

Table of Contents

Covenants. The NAI Indenture contains certain covenants restricting the ability of NAI and its subsidiaries (subject to customary exceptions) to (i) create liens on certain assets, (ii) engage in mergers or consolidations or (iii) enter into sale and leaseback transactions.

Events of Default. The NAI Indenture contains events of default (subject to customary exceptions, thresholds and grace periods), including, without limitation: (i) nonpayment of principal or interest; (ii) failure to perform or observe covenants; (iii) cross-acceleration with certain other indebtedness and (iv) certain bankruptcy related events.

American Stores Company Indenture

American Stores Company, LLC ("ASC") is party to an indenture, dated as of May 1, 1995 with Wells Fargo Bank, National Association (as successor to The First National Bank of Chicago), as trustee (as further supplemented; together the "ASC Indenture"), under which ASC has the following four outstanding issues of notes:

- a) \$1,741,000 of 7.90% Debentures due May 2017 (the "2017 ASC Notes");
- b) \$2,902,000 of 8% Debentures due June 2026 (the "2026 ASC Notes");
- c) \$746,000 of 7.10% Medium Term Notes due March 2028 (the "2028 ASC MT Notes"); and
- d) \$143,000 of 7.5% Debentures due May 2037 (the "2037 ASC Notes").

The 2017 ASC Notes, 2026 ASC Notes, the 2028 ASC MT Notes, and the 2037 ASC Notes are collectively referred to as the "ASC Notes." Interest on the ASC Notes is payable semiannually. The ASC Notes are guaranteed by SuperValu. The 2017 ASC Notes, 2026 ASC Notes and 2037 ASC Notes are not redeemable prior to maturity. The 2028 ASC MT Notes are redeemable in whole or in part, at the option of ASC, subject to certain conditions. The ASC Notes do not require the making of any mandatory redemption or sinking fund payments.

Concurrently with the acquisition of NAI in March 2013, ASC, SuperValu, and JPMorgan Chase Bank, N.A., as escrow agent, entered into an escrow agreement pursuant to which ASC has deposited into escrow an amount equal to the outstanding principal balance of the ASC Notes plus funds sufficient to pay interest thereon for three years. ASC granted to SuperValu a security interest in its rights under the escrow agreement to secure reimbursement to SuperValu of any amounts paid by SuperValu under its guarantee of the ASC Notes. The ASC Indenture contains, solely for the benefit of the 2037 ASC Notes (but not any other series of the ASC Notes) certain covenants restricting the ability of ASC and its subsidiaries (subject to customary exceptions) to (i) create liens on certain assets, (ii) engage in mergers or consolidations or (iii) enter into sale and leaseback transactions.

Anticipated Refinancing Facilities

We have had preliminary discussions with potential lenders, financial intermediaries and advisors and following the consummation of this offering, subject to market conditions, we intend to enter into new financing facilities, consisting of the \$4,000 million New ABL Loan Agreement, the New Term Loan Agreement (which we expect to be in the form of an amended and restated version of the ABS/Safeway Term Loan Agreement described above), and an indenture governing the New Notes. The New Financing Facilities are expected to extend the weighted average maturity of our indebtedness, reduce the amount of our secured indebtedness and provide use with more flexibility to pursue various transactions than we have under the restrictive covenants in our existing indebtedness.