



SAFEWAY TERMS AND CONDITIONS

(1) Unless a separate formal contract covering this order is signed by Seller and Buyer, the contract created by Seller's acceptance of this order shall govern this transaction.

Buyer shall not be bound by the terms and/or conditions contained on any bill of lading, invoice, packing slip or any document issued by Seller to the extent that such terms or conditions (a) are inconsistent with the terms and conditions contained herein, and/or (b) materially change Buyer's obligations hereunder, and/or (c) purport to waive, disclaim or modify any express or implied warranty otherwise applicable to this transaction. The terms and conditions set forth herein may only be altered by written instrument executed by an officer of Buyer.

(2) Seller guarantees that the article(s) listed on the reverse side will, as of the date of shipment, fully comply with the provisions of the Federal Food, Drug and Cosmetic Act, Federal Insecticide, Fungicide and Rodenticide Act, Federal Hazardous Substances Labeling Act, Federal Caustic Poisons Act, Textile Fiber Products Identification Act, Flammable Products Act, Wool Products Labeling Act, Fair Labor Standards Act, Endangered Species Act, Perishable Agricultural Commodities Act, Wholesale Meat Act, Wholesome Poultry Products Act and all other applicable laws, regulations or ordinances of the United States and of any state, county or city.

Seller also agrees to indemnify and hold Buyer and its officers, directors, employees and agents harmless of and from any charges, actions and proceedings brought by governmental authority with respect to any of the foregoing laws, regulations and/or ordinances, and of and from any claim, demand, liability, action or cause of action made or brought against Buyer for, or arising out of or related to, injury to or death of any person or animal or damage to property caused by the consumption, use or handling of any article(s) purchased from Seller; provided Buyer gives Seller prompt notice thereof.

(3) Seller agrees that terms of payment shall be based upon the latter of: a) receipt of merchandise at the Buyer's designated location; or b) receipt of invoice at the Buyer's accounting office. Seller warrants that at time of delivery all articles so delivered will be free and clear of all liens and encumbrances. Seller shall ship as ordered; no back orders will be accepted. Seller shall notify Buyer about any delivery, quantity or cost changes. All articles tendered to Buyer shall be segregated and sorted as appropriate.

(4) Seller assumes all risk of loss and/or damage to said articles which takes place before the time at which the property therein or title thereto passes to Buyer. If, upon payment of the purchase price by Buyer, any of the articles so paid for will remain in storage in a public warehouse or will be placed in such storage by Seller for withdrawal on Buyer's order, Seller agrees to deliver to Buyer with the invoice or draft covering payment of the purchase price a non-negotiable warehouse receipt covering said articles and issued in the name of Buyer and that said receipt shall be in a form and issued by a warehouseman acceptable to Buyer.

(5) Seller shall maintain the following insurance coverage and shall be responsible for its subcontractors maintaining sufficient limits of the same insurance coverage:

(a) Workers' Compensation and Employers' Liability

Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where Seller performs work.

Employers' Liability insurance shall not be less than \$1,000,000 for injury or death each accident.

(b) Commercial General Liability

Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.

The limit shall not be less than \$2,000,000 each occurrence for bodily injury, property damage and personal injury. If coverage is subject to a general aggregate limit, this aggregate limit shall be twice the occurrence limit.

Coverage shall: a) By "Additional Insured" endorsement add as insureds SAFEWAY INC., its directors, officers, employees and agents with respect to liability arising out of work performed by or for the Seller; b) Be endorsed to specify that the Seller's insurance is primary and that any insurance or self-insurance maintained by SAFEWAY INC. shall not contribute with it.

(c) Business Auto

Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."

The limit shall not be less than \$1,000,000 each accident for bodily injury and property damage.

(d)Additional Insurance Provisions

Before commencing performance of work, Seller shall furnish SAFEWAY INC. with certificates of insurance and endorsements of all required insurance for Seller.

The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to SAFEWAY INC. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

SAFEWAY INC.
Corporate Risk Management
5918 Stoneridge Mall Rd.
Pleasanton, CA 94588-3229

A copy of all such insurance documents shall be sent to SAFEWAY INC.'s Contract Negotiator and/or Contract Administrator.

SAFEWAY INC. may inspect the original policies or require complete certified copies, at any time.

Upon request, Seller shall furnish SAFEWAY INC. the same evidence of insurance for its Subcontractors as SAFEWAY INC. requires of Seller.

(6) Buyer reserves the right to distribute or resell the goods purchased hereunder without any geographic or customer limitations.

(7) Buyer has the right to cancel any or all undelivered portions, if any, of this order if delivery is not made strictly in accordance with its provisions.

(8) Seller agrees to be bound by, and to implement, all of the non-discrimination requirements of Executive Order 11246 and any amendments thereof. Additionally, the Seller agrees to abide by the provisions of Affirmative Action Clause Nos. 60-250.4 and 60-741.4 and any amendments of the above-listed provisions.