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On March 23, 2013, NAI and Bank of America, N.A., entered into a Letter of Credit Facility Agreement, as amended and restated as of January 24, 2014 (the "Letter of Credit Facility Agreement"), which provides for the issuance of standby letters of credit in an aggregate undrawn face amount at any time outstanding not to exceed \$125 million (the "LC Facility"). The LC Facility expires on January 24, 2019. As of June 20, 2015, no letters of credit were outstanding under the LC Facility.

**NAI Indenture**

NAI (as successor to Albertson's, Inc.) is party to an indenture, dated as of May 1, 1992 with U.S. Bank Trust National Association (as successor to Morgan Guaranty Trust Company of New York) (as supplemented by Supplemental Indenture No. 1, dated as of May 7, 2004; Supplemental Indenture No. 2, dated as of June 1, 2006; and Supplemental Indenture No. 3, dated as of December 29, 2008; collectively, the "NAI Indenture"), under which NAI has the following outstanding issues of notes:

- a) \$301,000,000 6.47% to 7.15% Medium-Term Notes, due July 2017—June 2028 (the "NAI Medium-Term Notes")
- b) \$200,000,000 of 7.75% Debentures due June 2026 (the "2026 NAI Notes");
- c) \$650,000,000 of 7.45% Senior Debentures due August 2029 (the "2029 NAI Notes");
- d) \$225,000,000 of 8.70% Senior Debentures due May 2030 (the "2030 NAI Notes"); and
- e) \$400,000,000 of 8.00% Senior Debentures due May 2031 (the "2031 NAI Notes").

The NAI Medium-Term Notes, 2026 NAI Notes, 2029 NAI Notes, 2030 NAI Notes and 2031 NAI Notes are collectively referred to as the "NAI Notes."

*Interest.* Interest on the NAI Notes is payable semiannually.

*Guarantees.* The NAI Notes are not guaranteed.

*Security.* The NAI Notes are unsecured.

*Optional Redemption.* The NAI Medium-Term Notes and the 2026 NAI Notes are not redeemable or repayable prior to maturity. The 2029 NAI Notes, 2030 NAI Notes, and 2031 NAI Notes are redeemable in whole or in part at any time, at a price equal to the greater of (i) 100% of the principal amount to be redeemed and (ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on the applicable notes to be redeemed (excluding any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate plus, in the case of:

- (i) the 2031 NAI Notes, 30 basis points and
- (ii) the 2029 NAI Notes and 2030 NAI Notes, 20 basis points.

*Mandatory Redemption.* The NAI Notes do not require the making of any mandatory redemption or sinking fund payments.