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the agent for the ABS/Safeway ABL Agreement (as defined and described below) and certain exceptions and reinvestment rights; (ii) 100% of the net cash proceeds of debt incurrences (other than debt incurrences permitted under the ABS/Safeway Term Loan Agreement) and (iii) 75% (subject to step-downs to zero, in accordance with a consolidated first lien net leverage ratio test) of excess cash flow minus certain payments made under the ABS/Safeway ABL Agreement and voluntary prepayments of, and purchases of loans under, the ABS/Safeway Term Loan Facilities.

Interest. (a) The ABS/Safeway Term Loan B-2 bears interest, at our option, at a rate per annum equal to either (i) the base rate plus 3.375%; or (ii) LIBOR (subject to a 1.00% floor) plus 4.375%; (b) the ABS/Safeway Term Loan B-3 bears interest, at our option, at a rate per annum equal to either (i) the base rate plus 3% or (ii) the LIBOR rate (subject to a 1.00% floor) plus 4% and (c) the ABS/Safeway Term Loan B-4 bears interest, at our option, at a rate per annum equal to either (i) the base rate plus 3.5% or the LIBOR rate (subject to a 1.00% floor) plus 4.5%. At the election of the agent or a majority of the lenders, the interest rate may increase by 2% with respect to any portion of the ABS/Safeway Term Loan Facilities or other obligations not paid on the due date thereof, until such amount due is paid in full.

Guarantees. Subject to certain exceptions, the amounts outstanding under the ABS/Safeway Term Loan Agreement are guaranteed by Albertson's Holdings and each of its existing and future direct and indirect wholly-owned domestic subsidiaries that are not borrowers.

Security. Subject to certain exceptions, the obligations under the ABS/Safeway Term Loan Agreement are secured by (i) a first-priority security interest in and lien on substantially all of the assets of the borrowers and guarantors (other than the ABS/Safeway ABL Priority Collateral (as defined below)), including real property and the equity interests of Albertson's Holdings and its "Restricted Subsidiaries" (as defined in the ABS/Safeway Term Loan Agreement), and (ii) a second-priority security interest in and lien on substantially all of the accounts receivable, inventory, documents of title related to inventory, instruments, general intangibles (excluding any equity interests of Albertson's Holdings or any of its subsidiaries), chattel paper, and supporting obligations, in each case, relating solely to or constituting proceeds of other ABS/Safeway ABL Priority Collateral, and certain related assets of the borrowers and guarantors and all proceeds thereof (the "ABS/Safeway ABL Priority Collateral").

Fees. Certain customary fees are payable to the lenders and the agents under the ABS/Safeway Term Loan Agreement, including a call premium of 1% if the ABS/Safeway Term Loan Facilities are repriced or are refinanced with debt having a lower effective yield than the ABS/Safeway Term Loan Facilities within one year and 31 days following August 11, 2014.

Covenants. The ABS/Safeway Term Loan Agreement contains various affirmative and negative covenants (in each case, subject to customary exceptions), including, but not limited to, restrictions on the ability of (a) the subsidiaries of Albertson's Holdings to: (i) dispose of assets; (ii) incur additional indebtedness, issue preferred stock and guarantee obligations; (iii) prepay certain indebtedness; (iv) pay certain restricted payments and dividends; (v) create liens on assets or agree to restrictions on the creation of liens on assets; (vi) make investments, loans or advances; (vii) restrict distributions from subsidiaries; (viii) engage in mergers or consolidations; (ix) engage in certain transactions with affiliates; (x) amend the terms of any of our organizational documents or material indebtedness; (xi) change lines of business or (xii) make certain accounting changes, and (b) Albertson's Holdings to engage in material operating or business activities. The ABS/Safeway Term Loan Agreement contains no financial covenants.

Events of Default. The ABS/Safeway Term Loan Agreement contains customary events of default (subject to customary exceptions, thresholds and grace periods), including, but not limited to: (i) nonpayment of principal, interest or other amounts; (ii) failure to perform or observe covenants;