and Noble.



Growth Rebate Program paid above 100% index to 8,177 cs/gl's annually. Rebate will be based on % over 8,177 cs/gls multiplied by the scheduled Partnership Support for that applicable year.

VENDING COMMISSION REVENUE - BEVERAGES

A 40% commission rate will be applied on all vended packages. Earnings based on 8 current vendors and sales of 780 cases annually.



**5-Year Total
Estimated
\$ 72,300**



Brand Mix	Unit_Case	Units	Mech Rate
Frappuccino Total	13.7oz 12L	12	\$3.25
Starbucks_DS_Energy_Total	Can 15oz 12L	12	\$3.25
Corp_CSD_TOTAL	20oz 24L	24	\$2.00
LifeWTR Total	20oz 24L	24	\$2.25
Rockstar_Total	Can 16oz 12L	12	\$2.75
Bang_Total	Can 16oz 12L	12	\$2.75
Rise_Energy_Total	16oz 12P	12	\$2.75
Aquafina_Base_Total	20oz 24L	24	\$2.00
Gatorade_Zero_Total	20oz 24L	24	\$2.00
Gatorade_Total	20oz 24L	24	\$2.00
Dole_Total	15.2oz 12L	12	\$2.25
Lipton_Pure_Leaf_Total	18.5oz 12L	12	\$2.25

*Mech Rate Increase of \$0.25 in Year 3

FINANCIAL SUMMARY 5-YEAR PARTNERSHIP AGREEMENT

Years	1	2	3	4	5	TOTAL
Multi-Year Upfront (One-Time)	\$25,000					25,000
Annual Partnership	40,000	40,000	40,000	\$45,000	45,000	210,000
Scholarship Support	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	10,000
Foundation Support	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	10,000
FCCC Grant	\$1,000					1,000
Flex Fund	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	6,000
Gatorade Kits	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	6,000
Marketing Support	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	6,000
Donated Product 325cs	\$1,950	\$1,950	\$1,950	\$1,950	\$1,950	9,750
Bottle & Can Rebate Projected	\$8,650	\$8,650	\$8,650	\$8,650	\$8,650	43,250
FSV Commission Projected	13,500	13,500	15,100	15,100	15,100	72,300
Annual Support	\$97,700	\$71,700	\$73,300	\$78,300	\$78,300	\$399,300

\$399,300



Thank You!

We look forward to maintaining a
long-term partnership with
Sequoias Community College District!



APPENDIX



PRICING – BOTTLE & CAN



Brand Mix	Unit_Case	On-Ticket	Local CDA
Aquafina_Base_Total	20oz 24L	\$15.91	\$1.25
Aquafina_Base_Total	1 Liter 15L	\$18.95	\$1.25
LifeWTR_Total	1 Liter 12L	\$20.31	\$1.25
LifeWTR_Total	20oz 24L	\$27.56	\$1.25
LifeWTR_Total	1.5 Liter 12L	\$23.20	\$1.25
Starbucks_Cold_Brew_Total	11oz 12L	\$32.25	\$1.25
Frappuccino_Total	13.7oz 12L	\$34.34	\$1.25
Muscle Milk Total	14oz 12L	\$45.13	\$1.25
Dole Total	15.2oz 12L	\$18.64	\$1.25
Ocean Spray Total	15.2oz 12L	\$18.64	\$1.25
Lipton Pure Leaf Total	18.5oz 12L	\$17.85	\$1.25
Gatorlyte Total	20oz 12L	\$24.00	\$1.25
Naked Juice Smoothie Total	15.2oz 8L	\$17.91	
SoBe Juice Total	20oz 12L	\$22.35	\$1.25
Kevita Total	15.2OZ 6L	\$13.43	
Corp CSD TOTAL	20oz 24L	\$28.35	\$1.25
Proud Source Total	Can 25.3oz 12L	\$24.21	\$1.25
Gatorade Total	20oz 24L	\$28.35	\$1.25
Rockstar Total	Can 16oz 12L	\$18.21	\$1.25
Gatorade Total	28oz 15L	\$26.49	\$1.25
Hawaii Volcanic Water Total	500ml 24L	\$26.78	\$1.25
LifeWTR Total	700ml 12L	\$16.73	\$1.25
Frappuccino Total	9.5oz 12P	\$22.32	\$1.25
Yachak Total	Can 11.5oz 12L	\$21.51	\$1.25
Corp CSD TOTAL	Can 12oz 12P FM	\$14.62	\$1.25
Bang Total	Can 16oz 12L	\$21.42	\$1.25
BANG Naturals Total	Can 16oz 12L	\$26.78	\$1.25
Bubly Total	Can 16oz 12P FM	\$10.52	\$1.25
Rise Energy Total	16oz 12P	\$17.51	\$1.25



Bottle & Can pricing will be reviewed and adjusted on an annual basis prior to the contract anniversary date. Any adjustment will be made on the contract anniversary date and will not exceed more than 4% annually.

PRICING – FOUNTAIN & SUPPLIES



Brand	Units Per Case	Invoice Price
CSD FTN	BIB 5G Total	\$13.50
Dr. Pepper FTN	BIB 5G Total	\$13.50
Lipton Iced Tea FTN	BIB 3G Total	\$13.50
SoBe Life Water FTN	BIB 3G Total	\$13.50
Tropicana Juice FTN	BIB 5G Total	\$13.50
Lipton Brisk Total FTN	BIB 5G Total	\$13.50
Dole Juice FTN	BIB 3G Total	\$22.00
CO2	20/50 lb	\$0
Cups	24 oz	\$72.12
Cups	32 oz	\$55.73
Lids	12/16/21/24 oz	\$72.91
Lids	32 oz	\$44.81



Fountain and supplies pricing will be reviewed and adjusted on an annual basis prior to the contract anniversary date. Any adjustment will be made on the contract anniversary date and will not exceed more than 4% annually.


PepsiCo's California Operations

Financial Impact


In California, PepsiCo


- Employs more than 10,100 people
- Payroll over \$480 million


Facilities

 Pepsi bottling facilities in Fresno, Buena Park, Hayward, Riverside, and Sacramento

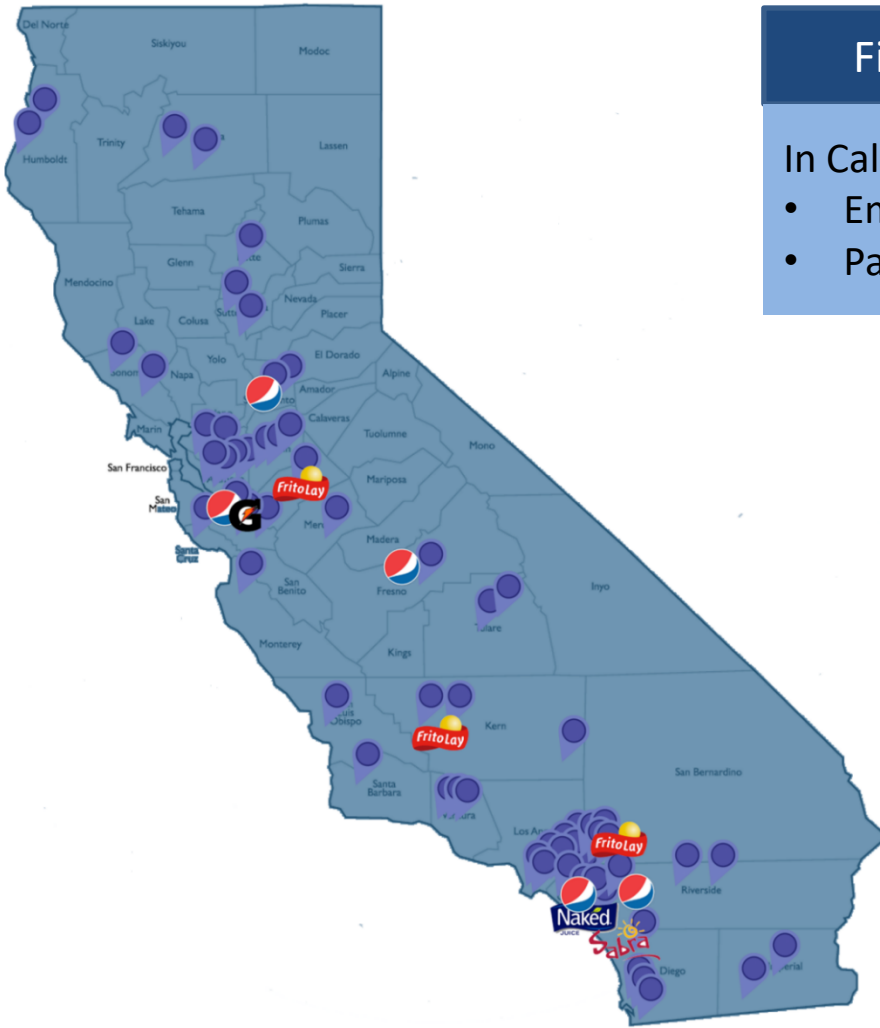
 Frito-Lay plants in Bakersfield, Modesto, and Rancho Cucamonga

 Gatorade bottling facility in Oakland

 Naked Juice bottling facility in City of Industry

 Sabra salsa plant in Oceanside

Warehouse/distribution center/other



SOCAL REFERENCES

SCHOOL NAME	CITY	STATE	CONTACT NAME/TITLE	PHONE #	YEARS AS A PARTNER
Long Beach City College	Long Beach	CA	Alan Maloney Deputy Director, Purchasing, Contracts and Logistics	(562)-938-4541	20
California State University, Fullerton	Fullerton	CA	Chuck Kissel Executive Director	(657)-278-4100	25
Cal Poly University	Pomona	CA	Aaron Neilson Director of Dining Services	(909)-869-2788	35
Santa Ana College	Santa Ana	CA	Jennie Adams Director of Auxiliary Services	(714) 564-6431	20
Cerritos College	Norwalk	CA	Mark Logan Director, Purchasing	(562) 860-2451	20



EQUAL EMPLOYMENT OPPORTUNITY POLICY

PepsiCo, Inc. and its divisions and subsidiaries (“Company”) are dedicated to the achievement of equality of opportunity for all of its associates and applicants for employment. This broadly interpreted policy not only prohibits discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, veteran status or any protected category under state, local or federal law, but also ensures that qualified individuals will be given the opportunity to join PepsiCo Inc. and progress within the Company in accordance with their own abilities. In this connection, the policy requires at least the following:

1. Recruit, hire, train and promote persons in all job classifications, without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, veteran status or any protected category under state, local or federal law.
2. Base decisions on employment and promotions so as to further the principles of equal employment opportunity.
3. Ensure that promotion decisions are in accordance with the principle of equal opportunity by imposing only job-related requirements for promotional opportunities.
4. Ensure that all personnel programs such as benefits, training, tuition assistance, and social and recreational programs will be administered without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or veteran status or any protected category under state, local or federal law.

Responsibility for ensuring compliance and continued implementation of the policy for your facility is assigned to your local Human Resource Manager. An applicant or an associate with a disability requiring a reasonable accommodation should contact their local Human Resource Manager.

Employees of the Company as well as applicants are protected from retaliation for filing a complaint or assisting in the investigation of a complaint under this policy. Any questions or complaints concerning this policy should be forwarded to the employee’s supervisor, Human Resources Manager, the Headquarters EEO/Employment Counsel, or the Speak Up line at 1-866-729-4888.

It is the Company's strong desire that this Equal Employment Opportunity policy be carried out in fact as well as in spirit. PepsiCo wants to do everything possible to provide applicants and associates the maximum opportunity to capitalize on their abilities.

PepsiCo Global Code of Conduct document can be found on our corporate website at www.pepsico.com

COS Equipment							
CTEC COS Campus							
Equip Asset		Equip Type					
Id	Equip Serial Num	Name	Desc	Equip Site Desc	Cust Id	Agree Start Date	Service Contract Name
110986041	EC160304339616	CD4160 2 DOOR SLIDE	Cooler	PUBLIC AREA	369443409	2017 08:40:00	Pepsi Free
11098615	7990385	GDM41SL60 2 DOOR SLIDE	Cooler	FRONT ROOM	369443409	2017 08:45:00	Pepsi Free
COS Athletics							
112305543	3590692	GDM37 2 Door Slide w/Rev Cond	Cooler	1ST FLOOR	382121007	2019 10:25:00	Pepsi Free
112305674	171598	GDM37 2 Door Slide w/Rev Cond	Cooler	1ST FLOOR	382121007	2019 10:25:00	Pepsi Free
COS Athletics							
119906665	6082005023051	G10F HC 1 DOOR SWING	Cooler	GDM 10	570611107	2021 09:22:00	Pepsi Free
77172013	3868496	GDM12 1 Door Swing w/Rev Cond	Cooler	NEW GYM COOLER	570611107	2021 02:28:00	Pepsi Free
12722663	X9705KD144	Z201415CM DI 5VLV I3.0 LVR	Postmix	baseball c-63X9705KD144	570611107	2021 02:27:00	Pepsi Free FTN
5255823	K21709183Z	ICE0500HT Air Cool Hlf Cube 625 Lb	Ice Maker	baseball c-K21709183Z	570611107	2021 02:28:00	Pepsi Free FTN
737592	U900-25839-Z	B55PP Ice Bin 555Lb (99)	Ice Bin	TRAINING ROOM	570611107	2021 02:28:00	Pepsi Free FTN
5396659	7400943KD098	CB2323HSTF 08 UFBSL 80LB	Postmix	NEW GYM FTN	570611107	2021 02:28:00	Pepsi Free FTN
5275315	63A9728KD579	CB2323HSTF 06 UFBBP 80LB	Postmix	GYM;PORTABLE UNIT	570611111	2009 01:22:00	Pepsi Free FTN
117140279	1EN17100442013	CD10 HC 1 DOOR SWING	Cooler	Football Coaches Room	570611107	2021 02:24:00	Pepsi Free
120996931	EP180704457174	CD12 HC 1 DOOR SWING	Cooler	Basketball Gym	570611107	2021 02:27:00	Pepsi Free
119297924	0A0708VC039	VR10 BEV 1 Door Swing	Cooler	Gym	570611107	2021 02:28:00	Pepsi Free
COS Full Service							
121001831	72470d	V21 721 HVV	Vendor	coffee area Af with RS	736892806	2021 10:01:00	Pepsi Free
121001889	30938	V Max 720	Vendor	coffee court CSD	736892806	2021 10:10:00	Pepsi Free
COS Food Court							
121070842	102104830	G45C HC 2 DOOR SLIDE	Cooler	New food court CSD	712233307	2021 09:47:00	Pepsi Free
121070812	102104984	G45C HC 2 DOOR SLIDE	Cooler	new food court AF	712233307	2021 09:49:00	Pepsi Free
121070862	102104893	G45C HC 2 DOOR SLIDE	Cooler	new food court	712233307	2021 09:51:00	Pepsi Free
737937	TR2461433	GDM12 1 Door Swing	Cooler	Cafeteria SNAck Bar*	712233312	2015 05:20:00	Pepsi Free
121856875	01537	AG102F1WU/P (86)	Special Events	student union	712233312	2009 05:37:00	Pepsi Free
121412905	GL0727211002001	RIB LOCAL INSTALL KIT 2W4H10F W ENC	Backroom	under counter	712233308	2021 02:00:00	Pepsi Free FTN
12138514	74D1917ED138	ED150BCH 06 UFBSL	Postmix	new Food Court	712233308	2021 02:10:00	Pepsi Free FTN
121375547	GL0622211002006	WTR BSTR 2 GALLON	Backroom	under counter	712233308	2021 12:17:00	Pepsi Free FTN
5230911	1J10021581Z	B55PS Ice Bin 556Lbs	Ice Bin	Cafe.	712233312	2009 05:22:00	Pepsi Free FTN
COF Hanford Full Service							
119693905	6092007053057	G12F HC 1 DOOR SWING	Cooler	cafe	38501408	2021 12:27:00	Pepsi Free
2144406	937834	V Max 840 Expanded Upgrade	Vendor	cafeteria. not glass front	38501408	2010 03:49:00	Pepsi Free
10928100	95240071DJ	DN5800 BEVMAX 4 GFV	Vendor	Breakroom	38501410	2016 10:31:00	Pepsi Free
12173514	25560101dn	DN5800 BEVMAX 4 HEALTHY GFV	Vendor	Cafe	38501410	2021 08:10:00	Pepsi Free
COS Hanford Voc Ed							
5530927	805252	V Max 720	Vendor	vocational ed	770345008	2009 01:05:00	Pepsi Free
Tulare COS							
10095125	857257	V Max 720	Vendor	Inside building	989789101	2013 02:07:00	Pepsi Free
11328178	30380040	DN5800 BEVMAX 4 GFV	Vendor	Building B Starbucks	989789109	2018 02:20:00	Pepsi Free
5396804	62A0950JD001	ZIDC215BCH 10VLV C4.5 PB CCARB	Postmix	Building A	988798912	2012 04:06:00	Pepsi Free 7



BEVERAGE SALES AND SPONSORSHIP AGREEMENT

This sets forth the agreement (“*Agreement*”) between Bottling Group, LLC, a Delaware limited liability company, and its affiliates and/or respective subsidiaries collectively comprising Pepsi Beverages Company with an office located at 1150 E. North Ave., Fresno, CA 93725 (“*Pepsi*”) and Sequoia Community College District, with its principal place of business at, 915 S. Mooney Blvd., Visalia, CA 93277 on its own behalf, on behalf of its affiliates and wholly-owned subsidiaries, and on behalf of its individual franchisees and licensees, if any (“*Customer*”). The support described below is in lieu of any other discounts, allowances or rebates to which 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.

Definitions

As used in this Agreement, the following capitalized terms have the respective meanings assigned thereto below.

“*Beverage*” or “*Beverages*” means all carbonated and non-carbonated, non-alcoholic drinks, however dispensed during the Term of the Agreement.

“*Cases*” means cases of Packaged Products (as defined herein) purchased by 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 other than the Products.

“*Customer Marks*” means (i) the Designations (as defined below) and (ii) Customer Marks including, without limitation, characters, colors, emblems, designs, identifications, logos, mascots, name, service marks, symbols, trademarks, all trade names, uniforms and other proprietary designations associated with or related to Customer, the Facilities and, if applicable, the Team(s), at the beginning of the Term or which will be created during the Term, if any.

“*Designations*” includes, but are not limited to, the following: “Official Water and Soft Drink of Sequoia Community College District” and “Official Sponsor of Sequoia Community College District.”

“*Equipment*” means equipment loaned by Pepsi to Customer to dispense, store or cool Products (as defined below), as more fully described in Section 5 herein.

“*Facilities*” means the entire premises of every facility owned, leased, occupied or operated by Customer or its Food Service Provider throughout the Term, including all buildings, the grounds, parking lots, dining facilities, snack bars, food carts, bookstores, athletic facilities, retail locations, concession stands, unbranded and branded food service outlets and vending areas. “*Facilities*” shall also be deemed to include convenience store operations and restaurants in place at the beginning of the Term or initiated during the Term in space leased to third-party commercial tenants within Customer-owned buildings.

“*Food Service Provider*” means any other third party which sells or serves Beverages at the Facilities during the Term.



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

“**Packaged Products**” means Beverages that are sold or distributed by Pepsi in pre-packaged form (e.g., bottles and cans). A current list of Pepsi’s Packaged Products is listed in attached Exhibit A which may be amended by Pepsi from time to time.

“**Postmix Products**” means Beverages sold and/or distributed by Pepsi and used to create and prepare fountain beverages, frozen carbonated or non-carbonated beverages. A current list of Pepsi’s Postmix Products is listed in attached Exhibit A which may be amended by Pepsi from time to time.

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

“**Teams**” means any and all sports teams that use the Facilities as their home stadium or field.

“**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.

1. **Term**

The initial term will commence on January 1, 2022 and continue thereafter until December 31, 2024 (the “**Initial Term**”). The Term thereafter may be automatically renewed for an additional two (2) one (1) year periods, upon mutual written consent (the “**Renewal Period**”, together with the Initial Term, the “**Term**”).

2. **Performance**

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

(A) **Exclusivity.** Pepsi will be the exclusive Beverage supplier to, and Beverage sponsor of, Customer and the Facilities, including any applicable Teams. Customer will take all necessary steps to ensure that the Products are the exclusive Beverages of their respective types sold, dispensed or otherwise made available, or in any way advertised, displayed, represented or promoted at or in connection with the Facilities and applicable Teams by any method or through any medium whatsoever (including without limitation digital, print, broadcast, direct mail, coupons, handbills, displays and signage), whether public or private. Customer will not serve, dispense or otherwise make available or permit the availability of, or in any way advertise, display, represent or promote, beverage products licensed by, or produced by bottlers licensed by, The Coca-Cola Company or any affiliate thereof, or any other supplier of Competitive Products.

(B) **Purchase and Resale of Products.** Customer agrees to continuously purchase and require its Food Service Providers and purchasing representatives to purchase, Products exclusively and 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) **Fountain Products.** 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.

(D) **Ancillary Product.** Customer agrees to purchase and require its food Service Providers and purchasing representatives to purchase all their respective requirements for carbon dioxide and branded disposable cups (“*Ancillary Products*”) exclusively from Pepsi.

(E) **Sponsorship and Promotional Rights.** Pepsi shall have the right to advertise its Products on signage at the Facilities and in print advertising as more fully set forth on Exhibit B attached hereto. In addition, Customer hereby grants Pepsi the right to promote the fact that Pepsi is the official and exclusive Beverage sponsor of Customer, the Facilities, including the right of Pepsi to use and promote Customer Marks. Such promotion may be conducted through the distribution channels of digital, television, radio and print media; on the packaging of (including cups and vessels); and at the point-of-sale of any and all Products wherever they may be sold or served. In connection therewith, Customer hereby grants to Pepsi a nonexclusive license to use the name of the Facilities and applicable Teams and Customer Marks for the limited purposes of promoting Products within the context of promotional activities and activation of sponsorship benefits as set forth herein. Customer represents and warrants that it is the sole and exclusive owner of all right, title and interests in and to Customer Marks (including without limitation, all goodwill associated therewith) and Pepsi’s use of Customer Marks pursuant to this Agreement will not infringe the rights of any third parties. Pepsi and Customer agree that advertising and promotional copy produced by each of them relating to the sponsorship rights granted herein will be subject to the prior written approval of the other party as not to be unreasonably withheld.

(F) **Brand Identification.** Customer must display appropriate brand identification for each Product served on all menus (including catering and digital), menuboards and postmix dispensing valves at each of the Facilities throughout the Term.

(G) **Product Mix; Minimum SKU/Brand Requirement.** Throughout the Term, Customer agrees to offer a reasonable mix of Pepsi’s Products and package sizes for sale and distribution throughout the Facilities including, carbonated soft drinks, water, isotonic, coffees and teas, juices, energy drinks and other beverages available from Pepsi. If Customer limits the portfolio of Products and/or package sizes offered at the Facilities at any time during the Term, Customer acknowledges that Pepsi will have the right to adjust the funding offered hereunder to Customer on an equitable basis commensurate with any negative impact such portfolio change may have on projected sales under the Agreement.

(H) **Restrictions for Products.** The parties recognize and agree that there are certain additional territorial restrictions that pertain to the purchase and resale of the Products. To the extent any prospective Facilities are located outside the territories serviced by Pepsi, then Pepsi may, upon request by Customer, use commercially reasonable efforts to facilitate an agreement between the Pepsi-Cola bottler servicing the applicable territory and Customer with terms substantially similar to the terms of this Agreement. Furthermore, 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.

(I) **Food Service Providers.** The terms and conditions of this Agreement, including the pricing, funding and other consideration provided for herein is based on Customer’s current operating model/use of third-party Food Service Provider at commencement date of this Agreement. If either: (i) Customer switches Food Service Providers during the Term or (ii) Customer is self-operated and converts to a Food Service Provider model during the Term, then Customer must require such Food Service provider to abide by the applicable pricing and other terms set forth in this Agreement to the exclusion of all other benefits, including in connection with any agreement such Food Service Provider may separately have with Pepsi or Pepsi’s affiliates. In the event that Customer fails to adhere to this requirement (or the Food Service



Provider refuses to abide accordingly), then Pepsi shall be entitled to adjust its pricing, funding or other consideration offered to Customer herein on an equitable basis to neutralize any negative impact such change may have on the economics of the original Agreement.

(J) **Best Taste Limit and Product Handling.** 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.

3. Monetary Funding

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

(A) **Initial Support Funds.** Pepsi agrees to provide Customer with initial support funds in the amount of Twenty-Five Thousand US Dollars (\$25,000), payable to Customer within ninety (90) days after the later of (i) the first day of the Term or (ii) the signing of this Agreement by both parties (the “*Initial Support Funds*”). The Initial Support Funds are earned by Customer over the Term. In the event of early termination for any reason other than an uncured material breach by Pepsi pursuant to Section 7(A) herein, the unearned Initial Support Funds will be repaid to Pepsi pursuant to the terms of Section 7(C)(i) herein.

(B) **Annual Support Funds.** In each of Years one through three, Pepsi agrees to provide Customer with annual support funds in the amount of Forty Thousand US Dollars (\$40,000) and in Years four and five annual support funds in the amount of Forty-Five Thousand US Dollars (\$45,000) not to exceed five (5) consecutive payments (the “*Annual Support Funds*”). The Annual Support Funds will be paid to Customer within ninety (90) days after the end of each applicable Year. Customer acknowledges and agrees that each Annual Support Fund, payable to Customer herein, will be adjusted based on the number of Units purchased from Pepsi and its Food Service Provider during the Year (*including Cases sold through vending machines and the Barnes and Noble retail outlet*), as compared to an annual Unit threshold, provided Customer’s volume maintains 100% of existing baseline volume of 8,177 Units (“*Annual Units Threshold*”). Therefore, if during any Year the number of Units purchased from Pepsi falls below 100% of the Annual Units Threshold, then the Annual Support Funds payable for the Year will be reduced by a percentage equal to the percentage decrease between the Annual Units Threshold and the actual number of Units sold during such Year. *For example, if the total Annual Support Fund is equal \$1,000 and the Annual Units Threshold is 500 Units, and during Year 1 the actual Units sold is 250 Units, then the total Annual Support Funds for Year 1 will be \$500 (reduced by 50%).* The Annual Support Funds are earned at the end of the Year, payable to Customer within ninety (90) days. In the event of early termination for any reason other than an uncured material breach by Pepsi pursuant to Section 6(A) herein, all unearned Annual Support Funds shall be forfeited and not paid to Customer pursuant to the terms of Section 6(B)(i) herein.

Year	Applicable Time Period	Amount*	Due Date: within 90 days after:
1	January 1, 2022	\$40,000	December 31, 2022
2	January 1, 2023	\$40,000	December 31, 2023
3	January 1, 2024	\$40,000	December 31, 2024
4	January 1, 2025	\$45,000	December 31, 2025
5	January 1, 2026	\$45,000	December 31, 2026



(C) **Growth Incentive Funds.** In each Year throughout the Term, Pepsi shall calculate the total number of Units purchased by Customer and its Food Service Provider throughout the Facilities, including Cases sold through vending machines and the Barnes and Noble retail outlet. If in any Year of the Term, the Customer purchases exceed a (5%) growth in any applicable Year, with regard to the respective Annual Volume Threshold of 8,177 Units (the “**Growth Incentive Funds**”). Pepsi shall provide Customer with Growth Incentive Funds based on the percentage of growth above the volume threshold on the percentage of growth above the growth Annual Units threshold multiplied by the Annual Support Funds for that applicable Year as referenced in Section 3(B) above (“**Annual Support Funds**”).

Example: If Customer exceeds the Annual Volume threshold of 8,177 Units by 5%, Pepsi shall provide Customer with a Growth Incentive Fund of \$2,000 (5% growth x \$40,000 Annual Support Funds).

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 it will give Pepsi written notice if it becomes aware any time of any Pepsi personnel encouragement or recommendation that Customer purchase additional quantities or otherwise incent Customer to purchase additional quantities of Beverages hereunder with the intent to satisfy any goal, forecast or other sales targets established by Pepsi or any Pepsi personnel.

(D) **Ascend Scholarship Support.** Pepsi agrees to provide Customer with annual ascend scholarship support funds in the amount of Two Thousand US Dollars (\$2,000) (“**Annual Scholarship Support**”), payable to Customer within ninety (90) days after the end of commencement of each Year of the Term. The Ascend Scholarship Support is earned by Customer over the Term. In the event of early termination for any reason other than an uncured material breach by Pepsi pursuant to Section 7(A) herein, the unearned Ascend Scholarship Support will be repaid to Pepsi pursuant to the terms of Section 7(C)(i) herein.

Year	Applicable Time Period	Amount*	Due Date: within 90 days after:
1	January 1, 2022	\$2,000	December 31, 2022
2	January 1, 2023	\$2,000	December 31, 2023
3	January 1, 2024	\$2,000	December 31, 2024
4	January 1, 2025	\$2,000	December 31, 2025
5	January 1, 2026	\$2,000	December 31, 2026

(E) **Annual Foundation Support.** Pepsi agrees to provide Customer with annual foundation support funds in the amount of Two Thousand US Dollars (\$2,000) (“**Annual Foundation Support**”), payable to Customer within ninety (90) days after the end of each Year of the Term. In the event of early termination for any reason other than an uncured material breach by Pepsi pursuant to Section 6(A) herein, all unearned Annual Foundation Support shall be forfeited and not paid to Customer pursuant to the terms of Section 6(B)(i) herein.

Year	Applicable Time Period	Amount*	Due Date: within 90 days after:
1	January 1, 2022	\$2,000	December 31, 2022
2	January 1, 2023	\$2,000	December 31, 2023
3	January 1, 2024	\$2,000	December 31, 2024
4	January 1, 2025	\$2,000	December 31, 2025
5	January 1, 2026	\$2,000	December 31, 2026



(F) **FCCC Grant.** Pepsi agrees to provide Customer with a one-time fccc grant in the amount of One Thousand US Dollars (\$1,000) (“*FCCC Grant*”) payable to Customer within ninety (90) days after the later of (i) the first day of the Term or (ii) the signing of this Agreement by both. In the event of early termination for any reason other than an uncured material breach by Pepsi pursuant to Section 7(A) herein, the unearned FCCC Grant will be repaid to Pepsi pursuant to the terms of Section 7(C)(i) herein

(G) **Rebates.** Each Year throughout the Term, Pepsi agrees to calculate the total number of eligible Cases purchased by each of the applicable Facilities from Pepsi pursuant to this Agreement, and will provide Customer with rebates calculated based on applicable rates set forth below (the “*Rebates*”). The Rebates, as applicable, will be paid by Pepsi within sixty (60) days after the end of each Year. The parties agree that Pepsi will not accrue or pay any Rebates for sales to Facilities that are in breach of the Performance Requirements listed in Section 2 above.

Rebates Rates	Eligible Products*
\$1.25/Case	All Corporate Packaged Products excluding Packaged Products sold through the Barnes and Noble retail outlet.
\$1.00/Case	Packaged Products sold only through the Barnes and Noble Outlet
*The following Products are excluded from Rebates: chilled Beverages, 16.9oz Aquafina, 12oz CSDs, Tropicana, Naked and Kevita	

(H) **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:

$$(CIB * Commission Rate) - applicable CRV = Commission due$$

Product	Initial Vend Price	Commission Rate*
16oz Rockstar Total	\$2.75	40%
20oz Gatorade and 16oz Mt Dew Kickstart Total	\$2.00	40%
20oz Aquafina, 20oz CSDs, 20oz Lipton Brisk and 20oz Dr Pepper	\$2.00	40%
*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 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 for Customer to qualify for any Commissions are set



forth in the Commission chart above. Pepsi shall have the right to increase vend prices by \$0.25 in Year two of the Term. 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.

4. Non-Monetary Consideration

- (A) **Marketing Support.** Each Year during the Term, Pepsi agrees to provide Customer with marketing support, valued at up to One Thousand Two Hundred US Dollars (\$1,200) ("**Marketing Support**"). The Marketing Support will be used and spent by Pepsi to pay for point-of-sale materials and promotional programs in support of the sale of the Products at the Facilities, as mutually agreed to by the parties. Pepsi agrees that unused Marketing Support in any Year shall be payable to the Customer within sixty (60) days after the end of each Year, if applicable.
- (B) **Annual Flex Funds.** Each Year during the Term, Pepsi agrees to provide Customer with marketing support, valued at up to One Thousand Two Hundred US Dollars (\$1,200) annual, not to exceed five (5) consecutive payments (the "**Annual Flex Fund**"). The Flex Fund will be used and spent by Pepsi to pay for point-of-sale materials and promotional programs in support of the sale of the Products at the Facilities, as mutually agreed to by the parties. Pepsi agrees that unused Flex Fund in any Year shall be payable to the Customer within sixty (60) days after the end of each Year, if applicable.
- (C) **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 One Thousand Two Hundred US Dollars (\$1,200). 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.
- (D) **Product Free of Charge.** Upon request from Customer, Pepsi agrees to provide up to a total of 325 Cases of a combination of 12oz cans of carbonated soft drinks and 16.9oz Aquafina per Year at no additional charge to Customer, provided, however, that Customer will administer all requests through a central contact so that Customer may prioritize the requests. Customer acknowledges and agrees that unrequested Product in any Year shall not be carried over to the subsequent Year or be redeemable for cash payment.

5. Equipment and Service

- (A) **Equipment.** Pepsi will loan to Customer, at no charge, appropriate Equipment for dispensing the Products at the Facilities. Customer agrees that the Equipment will be exclusively used to display and merchandise the Products as reasonably determined by Pepsi, and subject to applicable local law, rule or regulation. Customer will not use the Equipment to display, stock, advertise, sell or maintain any other products (including on the exterior of the Equipment). Title to such Equipment will remain vested in Pepsi or its affiliate and Customer will return all Equipment to Pepsi upon expiration or earlier termination of this Agreement. At Pepsi's request, Customer will provide Pepsi with a written Equipment verification list indicating the asset number, Equipment type, and location of the Equipment loaned to Customer pursuant to this Agreement. To the extent that future technology enhancements, equipment platforms or products to support these platforms are substantially different in scope or composition compared to existing equipment



components and products, Pepsi and Customer will work in good faith to negotiate the economic terms for implementation of the new technology equipment.

(B) **Vending Machines.** With respect to the vending machine Equipment placed at the Facilities (the “*Vending Machines*”), Pepsi will have the additional responsibility for (i) stocking the Vending Machines with the Products and (ii) collecting, for its own account, all cash monies from the Vending Machines and for all related accounting for collected monies. 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. Pepsi shall not be assessed common area maintenance fees, taxes or other charges based on its occupation of the space allocated to its Equipment at the Facilities.

Commented [AC1]: What about sold expired products?
What about refunds due to failure in vending?

(C) **Service.** Pepsi will provide, at no charge to Customer, preventative maintenance and service to the Equipment. Pepsi will also provide Customer with a telephone number to request emergency repairs and receive technical assistance related to the Equipment after business hours. Pepsi will promptly respond to each Customer request, and will use reasonable efforts to remedy the related Equipment problem as soon as possible. Notwithstanding the foregoing, Customer acknowledges that delays in service may be caused by factors well outside of Pepsi’s control, and therefore Pepsi’s service record will be measured in the aggregate such that an isolated failure is not a material breach of the Agreement.

6. Pricing

Customer will purchase, and will require that its Food Service Providers and any other third parties or purchasing representative for the Facilities to purchase, Products and Ancillary Products directly and exclusively from Pepsi pursuant to the pricing and terms and conditions set forth herein. The initial pricing schedule for Products is set forth on attached Exhibit A, which may be changed by Pepsi from time to time during the Term not to exceed a 4% increase. Notwithstanding the foregoing, in the event Pepsi experiences extraordinary cost increases and/or changes in market conditions (including without limitation, changes to freight costs, raw material and packaging costs or other unusual cost changes in other cost factors), or experiences changes to applicable laws impacting Pepsi’s cost of doing business, such invoice prices are subject to additional increases by Pepsi. Pepsi will be entitled 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 not be subject to any pricing cap or notification restrictions that may be specified in this Agreement.

7. General Terms

(A) **Termination for Default.** Either party may terminate this Agreement if the other commits a material breach of this Agreement; provided, however, that the terminating party has given the other party written notice of the breach and the other party has failed to remedy or cure the breach within thirty (30) days of such notice. If for any reason Customer closes one or more Facilities or if one or more Facility breaches the Agreement, then Pepsi shall have the option, in lieu of termination of the entire Agreement, to (i) adjust funding in Section 3 commensurate with the projected decline in volume; (ii) terminate the Agreement only as it pertains to the sold, closed or breaching Facilities; and (iii) obtain an equitable reimbursement for the portions of funding and other costs attributable to such sold, closed or breaching Facilities. Notwithstanding the foregoing, this paragraph will not apply to seasonal Facility closures with Pepsi prior written approval, such approval not to be unreasonably withheld.

(B) **Additional Termination Rights Available to Pepsi.** 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) **Remedies.** If the Term of this Agreement is terminated early for any reason other than an uncured material breach by Pepsi pursuant to subsection (A) above, Customer and its Facilities will surrender to Pepsi all Equipment provided by Pepsi and will forfeit all funding not paid as of the date of termination. 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 the following:

i. 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 Initial Support Funds, if any, the amount of such reimbursement will be the result of multiplying the Initial Support Funds by a fraction, the numerator of which is the number of months remaining in the Term at the time such termination occurs and the denominator of which is the higher of the total number of months in the Term (e.g., 5 year term is 60 months) or, as applicable, the number of months expected to comprise the Term based on volume trends as of the time of termination and the Volume Threshold (if applicable); With regard to the Annual Ascend Scholarship Support and any other annual funds, the amount of such reimbursement will be the result of multiplying, the total amount of such funds paid to Customer in the Year in which the Agreement is terminated by a fraction, the numerator of which is the number of months remaining in the Year in which the Agreement is terminated at the time such termination occurs and the denominator of which is 12 (twelve);

ii. An amount reflecting reimbursement for the cost of installation, service and refurbishing of Equipment provided during the Term and the cost of removal of all Equipment that has been installed in the Facilities, as applicable; and

iii. An amount as liquidated damages, for lost sales suffered by Pepsi as a result of such termination, equal to the sum of: (a) the product of \$7 multiplied by the projected number of Gallons of Postmix Products that Customer would have been expected to purchase during the remainder of the Term based on the Volume Threshold and Customer's average annualized purchase rate and (b) the product of \$10 multiplied by the projected number of 24-pk case equivalents of Packaged Products that Customer would have been expected to purchase during the remainder of the Term based on the Volume Threshold and Customer's average annualized purchase rate.

(D) **Expiration.** Upon expiration of this Agreement, if Customer has not entered into a further agreement with Pepsi for the purchase of the Products, Customer will surrender to Pepsi all Equipment installed in the Facilities.

(E) **Indemnification.** Pepsi will indemnify and hold 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 under this Agreement, (except to the extent such claims arise out of Customer's negligence or willful misconduct). To the extent permitted by applicable law, 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; and/or (ii) the negligence or willful misconduct of Customer (except to the extent such claims arise out of Pepsi's negligence or willful misconduct). The provisions of this Section shall survive the termination of this Agreement.

(F) **Insurance.** Each party will obtain and maintain and keep in full force and effect the following forms of insurance with the minimum limits of insurance stated below. Furnishing acceptable evidence of insurance as required hereunder shall not relieve either party or any subcontractor from any liability or obligation for which it is otherwise liable under the terms of this contract, nor is liability limited to the amount of this contract.

Form of Insurance	Minimum Limits of Insurance
(i) Disability	As required by law
(ii) Unemployment	As required by law
(iii) (1) Workers Compensation and (2) Employers Liability	Statutory \$1,000,000 per occurrence (BI/disease)
(iv) Commercial General Liability on an occurrence basis, and shall be at least as broad as ISO 2007 form CG 00 01	\$1,000,000 per occurrence and aggregate
(v) Business Automobile Liability written on an occurrence form and shall be at least as broad as ISO form CA 00 01	\$1,000,000 per occurrence combined single limit for bodily injury and property damage liability
(vi) Umbrella/Excess Liability on a follow form basis excess of the Commercial General Liability, Business Automobile Liability Insurance and Employers Liability	\$2,000,000 per occurrence and aggregate

The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those required.

All coverage must be written on an occurrence basis and must be maintained without interruption from the date of this agreement until the date of termination of this agreement. All coverage shall be primary and non-contributory to any other insurance available to the other party. Should any of the above-described policies be cancelled before the expiration date thereof, the party or party's representative will mail thirty (30) days written notice to the certificate holder. The policies shall be written with insuring company(ies) with AM Best financial strength ratings of "A-" or higher and financial size categories of "VII" or greater. The commercial general liability, business automobile liability and umbrella/excess liability policies shall list the other party and its subsidiaries, affiliates, directors, officers, employees, partners and agents as additional insured. The commercial general liability, business automobile liability, workers compensation and employer's liability and umbrella/excess liability policies shall contain a waiver of subrogation in favor of the other party where allowed by law. Each party and any subcontractors shall provide certificates of insurance evidencing the insurance required within prior to commencing any work.

(G) **Right of Offset.** Pepsi reserves the right to withhold payments due hereunder as an offset against amounts not paid by Customer or its Food Service Providers for Products ordered from and delivered by Pepsi and/or Barnes and Noble, 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.

(H) **Non-Disclosure.** Except as may otherwise be required by law or legal process or as reasonably necessary for either party to enforce its rights hereunder, neither party will disclose to unrelated third parties the terms and conditions of this Agreement without the consent of the other.

Commented [AC2]: Confirming that this allows for information to be given when a public records request is filed.

(I) **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned or otherwise transferred by either party (whether by operation of law or otherwise) without the prior written consent of the other party, *provided, however,* that Pepsi may assign and transfer this Agreement (in whole and not in part) to an affiliate without the consent of Customer hereto if such affiliate is (x) capable of fully performing all obligations of the assignor hereunder and (y) agrees, in writing to perform all of the obligations and assume all liabilities of the assignor hereunder. In the event that a third party acquires Customer or substantially all Facilities or if Customer is acquired or merges with a third party, Customer will, in connection with such transaction, cause the acquiring party/merged entity, in writing, to ratify this Agreement and assume all of the obligations of Customer hereunder. In the event that Customer does not deliver written evidence of such ratification and assumption of this Agreement by the acquiring party or merged entity within ten (10) days following the closing of the transaction, Customer will be in breach of this Agreement and Pepsi may, at its option, terminate this Agreement effective immediately and Customer will pay to Pepsi all sums specified in Section 7(C) herein.

(J) **Governing Law.** The laws of the state of New York govern all matters arising out of this Agreement.

(K) **Price Discrepancy.** Any price discrepancy claim must be submitted to Pepsi within 365 days of the date of the invoice in question. If Customer makes a price discrepancy claim within 90 days of the invoice date, Customer must submit a written request specifying the particular Product, amount in dispute and reason for the dispute. This request should be addressed to:

Accounts Receivable
Pepsi-Cola Customer Service Center
P.O. Box 10
Winston-Salem, North Carolina 27102

If Customer makes a price discrepancy claim from 91 to 365 days after the date of invoice, in addition to the written request as specified above, Customer must submit to Pepsi a copy of the invoice in question, copies of any check remittances pursuant to the invoice in question and any additional supporting documentation.

(L) **Tax.** Neither Pepsi nor its affiliates will be responsible for any taxes payable, fees or other tax liability incurred by Customer in connection with the consideration or any other fees payable by Pepsi under this Agreement. If Pepsi is charged common area maintenance fees, taxes or other charges related to Pepsi's occupation of the space allocated to its Equipment at the Facilities, Pepsi may make an adjustment to the consideration provided Section 4 above to offset for such costs.

Commented [AC3]: Will Pepsi be paying for the taxes on vending machine sales?

(M) **Force Majeure.** No party will be responsible to the other 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 impracticable resulting directly or indirectly from any foreign or domestic embargo, product detention, seizure, act of God, pandemic, epidemic, insurrection, war and/or continuance of war, the passage or enactment of any law ordinance, regulation, ruling, or order interfering directly or indirectly with or rendering more burdensome the purchase, production, delivery or payment



hereunder, including the lack of the usual means of transportation due to fire, flood, explosion, riot, strike or other acts of nature or man that are beyond the control of the parties unless such contingency is specifically excluded in another part of this Agreement (“**Force Majeure Event**”). 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 Customer resumes performance or in the event Customer is able to perform some, but not all of its obligations herein, any fixed, advanced, or guaranteed funding will be adjusted commensurate with the decline in volume associated with the suspended or partial performance.

(N) **Waiver.** No failure or delay of either party to exercise any rights or remedies under this Agreement will 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.

(O) **Relationship of the Parties.** The parties are independent contractors with respect to each other. Nothing contained in this Agreement creates a joint venture partnership between the parties.

(P) **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.

(Q) **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, 700 Anderson Hill Road, Purchase NY 10577, Attention: PBNA Division General Counsel 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.

(R) **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.

(S) **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.

(T) **Representations.** Each of the undersigned parties, represent and warrant to the other that (1) the execution, delivery and performance of this Agreement will not violate any agreements with, or rights of, third parties or any statute, rule or regulation applicable to the party or any of its properties, assets or operations (including without limitation any financial reporting and disclosure requirements promulgated by the Securities and Exchange Commission), (2) it is duly authorized and empowered to bind itself to the terms and conditions of this Agreement for the duration of the Term and (3) it possesses legal authority to enter into and perform the terms and conditions of this Agreement.



IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date set forth below.

Bottling Group, LLC

Customer

By: Sherry Luiz
Print Name: Sherry Luiz
Title: KAM
Date: November 17, 2021

By: _____
Print Name: _____
Title: _____
Date: _____



Exhibit A
Product and Prices

Brand Mix	Unit_Case	On-Ticket
Aquafina_Base_Total	20oz 24L	\$15.91
Aquafina_Base_Total	1 Liter 15L	\$18.95
LifeWTR_Total	1 Liter 12L	\$20.31
LifeWTR_Total	20oz 24L	\$27.56
LifeWTR_Total	1.5 Liter 12L	\$23.20
Starbucks_Cold_Brew_Total	11oz 12L	\$32.25
Frappuccino_Total	13.7oz 12L	\$34.34
Muscle Milk Total	14oz 12L	\$45.13
Dole Total	15.2oz 12L	\$18.64
Ocean Spray Total	15.2oz 12L	\$18.64
Lipton Pure Leaf Total	18.5oz 12L	\$17.85
Gatorlyte Total	20oz 12L	\$24.00
Naked Juice Smoothie Total	15.2oz 8L	\$17.91
SoBe Juice Total	20oz 12L	\$22.35
Kevita Total	15.2OZ 6L	\$13.43
Corp CSD TOTAL	20oz 24L	\$28.35
Proud Source Total	Can 25.3oz 12L	\$24.21
Gatorade Total	20oz 24L	\$28.35
Rockstar Total	Can 16oz 12L	\$18.21
Gatorade Total	28oz 15L	\$26.49
Hawaii Volcanic Water Total	500ml 24L	\$26.78
LifeWTR Total	700ml 12L	\$16.73
Frappuccino Total	9.5oz 12P	\$22.32
Yachak Total	Can 11.5oz 12L	\$21.51
Corp CSD TOTAL	Can 12oz 12P FM	\$14.62
Bang Total	Can 16oz 12L	\$21.42
BANG Naturals Total	Can 16oz 12L	\$26.78
Bubly Total	Can 16oz 12P FM	\$10.52
Rise Energy Total	16oz 12P	\$17.51

Bottle & Can pricing will be reviewed and adjusted on an annual basis prior to the contract anniversary date. Any adjustment will be made on the contract anniversary date and will not exceed more than 4% annually.



Fountain Pricing

CSD including Dr. Pepper FTN	BIB 5G Total	\$13.50
Lipton Iced Tea FTN	BIB 3G Total	\$13.50
SoBe Life Water FTN	BIB 3G Total	\$13.50
Tropicana Juice FTN	BIB 5G Total	\$13.50
Lipton Brisk Total FTN	BIB 5G Total	\$13.50
Dole Juice FTN	BIB 3G Total	\$22.00
CO2	20/50 lb	\$0
Cups	24 oz	\$72.12
Cups	32 oz	\$55.73
Lids	12/16/21/24 oz	\$72.91
Lids	32 oz	\$44.81



Exhibit B
Sponsorship Activation

1. Signage Rights:

Pepsi will provide the artwork relating to Pepsi brands and logos as such will appear on the signage. Customer will be responsible for constructing, installing and maintaining signage during the Term. Pepsi shall have the right to modify, change, alter or remove its branding and promotional messages appearing on the signage and any such changes or removal requested by Pepsi will be at Pepsi's sole cost and expense.

2. Sampling:

Customer agrees to permit Pepsi to conduct limited sampling of Pepsi's Products (including innovative Products) at the Facilities in a form and manner as specifically authorized and approved by Customer in accordance with rules and procedures established by Customer.