PENNYMAC FINANCIAL SERVICES, INC.
Form 10-K
March 13, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10 K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001 35916

PennyMac Financial Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware	80 0882793
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
6101 Condor Drive, Moorpark, California	93021
(Address of principal executive offices)	(Zip Code)

(818) 224 7442

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock of Beneficial Interest, $0.0001 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10 K or any amendment to this Form 10 K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b 2 of the Exchange Act (check one):

Large accelerated filer	Accelerated filer	Non accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b 2 of the Exchange Act). Yes No

As of June 30, 2014 the aggregate market value of the registrant's Common Stock of beneficial interest, $0.0001 par value ("common stock"), held by non affiliates was $332,013,936 based on the closing price as reported on the New York Stock Exchange on that date.

As of March 10, 2015, the number of outstanding shares of common stock of the registrant was 21,613,017.

Documents Incorporated by Reference

Document	Parts Into Which Incorporated
Definitive Proxy Statement for 2015 Annual Meeting of Stockholders	Part III

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PENNYMAC FINANCIAL SERVICES, INC.

FORM 10 K

December 31, 2014

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10 K ("Report") contains certain forward looking statements that are subject to various risks and uncertainties. Forward looking statements are generally identifiable by use of forward looking terminology such as "may," "will," "should," "potential," "intend," "expect," "seek," "anticipate," "estimate," "approximately," "believe," "could," "continue," "plan" or other similar words or expressions.

Forward looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain financial and operating projections or state other forward looking information. Examples of forward looking statements include the following:

- projections of our revenues, income, earnings per share, capital structure or other financial items;
- descriptions of our plans or objectives for future operations, products or services;
- forecasts of our future economic performance, interest rates, profit margins and our share of future markets; and
- descriptions of assumptions underlying or relating to any of the foregoing expectations regarding the timing of generating any revenues.

Our ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward looking statements. There are a number of factors, many of which are beyond our control that could cause actual results to differ significantly from management's expectations. Some of these factors are discussed below.

You should not place undue reliance on any forward looking statement and should consider the following uncertainties and risks, as well as the risks and uncertainties discussed elsewhere in this Report and as set forth in Item IA. of Part I hereof and any subsequent Quarterly Reports on Form 10 Q.

Factors that could cause actual results to differ materially from historical results or those anticipated include, but are not limited to:

- the continually changing federal, state and local laws and regulations applicable to the highly regulated industry in which we operate;
- lawsuits or governmental actions if we do not comply with the laws and regulations applicable to our businesses;
- the creation of the Consumer Financial Protection Bureau ("CFPB"), its rules and the enforcement thereof by the CFPB;
- our dependence on U.S. government sponsored entities and changes in their current roles or their guarantees or guidelines;
- changes to government mortgage modification programs;
- the licensing and operational requirements of states and other jurisdictions applicable to our businesses, to which our bank competitors are not subject;

- foreclosure delays and changes in foreclosure practices;
- certain banking regulations that may limit our business activities;
- our dependence on the multi-family and commercial real estate sectors for future originations and investments in commercial mortgage loans and other commercial real estate related loans;
- changes in macroeconomic and U.S. real estate market conditions;
- difficulties inherent in growing loan production volume;

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- difficulties inherent in adjusting the size of our operations to reflect changes in business levels;
- purchase opportunities for mortgage servicing rights ("MSRs") and our success in winning bids;
- changes in prevailing interest rates;
- increases in loan delinquencies and defaults;
- our reliance on PennyMac Mortgage Investment Trust ("PMT") as a significant source of financing for, and revenue related to, our mortgage banking business;
- any required additional capital and liquidity to support business growth that may not be available on acceptable terms, if at all;
- our obligation to indemnify third party purchasers or repurchase loans if loans that we originate, acquire, service or assist in the fulfillment of, fail to meet certain criteria or characteristics or under other circumstances;
- our obligation to indemnify PMT and the Investment Funds if our services fail to meet certain criteria or characteristics or under other circumstances;
- decreases in the historical returns on the assets that we select and manage for our clients, and our resulting management and incentive fees;
- the extensive amount of regulation applicable to our investment management segment;
- conflicts of interest in allocating our services and investment opportunities among ourselves and our Advised Entities;
- the effect of public opinion on our reputation;
- our recent growth;
- our ability to effectively identify, manage, monitor and mitigate financial risks;
- our initiation of new business activities or expansion of existing business activities;
- our ability to detect misconduct and fraud; and
- our ability to mitigate cybersecurity risks and cyber incidents.

Other factors that could also cause results to differ from our expectations may not be described in this Report or any other document. Each of these factors could by itself, or together with one or more other factors, adversely affect our business, results of operations and/or financial condition.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

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PART I

Item 1. Business

The following description of our business should be read in conjunction with the information included elsewhere in this Report. This description contains forward looking statements that involve risks and uncertainties. Actual results could differ significantly from the projections and results discussed in the forward looking statements due to the factors described under the caption "Risk Factors" and elsewhere in this Report. References in this Report to "we," "our," "us," and the "Company" refer to PennyMac Financial Services, Inc. ("PFSI").

Initial Public Offering and Recapitalization

On May 14, 2013, we completed an initial public offering ("IPO") in which we sold approximately 12.8 million shares of Class A Common Stock par value $0.0001 per share ("Class A Common Stock") for cash consideration of $16.875 per share (net of underwriting discounts). With the net proceeds from the IPO, we bought approximately 12.8 million Class A units of Private National Mortgage Acceptance Company, LLC ("PennyMac") and became its sole managing member. We operate and control all of the business and affairs and consolidate the financial results of PennyMac.

Before the completion of the IPO, the limited liability company agreement of PennyMac was amended and restated to, among other things, change its capital structure by converting the different classes of interests held by its existing unitholders into Class A units. PennyMac and its existing unitholders also entered into an exchange agreement under which (subject to the terms of the exchange agreement) they have the right to exchange their Class A units for shares of our Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and certain other transactions.

PennyMac has made an election pursuant to Section 754 of the Internal Revenue Code which remains in effect. As a result of this election, an exchange of Class A units for shares of our Class A Common Stock pursuant to the exchange agreement results in a special adjustment for PFSI that may increase PFSI's tax basis in certain assets of PennyMac that otherwise would not have been available. These increases in tax basis may reduce the amount of income tax that PFSI would otherwise be required to pay in the future and result in increases in investment in PennyMac deferred tax assets net of the related deferred tax liabilities.

As part of the IPO, we entered into a tax receivable agreement with the then-existing unitholders of PennyMac that provides for payment to such owners of 85% of the tax benefits, if any, that we are deemed to realize under certain circumstances as a result of (i) increases in tax basis resulting from exchanges of Class A units and (ii) certain other

tax benefits related to our tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement.

Our Company

We are a specialty financial services firm with a comprehensive mortgage platform and integrated business primarily focused on the production and servicing of U.S. residential mortgage loans (activities which we refer to as mortgage banking) and the management of investments related to the U.S. mortgage market. We believe that our operating capabilities, specialized expertise, access to long-term investment capital, and our management's experience across all aspects of the mortgage business will allow us to profitably grow these activities and capitalize on other related opportunities as they arise in the future.

PennyMac was founded in 2008 by members of our executive leadership team and two strategic partners, BlackRock Mortgage Ventures, LLC ("BlackRock" or "BlackRock, Inc.") and HC Partners, LLC, formerly known as Highfields Capital Investments, LLC, together with its affiliates ("Highfields").

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We conduct our business in three segments: loan production, loan servicing (together, these two activities comprise mortgage banking) and investment management. Our principal mortgage banking subsidiary, PennyMac Loan Services, LLC ("PLS"), is a non-bank producer and servicer of mortgage loans in the United States. PLS is a seller/servicer for the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), each of which is a government sponsored entity ("GSE"). It is also an approved issuer of securities guaranteed by the Government National Mortgage Association ("Ginnie Mae"), a lender of the Federal Housing Administration ("FHA"), a lender/servicer of the Veterans Administration ("VA") and the U.S. Department of Agriculture ("USDA"), and a servicer for the Home Affordable Modification Program ("HAMP"). We refer to each of Fannie Mae, Freddie Mac, Ginnie Mae, FHA,VA and USDA as an "Agency" and collectively as the "Agencies." PLS is able to service loans in all 50 states, the District of Columbia, Guam and the U.S. Virgin Islands, and originate loans in 49 states and the District of Columbia, either because PLS is properly licensed in a particular jurisdiction or exempt or otherwise not required to be licensed in that jurisdiction.

Our principal investment management subsidiary, PNMAC Capital Management, LLC ("PCM"), is an SEC registered investment adviser. PCM manages PMT, a mortgage real estate investment trust, listed on the New York Stock Exchange under the ticker symbol PMT. PCM also manages PNMAC Mortgage Opportunity Fund, LLC and PNMAC Mortgage Opportunity Fund, LP, both registered under the Investment Company Act of 1940 ("Investment Company Act"), as amended, an affiliate of these Funds and PNMAC Mortgage Opportunity Fund Investors, LLC. We refer to these funds collectively as our "Investment Funds" and, together with PMT, as our "Advised Entities."

Mortgage Banking

Loan Production

Our loan production segment is sourced through two channels: correspondent production and consumer direct lending.

In correspondent production we manage, on behalf of PMT and for our own account, the acquisition of newly originated, prime credit quality, first-lien residential mortgage loans that have been underwritten to investor guidelines. PMT acquires, from approved correspondent sellers, newly originated loans, including both conventional and government-insured or guaranteed residential mortgage loans that qualify for inclusion in securitizations that are guaranteed by the Agencies. For conventional loans, we perform fulfillment activities for PMT and earn a fulfillment fee for each loan purchased by PMT. In the case of government insured loans, we purchase them from PMT at PMT's cost plus a sourcing fee and fulfill them for our own account.

Through our consumer direct lending channel, we originate new prime credit quality, first-lien residential conventional and government-insured or guaranteed mortgage loans on a national basis to allow customers to purchase or refinance their homes. The consumer direct model relies on the Internet and call center-based staff to

acquire and interact with customers across the country. We do not have a “brick and mortar” branch network and have been developing our consumer direct operations with call centers strategically positioned across the United States.

For loans originated via our consumer direct lending channel, we conduct our own fulfillment, earn interest income and gains or losses during the holding period and upon the sale or securitization of these loans, and retain the associated MSRs (subject to sharing with PMT a portion of such MSRs or cash with respect to certain consumer direct originated loans that refinance loans for which the related MSRs or excess servicing spread (“ESS”) was held by PMT).

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Our loan production activity is summarized below:

	Year ended December 31,		
	2014	2013	2012
	(in thousands)		
r value of mortgage loans purchased and originated for sale:			
vernment-insured or guaranteed loans acquired from PennyMac Mortgage estment Trust	$ 16,431,338	$ 16,113,806	$ 8,864,264

oker-dealers who acquired the old notes directly from us in the initial ering must, in the absence of an exemption, comply with the registration prospectus delivery requirements of the Securities Act in connection with secondary resales and cannot rely on the position of the Staff of the urities and Exchange Commission (the "*Commission*") enunciated in *Exxon ital Holdings Corp.*, SEC No-Action Letter (April 13, 1988), *Morgan Stanley & Co. Inc.*, no-action letter (June 5, 1991) and *Shearman & Sterling*, SEC no-action Letter (July 2, 3). We have agreed that, starting on the expiration date (as defined herein) and ending on close of business 210 days after the expiration date, we will make this prospectus available ny broker-dealer for use in connection with any such resale. See "Plan of Distribution."

See "Risk Factors" beginning on page 13 of this prospectus, page 11 of our Annual ort on Form 10-K for the fiscal year ended March 2, 2013 and in Exhibit 99.2 to our rent Report on Form 8-K, filed on June 18, 2013, for a discussion of risks you should sider prior to tendering your outstanding old notes for exchange.

Neither the Commission nor any state securities commission has approved or disapproved ese securities or passed upon the adequacy or accuracy of this prospectus. Any esentation to the contrary is a criminal offense.

The date of this prospectus is , 2013.

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References to "*Rite Aid*," the "*Company*," "*we*," "*our*" and "*us*" and similar terms mean Aid Corporation and its subsidiaries, unless the context otherwise requires.

References to "*shares*" and "*common stock*" mean shares of Rite Aid's common stock, par e $1.00, unless the context requires otherwise.

This prospectus incorporates by reference important business and financial information t us that is not included in or delivered with this document. Copies of this information are lable without charge to any person to whom this prospectus is delivered, upon written or request. Written requests should be sent to:

Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention: Investor Relations

Oral requests should be made by telephoning (717) 761-2633.

In order to obtain timely delivery, you must request the information no later n , 2013, which is five business days before the expiration date of the exchange r.

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SUBSIDIARY GUARANTORS

Burleigh Avenue
orfolk, LLC
5 West State Street
e,
aho, LLC
0 Associates, LLC
1 Carter Hill Road
Iontgomery Corp.
2 Warrensville Center
d
Varrensville Ohio, Inc.
7 Associates, Inc.
0 Superior
perties, Inc.
659 Broad St. Corp.
South
adway-Geneva,
hio, LLC
& Government Streets
Iobile, Alabama, LLC
x Drug Stores, Inc.
adview and Wallings-
roadview Heights
o, Inc.
tral Avenue & Main
et
etal MS, LLC
e Managed Care Corp.
erd Corporation
C Drug Stores, Inc.
th and Water Streets-
richsville, Ohio, LLC
and Street Asheland
orporation
ground, LLC
F, Inc.
ovese Drug Stores, Inc.
ysburg and
ver Dayton,
hio, LLC
co, Inc.
(PJC) USA, LLC
Holdings (USA), Inc.
B Alabama Corporation
B Louisiana
poration
B Mississippi
poration
B Services,
rporated
B Tennessee
poration
B Texas Corporation
B, Incorporated
stone Centers, Inc.
Mayfield & Chillicothe
Roads
Chesterland, LLC
Munson & Andrews, LLC
Name Rite, LLC
Northline & Dix Toledo
Southgate, LLC
P.J.C. Distribution, Inc.
P.J.C. Realty Co., Inc.
Patton Drive and Navy
Boulevard
Property Corporation
Paw Paw Lake Road & Paw
Paw
Avenue-Coloma,
Michigan, LLC
PDS-1 Michigan, Inc.
Perry Distributors, Inc.
Perry Drug Stores, Inc.
PJC Dorchester Realty LLC
PJC East Lyme Realty LLC
PJC Haverhill Realty LLC
PJC Hermitage Realty LLC
PJC Hyde Park Realty LLC
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC Mansfield Realty LLC
PJC New London
Realty LLC
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont, Inc.
PJC Peterborough
Realty LLC
PJC Providence Realty LLC
PJC Realty MA, Inc.
PJC Realty N.E. LLC
PJC Revere Realty LLC
PJC Special Realty
Holdings, Inc.
Ram-Utica, Inc.
RDS Detroit, Inc.
READ'S, Inc.
Rite Aid Drug Palace, Inc.
Rite Aid Hdqtrs. Corp.
Rite Aid Hdqtrs.
Funding, Inc.
Rite Aid of Alabama, Inc.
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.
Rite Aid of Florida, Inc.
Rite Aid of Georgia, Inc.
Rite Aid of Illinois, Inc.
Rite Aid of Indiana, Inc.
Rite Aid of Kentucky, Inc.
Rite Aid of Maine, Inc.
Rite Aid of Maryland, Inc.
Rite Aid of
Massachusetts, Inc.
Rite Aid of Michigan, Inc.
Rite Aid of New
Hampshire, Inc.
Rite Aid of New Jersey, Inc.
Rite Aid of New York, Inc.
Rite Aid of North
Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of
Pennsylvania, Inc.
Rite Aid of South
Carolina, Inc.
Rite Aid of Tennessee, Inc.
Rite Aid of Vermont, Inc.
Rite Aid of Virginia, Inc.
Rite Aid of Washington,
D.C., Inc.
Rite Aid of West
Virginia, Inc.
Rite Aid Online Store Inc.
Rite Aid Payroll
Management Inc.
Rite Aid Realty Corp.
Rite Aid Rome Distribution
Center, Inc.
Rite Aid Services, LLC
Rite Aid Specialty
Pharmacy, LLC
Rite Aid Transport, Inc.
Rite Fund, Inc.
Rite Investments Corp.
Rx Choice, Inc.
Seven Mile and Evergreen
Detroit, LLC
Silver Springs
Road-Baltimore,
Maryland/One, LLC
Silver Springs
Road-Baltimore,
Maryland/Two, LLC
State & Fortification Streets
Jackson, Mississippi, LLC
State Street and Hill
Road-Gerard, Ohio, LLC
The Jean Coutu Group (PJC)
USA, Inc.
The Lane Drug Company
Thrift Drug, Inc.
Thrifty Corporation
Thrifty PayLess, Inc.
Tyler and Sanders Road

ehurst and Broadway Birmingham,
orporation Alabama, LLC
i Drug North, Inc.
i Drug South, L.P.
i Drug, Inc.
i Green, Inc.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This prospectus, and the documents incorporated by reference herein, include forward ing statements. These forward looking statements are often identified by terms and phrases as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," y," "plan," "project," "predict," "will" and similar expressions and include references to mptions and relate to our future prospects, developments and business strategies.

Factors that could cause actual results to differ materially from those expressed or implied ch forward looking statements include, but are not limited to:

- our high level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our senior secured credit facility (the "*Senior Credit Facility*"), our second priority secured term loan facility (the "*Tranche 1 Term Loan*"), our most recent second priority secured term loan facility (the "*Tranche 2 Term Loan*") and other debt agreements, including the indenture governing the new notes offered hereby;
- general economic conditions (including the impact of continued high unemployment and changing consumer behavior), inflation and interest rate movements;
- our ability to improve the operating performance of our stores in accordance with our long term strategy;
- our ability to maintain or grow prescription count and realize front-end sales growth;
- our ability to retain the business we gained as a result of the Walgreens/Express Scripts dispute which was settled in September 2012;
- our ability to hire and retain qualified personnel;
- the continued efforts of private and public third party payors to reduce prescription drug reimbursement and encourage mail order and limit access to payor networks;
- competitive pricing pressures, including aggressive promotional activity from our competitors;
- decisions to close additional stores and distribution centers or undertake additional refinancing activities, which could result in further charges to our operating statement;

our ability to manage expenses and our investment in working capital;

continued consolidation of the drugstore and the pharmacy benefit management industries;

changes in state or federal legislation or regulations, and the continued impact from the ongoing implementation of the Patient Protection and Affordable Care Act (the "*Patient Care Act*") as well as other healthcare reform;

the outcome of lawsuits and governmental investigations;

our ability to maintain the listing of our common stock on the New York Stock Exchange (the "*NYSE*"), and the resulting impact on our indebtedness, results of operations and financial condition; and

other risks and uncertainties described from time to time in our filings with the Commission.

We undertake no obligation to update or revise the forward looking statements included or rporated by reference in this prospectus, whether as a result of new information, future ts or otherwise, after the date of this prospectus. Our actual results, performance or evements could differ materially from the results expressed in, or implied by, these forward ing statements. Factors that could cause or contribute to such differences are discussed in section entitled "Risk Factors" in this prospectus and in our Annual Report on Form 10-K he fiscal year ended March 2, 2013, which we filed with the Commission on April 23, 3, and in Exhibit 99.2 to our Current Report on Form 8-K, which we filed with the mission on June 18, 2013.

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SUMMARY

The following information summarizes the detailed information and financial statements uded elsewhere or incorporated by reference in this prospectus. We encourage you to read entire prospectus carefully. Unless otherwise indicated, references to fiscal year refer to iscal year of Rite Aid, which ends on the Saturday closest to February 29 or March 1 of year. The fiscal year ended March 2, 2013 included 52 weeks, the fiscal year ended ch 3, 2012 included 53 weeks and the fiscal years ended February 26, 2011, February 27, 0 and February 28, 2009 included 52 weeks.

Our Business

We are the third largest retail drugstore chain in the United States based on both revenues number of stores. As of June 1, 2013, we operated 4,615 stores in 31 states across the ntry and in the District of Columbia.

In our stores, we sell prescription drugs and a wide assortment of other merchandise, ch we call "front-end" products. In fiscal 2013, prescription drug sales accounted for 67.6% ur total sales. We believe that pharmacy operations will continue to represent a significant of our business due to favorable industry trends, including an aging population, increased expectancy, anticipated growth in the federally funded Medicare Part D prescription gram as "baby boomers" start to enroll, expanded coverage for uninsured Americans as the lt of the Patient Care Act and the discovery of new and better drug therapies. We carry a assortment of front-end products, which accounted for the remaining 32.4% of our total s in fiscal 2013. Front-end products include over-the-counter medications, health and ty aids, personal care items, cosmetics, household items, food and beverages, greeting s, seasonal merchandise and numerous other everyday and convenience products. We also r various photo processing services in virtually all our stores.

We attempt to distinguish our stores from other national chain drugstores, in part, through wellness+ loyalty program, our Wellness format stores, private brands and our strategic nce with GNC, a leading retailer of vitamin and mineral supplements. We offer a wide ety of products under our private brands, which are well received by our customers and ributed approximately 18.3% of our front-end sales in the categories where private brand ucts were offered in fiscal 2013. The overall average size of each store in our chain is oximately 12,600 square feet. The average size of our stores is larger in the western United es. As of June 1, 2013, 61% of our stores were freestanding; 52% of our stores included a e-thru pharmacy; and 47% included a GNC store within Rite Aid store.

Our Strategy

Our strategy for fiscal 2014 is to continue the transformation of Rite Aid into a hborhood destination for health and wellness. This strategic objective will not only allow better meet the needs of our customers and patients in a rapidly changing healthcare ronment, but will also help us to continue the positive financial momentum we have rated over the past several years.

Financially, our primary goal for fiscal 2014, consistent with fiscal 2013, is to continue ving same stores sales while expanding EBITDA margins, both of which are critical to eving long-term financial success. By growing same-store sales, we can take full advantage ur recent cost control improvements as well as margin benefits resulting from the wave of generic medications introduced in fiscal 2013.

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In order to drive our financial performance and sustainable sales growth, we will continue crease the level of capital investment in our store base through initiatives such as the lness store remodel program and prescription file purchases. We will also continue to build n key initiatives we have introduced in recent years such as our highly successful wellness+ omer loyalty program and expanded pharmacy services, including immunizations. At the e time, we will focus on developing new programs that meet the evolving needs of our omers as we enter a period of rapid change in the U.S. healthcare industry. We expect that e continued investments and our focus on key initiatives will generate long-term value for shareholders.

Below are descriptions of our key initiatives:

wellness + Since its launch in April of 2010, our free wellness+ program has provided omers and patients with the opportunity to earn significant discounts and wellness rewards turn for being loyal Rite Aid shoppers. Enrolled members earn rewards based on the mulation of points for certain front-end and prescription purchases. The program has been received by Rite Aid customers and continues to provide significant value to members ing enough points to reach the Gold, Silver or Bronze tier levels. In addition to tiered ounts and wellness rewards, members receive exclusive sale pricing and the opportunity to Plus Up Rewards, which are offers on certain items featured in our weekly circular that ide additional savings during return shopping trips.

Both participation in the program and wellness+ card usage continue to be strong. As of l 2013, the wellness+ program had over 25 million active members, defined as members have used their wellness+ card at least twice over the previous 26 weeks. At the end of our l year, wellness+ members accounted for 79% of front-end sales and 68% of prescriptions d. Members continue to have higher basket sizes than non-members and also have a much er rate of prescription retention. In addition, our number of Gold and Silver members Rite s most valuable and satisfied customers continues to increase. We believe that the wellness+ ram has contributed to the improvements in our front-end same store sales and same store cription count. We plan on making additional incremental investments in wellness+ in l 2014, as we expect more customers to move into the Gold, Silver and Bronze tiers. We intend to expand wellness+ in fiscal 2014 and leverage our spend data through the use of nced customer analytics.

Private Brands In fiscal 2011, we began to roll out our new private brand architecture, ch included the consolidation of our private brands into three separate tiers. The initiative uded enhanced package designs for our private brand items and the introduction of our e-fighter brand, Simplify. We now have approximately 3,000 private brand items and our ate brand penetration has increased from 16% in fiscal 2011 to 18.3% as of the end of fiscal 3. This rollout has been completed and we now have approximately 3,000 items in these ds. In fiscal 2014, we will continue to aggressively promote our private brands, which offer t value to our customers and strong margins for Rite Aid, through specific promotional rams and the introduction of new seasonal categories.

Enhanced Digital Offerings As we continue working hard to improve the customer erience in our 4,600 stores, we are also focused on providing enhanced digital resources that er reflect our brand of health and wellness. As a result, in March we introduced our new and roved *riteaid.com* website, which provides easier navigation, a more personalized web erience and enhanced e-commerce. We are also releasing quarterly updates for our mobile and have plans to introduce apps for the iPad and Passbook.

Wellness Store Remodels In fiscal 2013, we continued to strengthen Rite Aid as a wellness nation by converting more than 500 stores to our Wellness format, which brought our n-wide total to nearly 800 by the end of the fiscal year. In addition to improved interior gn, expanded clinical pharmacy services and new wellness product offerings, these stores staffed with our unique

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lness Ambassadors, who serve as a bridge from the front-end of our stores to the pharmacy provide an added level of customer service. Our customers have responded favorably to store format as front-end sales trends in these stores have been above the chain average. in fiscal 2013, we introduced the latest iteration of our Wellness store format known as nuine Well-being." These stores feature new interior design, additional wellness items and ue merchandising displays that bring technology to our stores so that our customers can e more informed purchase decisions. This latest Wellness store format demonstrates how re focused on driving innovation in our stores so that we continue meeting the rapidly ging needs of our customers.

We plan to complete an additional 400 Wellness remodels in fiscal 2014. We believe these odels are a cost-effective way to strengthen our store base, grow sales and offer our omers a unique and engaging wellness experience.

Expanded Healthcare Services In fiscal 2013, we continued to expand the role of our Rite pharmacists in delivering wellness services that go beyond simply filling prescriptions. A area of focus has been our immunizations program, which has grown significantly in recent s. In fiscal 2013, pharmacists administered nearly 2.4 million flu shots compared to nearly million the previous year, an increase of about 60%. We also increased the number of unizations we administered for other disease states such as shingles, pneumonia and oping cough. Continuing to expand the volume and types of immunizations that we can orm will be an area of focus for fiscal 2014.

We also put greater emphasis on prescription compliance and adherence programs in fiscal 3, including the roll out of the Rite Care Prescription Advisor. The Rite Care Prescription isor gives our pharmacists a tool for initiating one-on-one consultations with patients in r to explain the health benefits of taking medications as prescribed. Other key pharmacy ices include our expanded efforts to provide Medication Therapy Management services to ents with complex medication therapies and specialized services to patients with diabetes.

We are also introducing additional ways for customers and patients to conveniently access healthcare services they need. In conjunction with Optum Health, we introduced Now ic Online Care services in fiscal 2012 to select Rite Aid pharmacies in the greater Detroit . We have since expanded these clinics to select stores in Baltimore, Boston, Philadelphia Pittsburgh. These virtual clinics provide patients with real-time online access to qualified ical care, information and resources from nurses and also physicians, who have the ability agnose and potentially write prescriptions for our patients.

We intend to continue to grow and develop our pharmacy and healthcare-related service rings to better meet the needs of consumers and strengthen our brand of health and ness.

Prescription File Purchases In fiscal 2013, we increased the amount of capital allocated to purchase of prescription files to $67.1 million, up from our $35.0 million investment in l 2012. We plan to continue this level of spending on prescription file purchases in fiscal 4, as they typically deliver a strong return on investment.

Customer Service We have put several store operations programs in place to improve the omer service experience, including our chain-wide emphasis on greeting our customers e frequently and assisting them with their purchases. Our emphasis on delivering an tanding customer experience continues to pay off. According to the American Customer sfaction Index, an independent and well-respected measure of customer satisfaction, our e increased by three percent this year, and we now hold the top position among the three or drugstore chains. We have also made investments in technology to make it easier for our e associates to perform necessary tasks such as price changes and backroom inventory agement. By providing our associates with the ability to execute these tasks more iently, we give our store teams more time to focus on providing excellent service to our omers. During fiscal 2013, we increased funds allocated for training our

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e and field associates and strengthening their customer service skills. We plan to further ease our funding levels for training in fiscal 2014. We believe this additional focus on omer service has and will continue to help us drive our improved overall performance.

Cost Control We made significant reductions to our selling, general and administrative enses over the past few years through better control of store labor and other costs in the es, consolidation of our distribution center network, a centralized indirect procurement tion for all non-merchandise purchases and through initiatives aimed to simplify our esses in the stores and at our Corporate office. We will continue to focus on controlling s in fiscal 2014 so that we can maximize the benefits of our sales and customer service atives and capital investments.

Recent Developments

Refinancing of 7.5% Senior Secured Notes due 2017 and 9.5% Senior Notes due 2017

On July 5, 2013, we completed our previously announced cash tender offer and related ent solicitation (collectively, the "*7.5% Notes Tender Offer*") for any and all of our tanding $500.0 million aggregate principal amount of 7.5% Senior Secured Notes due 2017 "*7.5% Notes*") and repurchased approximately $419.2 million aggregate principal amount e 7.5% Notes. The $80.8 million aggregate principal amount of the 7.5% Notes that ained outstanding following the 7.5% Notes Tender Offer were redeemed on July 22, 2013 redemption price equal to 102.500% of their face amount, plus accrued and unpaid interest ut not including, the date of redemption (the "*7.5% Notes Redemption*"). The 7.5% Notes der Offer and 7.5% Notes Redemption were funded with the proceeds of our new 0.0 million Tranche 2 Term Loan, which we entered into on June 21, 2013, together with and/or borrowings under the Senior Credit Facility.

On July 16, 2013, we completed our previously announced cash tender offer and related ent solicitation (collectively, the "*9.5% Notes Tender Offer*") for any and all of our tanding $810.0 million aggregate principal amount of 9.5% Senior Notes due 2017 (the *% Notes*") and repurchased approximately $739.6 million aggregate principal amount of 9.5% Notes. The $70.4 million aggregate principal amount of the 9.5% Notes that remained tanding following the 9.5% Notes Tender Offer were redeemed on August 1, 2013 at a mption price equal to 103.167% of their face amount, plus accrued and unpaid interest to, not including, the date of redemption (the "*9.5% Notes Redemption*"). The 9.5% Notes der Offer and 9.5% Notes Redemption were funded with the proceeds of the offering of the notes, together with cash and/or borrowings under the Senior Credit Facility.

The offering of the old notes, entry into the Tranche 2 Term Loan and the completion of 7.5% Notes Tender Offer, 7.5% Notes Redemption, 9.5% Notes Tender Offer and 9.5% es Redemption are collectively referred to herein as the "*Refinancing Transactions*."

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Summary Description of the Exchange Offer

Notes	6.75% Senior Notes due 2021, issued on July 2, 2013.
Notes	6.75% Senior Notes due 2021, the issuance of which has been registered under the Securities Act. The form and terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.
hange Offer	We are offering to issue up to $810.0 million aggregate principal amount of the new notes in exchange for a like principal amount of the old notes to satisfy our obligations under the registration rights agreement that was executed when the old notes were issued in a transaction in reliance upon the exemption from registration provided by Rule 144A and Regulation S of the Securities Act.
iration Date; Tenders	The exchange offer will expire at 5:00 p.m., Eastern time, on , 2013 (the 30th day following the date of this prospectus), unless extended in our sole and absolute discretion. By tendering your old notes, you represent to us that:

you are not our "affiliate," as defined in Rule 405 under the Securities Act;

any new notes you receive in the exchange offer are being acquired by you in the ordinary course of your business;

at the time of commencement of the exchange offer, neither you nor anyone receiving new notes from you, has any arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes in violation of the Securities Act;

you are not holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering;

if you are not a participating broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of the new notes, as defined in the Securities Act; and

if you are a broker-dealer, you will receive the new notes for your own account in exchange for old notes that were acquired by you as a result of your market-making or other trading activities and that you will deliver a prospectus in connection with any resale of the new notes you receive. For further information regarding resales of the new notes by participating broker-dealers, see the discussion under the caption "Plan of Distribution."

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ndrawal; Non-Acceptance	You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., Eastern time, on , 2013. If we decide for any reason not to accept any old notes tendered for exchange, the old notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of the old notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company ("*DTC*"), any withdrawn or unaccepted old notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered old notes, see "The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes" and the "The Exchange Offer Withdrawal Rights."
ditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption "The Exchange Offer Conditions to the Exchange Offer" for more information regarding the conditions to the exchange offer.
cedures for Tendering the Old Notes	You must do one of the following on or prior to the expiration or termination of the exchange offer to participate in the exchange offer: tender your old notes by sending the certificates for your old notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to The Bank of New York Mellon Trust Company, N.A., as exchange agent, at one of the addresses listed below under the caption "The Exchange Offer Exchange Agent;" or tender your old notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your old notes in the exchange offer, The Bank of New York Mellon Trust Company, N.A., as exchange agent, must receive a confirmation of book-entry transfer of your old notes into the exchange agent's account at DTC prior to the expiration or termination of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a

description of the required agent's message, see the discussion below under the caption "The Exchange Offer Book-Entry Transfers."

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cial Procedures for Beneficial Owners	If you are a beneficial owner whose old notes are registered in the name of the broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf. If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering your old notes, you must either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name the old notes are registered.
erial Federal Income Tax ssiderations	The exchange of the old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See the discussion under the caption "Material Federal Income Tax Considerations" for more information regarding the tax consequences to you of the exchange offer.
of Proceeds	We will not receive any proceeds from the exchange offer.
hange Agent	The Bank of New York Mellon Trust Company, N.A. is the exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent below under the caption "The Exchange Offer Exchange Agent."
ales	Based on interpretations by the Staff of the Commission, as set forth in no-action letters issued to the third parties, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act. However, you will not be able to freely transfer the new notes if:
	you are our "affiliate," as defined in Rule 405 under the Securities Act;
	you are not acquiring the new notes in the exchange offer in the ordinary course of your business;
	you are engaged in or intend to engage in or have an arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes, you will receive in the exchange offer; or

you are holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering.

If you are an affiliate of ours, are engaged in or intend to engage in or have any arrangement or understanding with any person to participate in the distribution of the new notes:

you cannot rely on the applicable interpretations of the Staff of the Commission; and

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must also be named as a selling security holder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.

ker-Dealer

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes which were acquired by such broker-dealer as a result of market making activities or other trading activities. We have agreed that for a period of up to 210 days after the expiration date, as defined in this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution" for more information. Furthermore, a broker-dealer that acquired any of its old notes directly from us:

may not rely on the applicable interpretations of the Staff of the Commission's position contained in *Exxon Capital Holdings Corp.*, SEC no-action letter (April 13, 1988), *Morgan Stanley & Co. Inc.*, SEC no-action letter (June 5, 1991) and *Shearman & Sterling*, SEC no-action Letter (July 2, 1993); and

must also be named as a selling security holder in connection with the registration and prospectus delivery requirements of the Securities Act relating to any resale transaction.

As a condition to participation in the exchange offer, each holder will be required to represent that it is not our affiliate or a broker-dealer that acquired the old notes directly from us.

istration Rights Agreement

When the old notes were issued, we entered into a registration rights agreement with the initial purchasers of the old notes. Under the terms of each registration rights agreement, we agreed to file with the Commission and

use our commercially reasonable efforts to cause to become effective, a registration statement relating to an offer to exchange the old notes for the new notes.

If we do not, among other things, complete the exchange offer within 270 days of the date of issuance of the old notes (March 29, 2014), the interest rate borne by the old notes will be increased at a rate of 0.25% per annum every 90 days (but shall not exceed 0.50% per annum) until the exchange offer is completed, or until the old notes are freely transferable under Rule 144 of the Securities Act.

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Under some circumstances set forth in the registration rights agreement, holders of old notes, including holders who are not permitted to participate in the exchange offer or who may not freely sell new notes received in the exchange offer, may require us to file and cause to become effective, a shelf registration statement covering resales of the old notes by these holders.
A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. See "Description of the New Notes Registration Rights and Additional Interest."

Consequences of not Exchanging Old Notes

If you do not exchange your old notes in the exchange offer, your old notes will continue e subject to the restrictions on transfer described in the legend on the certificate for your old s. In general, you may offer or sell your old notes only:

- if they are registered under the Securities Act and applicable state securities laws;
- if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
- if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the old notes under the Securities Act. Under some umstances, however, holders of the old notes, including holders who are not permitted to cipate in the exchange offer or who may not freely resell new notes received in the ange offer, may require us to file, and to cause to become effective, a shelf registration ement covering resales of old notes by these holders. For more information regarding the equences of not tendering your old notes and our obligation to file a shelf registration ement, see "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old es" and "Description of the New Notes Registration Rights and Additional Interest."

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Summary Description of the New Notes

The terms of the new notes and those of the outstanding old notes are substantially tical, except that the transfer restrictions and registration rights relating to the old notes do apply to the new notes. For a more complete understanding of the new notes, see scription of the New Notes." When we use the term "notes" in this summary, the term udes the old notes and the new notes.

er	Rite Aid Corporation, a Delaware corporation.
urities Offered	Up to $810.0 million aggregate principal amount of 6.75% Senior Notes due 2021.
urity Date	June 15, 2021.
rest and Payment Dates	The new notes will bear interest at an annual rate of 6.75%. Interest is payable on June 15 and December 15 of each year, beginning on December 15, 2013.
sidiary Guarantees	Our obligations under the new notes will be fully and unconditionally guaranteed, jointly and severally, on an unsubordinated basis, by all of our subsidiaries that guarantee our obligations under our Senior Credit Facility, our Tranche 1 Term Loan, our Tranche 2 Term Loan and our outstanding 8.00% senior secured notes due 2020, 10.250% senior secured notes due 2019 and 9.25% senior notes due 2020 (the "*Subsidiary Guarantors*"). The guarantees will be unsecured. Under certain circumstances, subsidiaries may be released from their guarantees of the new notes without the consent of the holders of the new notes. Our subsidiaries conduct substantially all of our operations and have significant liabilities, including trade payables. If the subsidiary guarantees are invalid or unenforceable or are limited by fraudulent conveyance or other laws, the new notes will be structurally subordinated to the substantial liabilities of our subsidiaries.
king	The new notes will be unsecured, unsubordinated obligations of Rite Aid Corporation and will rank equally in right of payment with all of our other unsecured, unsubordinated indebtedness. We currently do not have any subordinated indebtedness. The new notes and the related guarantees will be effectively junior to all of our or the applicable Subsidiary Guarantor's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and to the liabilities of our non-guarantor subsidiaries. As of June 1, 2013, after giving effect to the Refinancing Transactions, the total outstanding debt of us and the Subsidiary Guarantors (including current maturities and capital lease obligations, but excluding

unused commitments and undrawn letters of credit) would have been approximately $5.9 billion, of which $3.6 billion would have been secured.

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m and Denomination	The new notes will be issued only in registered form. The new notes will initially be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof and will be represented by one or more permanent global notes in fully registered form, deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as described herein, or as we otherwise agree, notes in certificated form will not be issued in exchange for the global note or interests therein.
ional Redemption	Prior to June 15, 2016, we may redeem some or all of the notes by paying a "make-whole" premium based on United States Treasury rates. On or after June 15, 2016 we may redeem some or all of the notes at the redemption prices listed under the heading "Description of the New Notes Optional Redemption" in this prospectus plus accrued and unpaid interest to, but not including, the date of redemption. In addition, at any time and from time to time, prior to June 15, 2016 we may redeem up to 35% of the original aggregate principal amount of the notes with the net proceeds of one or more of our equity offerings at a redemption price of 106.75% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption of the notes, provided that at least 65% of the original aggregate principal amount of the notes remains issued and outstanding.
urchase at Option of Holders Upon a nge in Control	In the event of a change in control, each holder of notes may require us to repurchase its notes, in whole or in part, at a repurchase price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See "Description of the New Notes Repurchase at the Option of Holders Upon a Change of Control," and "Risk Factors Risks Related to the Exchange Offer and Holding the New Notes We may be unable to purchase the notes upon a change of control" in this prospectus.
tain Covenants	The indenture governing the new notes contains covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: incur additional debt;

pay dividends or make other restricted payments;

purchase, redeem or retire capital stock or subordinated debt;

make asset sales;

enter into transactions with affiliates;

incur liens;

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	enter into sale-leaseback transactions;
	provide subsidiary guarantees;
	make investments; and
	merge or consolidate with any other person. These covenants are subject to a number of exceptions. See "Description of the New Notes" in this prospectus.
ding	The new notes are a new issue of securities, and there is currently no established trading market for the new notes. An active or liquid market may not develop for the new notes or, if developed, be maintained. We have not applied, and do not intend to apply, for the listing or the new notes on any automated dealer quotation system.
k Factors	Tendering your old notes in the exchange offer involves risks. You should carefully consider the information in the sections entitled "Risk Factors" in this prospectus, in our Annual Report on Form 10-K for the fiscal year ended March 2, 2013 and in Exhibit 99.2 to our Current Report on Form 8-K, filed on June 18, 2013, and all the other information included in this prospectus before tendering any old notes.

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Our headquarters are located at 30 Hunter Lane, Camp Hill, Pennsylvania 17011, and our phone number is (717) 761-2633. We were incorporated in 1968 and are a Delaware oration.

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RISK FACTORS

You should carefully consider the risks and uncertainties set forth below and the risks and rtainties incorporated by reference in this prospectus, including the information included er "Risk Factors" in our Annual Report on Form 10-K for the year ended March 2, 2013, in bit 99.2 to our Current Report on Form 8-K, filed on June 18, 2013, and other documents we subsequently file with the Commission. When we use the term "notes" in this pectus, the term includes the old notes and the new notes.

Risks Related to the Exchange Offer and Holding the New Notes

Holders who fail to exchange their old notes will continue to be subject to restrictions ransfer.

If you do not exchange your old notes for new notes in the exchange offer, you will inue to be subject to the restrictions on transfer of your old notes described in the legend on certificates for your old notes. The restrictions on transfer of your old notes arise because ssued the old notes under exemptions from, or in transactions not subject to, the registration irements of the Securities Act and applicable state securities laws. In general, you may offer or sell the old notes if they are registered under the Securities Act and applicable securities laws, or offered and sold under an exemption from these requirements. We do plan to register the old notes under the Securities Act. For further information regarding the equences of tendering your old notes in the exchange offer, see the discussions below er the captions "The Exchange Offer Consequences of Exchanging or Failing to Exchange Notes" and "Material Federal Income Tax Considerations."

You must comply with the exchange offer procedures in order to receive new, freely able new notes.

Delivery of new notes in exchange for old notes tendered and accepted for exchange uant to the exchange offer will be made only after timely receipt by the exchange agent of following:

- certificates for old notes or a book-entry confirmation of a book-entry transfer of old notes into the Exchange Agent's account at DTC, New York, New York as depository, including an Agent's Message (as defined herein) if the tendering holder does not deliver a letter of transmittal;
- a completed and signed letter of transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message in lieu of the letter of transmittal; and
- any other documents required by the letter of transmittal.

Therefore, holders of old notes who would like to tender old notes in exchange for new s should be sure to allow enough time for the old notes to be delivered on time. We are not ired to notify you of defects or irregularities in tenders of old notes for exchange. Old notes are not tendered or that are tendered but we do not accept for exchange will, following ummation of the exchange offer, continue to be subject to the existing transfer restrictions er the Securities Act and, upon consummation of the exchange offer, certain registration other rights under the registration rights agreement will terminate. See "The Exchange r Procedures for Tendering Old Notes" and "The Exchange Offer Consequences of

hanging or Failing to Exchange Old Notes."

Some holders who exchange their old notes may be deemed to be underwriters and e holders will be required to comply with the registration and prospectus delivery irements in connection with any resale transaction.

If you exchange your old notes in the exchange offer for the purpose of participating in a ibution of the new notes, you may be deemed to have received restricted securities and, if will be required to comply with the registration and prospectus delivery requirements of the rities Act in connection with any resale transaction.

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The new notes and the related guarantees will be effectively junior to our secured debt, if a default occurs, we may not have sufficient funds to satisfy our obligations under the notes.

The new notes and the related guarantees will be our general unsecured, unsubordinated gations that will rank equal in right of payment with all of the existing and future cured, unsubordinated debt of us and the Subsidiary Guarantors. The new notes and the antees will be effectively junior to all of our or the applicable Subsidiary Guarantor's red debt with respect to the right to be satisfied from the assets that secure such secured as collateral.

As of June 1, 2013, after giving effect to the Refinancing Transactions, the total tanding debt of us and the Subsidiary Guarantors (including current maturities and capital e obligations, but excluding unused commitments and undrawn letters of credit) would have approximately $5.9 billion, of which $3.6 billion would have been secured.

We are a holding company and are dependent on dividends and other distributions our subsidiaries.

We are a holding company with no direct operations. Our principal assets are the equity ests we hold in our operating subsidiaries. As a result, we are dependent upon dividends other payments from our subsidiaries to generate the funds necessary to meet our financial gations, including the payment of principal of and interest on our outstanding debt. Our idiaries are legally distinct from us and have no obligation to pay amounts due on our debt make funds available to us for such payment. Accordingly, our debt that is not guaranteed ur subsidiaries is structurally subordinated to the debt and other liabilities of our idiaries. If the guarantees of the new notes are held to be invalid or unenforceable or are ed by fraudulent conveyance or other laws, the new notes would be structurally rdinated to the debt of those subsidiaries. As of June 1, 2013, the total outstanding debt and r liabilities of our subsidiaries was approximately $3.5 billion. As of June 1, 2013, after ng effect to the Refinancing Transactions, the total outstanding debt and other liabilities of subsidiaries would have been approximately $3.5 billion.

Our creditors or the creditors of the Subsidiary Guarantors could challenge the guarantees e new notes as fraudulent conveyances or on other grounds. The delivery of these antees could be found to be a fraudulent conveyance and declared void if a court rmined that: the Subsidiary Guarantor delivered the guarantee with the intent to hinder, y or defraud its existing or future creditors; the Subsidiary Guarantor did not receive fair ideration for the delivery of the guarantee; or the Subsidiary Guarantor was insolvent at the it delivered the guarantee. We cannot assure you that a court would not reach one of these clusions. In the event that a court declares these guarantees to be void, or in the event that guarantees must be limited or voided in accordance with their terms, any claim you may e against us for amounts payable on the new notes would be effectively subordinated to the gations of our subsidiaries, including trade payables and other liabilities that constitute btedness.

We may be unable to purchase the notes upon a change of control.

Upon a change of control event, we would be required to offer to purchase the notes for at a price equal to 101% of the aggregate principal amount of the notes, plus accrued and aid interest, if any, to the repurchase date. The change of control provisions may not protect if we undergo a highly leveraged transaction, reorganization, restructuring, acquisition or lar transaction that may adversely affect you unless the transaction is included within the nition of a change of control.

Our Senior Credit Facility, our Tranche 1 Term Loan and our Tranche 2 Term Loan ide that the occurrence of certain events that would constitute a change of control for the oses of the indenture governing the notes, as well as the triggering of our obligation to

rchase the notes upon a change of control, constitutes a default under such facility. Much
ur other debt also requires us to repurchase such debt upon an event that would constitute a
ge of control for the purposes of

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notes. Other future debt may contain prohibitions of events that would constitute a change ontrol or would require such debt to be repurchased upon a change of control. Moreover, exercise by holders of the notes of their right to require us to repurchase the notes could e a default under our existing or future debt, even if the change of control itself does not lt in a default under existing or future debt. Finally, our ability to pay cash to holders of the s upon a repurchase may be limited by our financial resources at the time of such rchase or by the terms of our outstanding debt agreements at the time. Therefore, we ot assure you that sufficient funds will be available when necessary to make any required rchases. Our failure to purchase the notes in connection with a change of control would lt in a default under the indenture governing the notes. Such a default would, in turn, titute a default under much of our existing debt, and may constitute a default under future as well.

There may not be an active trading market for the new notes, and their price may be tile. Holders may be unable to sell their new notes at the price desired or at all.

There is no existing trading market for the new notes. As a result, there can be no rance that a liquid market will develop or be maintained for the new notes, that holders will ble to sell any of the new notes at a particular time (if at all) or that the prices holders ive if or when they sell the new notes will be above their initial offering price. If the new s are traded after their initial issuance, they may trade at a discount from their initial ring price, depending on prevailing interest rates, the market for similar securities, the price volatility in the price of our common stock, our performance and other factors. We do not nd to list the new notes on any national securities exchange.

The liquidity of any market for the new notes will depend on a number of factors, uding:

- the number of holders of the new notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market in the new notes; and
- prevailing interest rates.

An active market for the new notes may not develop and, if it develops, may not continue.

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USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. Any old notes that are properly ered and exchanged pursuant to the exchange offer will be retired and cancelled.

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**RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED
STOCK DIVIDENDS**

We have calculated the ratio of earnings to fixed charges and the ratio of earnings to bined fixed charges and preferred stock dividends in the following table by dividing ings by fixed charges and earnings by the sum of fixed charges and preferred stock dends, respectively. For this purpose, earnings include pre-tax income from continuing ations plus fixed charges, before capitalized interest. Fixed charges include interest, ther expensed or capitalized, amortization of debt expense, preferred stock dividend irement and that portion of rental expense which is representative of the interest factor in e rentals.

	13 Week Period Ended		Fiscal Year Ended				
	June 1, 2013	June 2, 2012	March 2, 2013 (52 Weeks)	March 3, 2012 (53 Weeks)	February 26, 2011 (52 weeks)	February 27, 2010 (52 weeks)	February 28, 2009 (52 weeks)
	(dollars in thousands)						
	$ 113,064	$ 130,588	$ 515,421	$ 529,255	$ 547,581	$ 515,763	$ 477,627
	79,364	79,700	317,080	325,631	321,888	320,506	320,947
	192,428	210,288	832,501	854,886	869,469	836,269	798,574
	58	137	399	315	509	859	1,434
	$ 192,486	$ 210,425	$ 832,900	$ 855,201	$ 869,978	$ 837,128	$ 800,008
	5,464	5,148	21,056	19,838	18,692	17,614	43,536
es s	$ 197,950	$ 215,573	$ 853,956	$ 875,039	$ 888,670	$ 854,742	$ 843,544
e	92,874	(89,817)	7,505	$ (392,257)	$ (545,582)	$ (479,918)	$ (2,582,794)
	192,428	210,288	832,501	854,886	869,469	836,269	798,574
	$ 285,302	$ 120,471	$ 840,006	$ 462,629	$ 323,887	$ 356,351	$ (1,784,220)
	1.48x		1.01x				
ed	1.44x						
ngs	$ 92,816	$ (89,954)	7,106	$ (392,572)	$ (546,091)	$ (480,777)	$ (2,584,228)
ngs nd	$ 87,352	$ (95,102)	$ (13,950)	$ (412,410)	$ (564,783)	$ (498,391)	$ (2,627,764)

The interest portion of net rental expense is estimated to be equal to one-third of the minimum rental expense for the period.

The preferred stock dividend requirement is computed as the pre-tax earnings that would be required to cover preferred stock dividends.

For the years ended March 2, 2013, March 3, 2012, February 26, 2011, February 27, 2010 and February 28, 2009 earnings were insufficient to cover fixed charges and preferred stock dividends by approximately $14.0 million, $412.4 million, $564.8 million, $498.4 million and $2.6 billion, respectively. For the quarter ended June 2, 2012, earnings were insufficient to cover fixed charges and preferred stock dividends by $95.1 million.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF RITE AID

We derived the following summary financial data from our audited financial statements iscal years 2009 through 2013. Our audited financial statements for fiscal years 2011 ugh 2013 are incorporated by reference in this prospectus.

This information is only a summary. You should read the data set forth in the table below onjunction with "Management's Discussion and Analysis of Financial Condition and ults of Operations" in our Annual Report on Form 10-K for the fiscal year ended March 2, 3 and our Quarterly Report on Form 10-Q for the quarterly period ended June 1, 2013, ch are incorporated by reference in this prospectus, and our audited consolidated financial ements and the accompanying notes and our unaudited consolidated financial statements the accompanying notes, which are incorporated by reference in this prospectus.

Selected financial data for the fiscal year 2009 has been adjusted to reflect the operations ur 28 stores in the Las Vegas market area as a discontinued operations as we entered into an ement to sell the prescription files and terminate the operations of these stores during the th quarter of fiscal 2008.

	13 Week Period Ended		Fiscal Year Ended				
	June 1, 2013	June 2, 2012	March 2, 2013 (52 weeks)	March 3, 2012 (53 weeks)	February 26, 2011 (52 weeks)	February 27, 2010 (52 weeks)	February 28, 2009 (52 weeks)
	(dollars in thousands)						
	$ 6,293,057	$ 6,468,287	$ 25,392,263	$ 26,121,222	$ 25,214,907	$ 25,669,117	$ 26,289,268
	4,472,066	4,719,516	18,073,987	19,327,887	18,522,403	18,845,027	19,253,616
ive	1,609,261	1,688,066	6,600,765	6,531,411	6,457,833	6,603,372	6,985,367
							1,810,223
ent	10,972	12,143	70,859	100,053	210,893	208,017	293,743
	113,064	130,588	515,421	529,255	547,581	515,763	477,627
		17,842	140,502	33,576	44,003	993	39,905
	(5,180)	(10,051)	(16,776)	(8,703)	(22,224)	(24,137)	11,581
	6,200,183	6,558,104	25,384,758	26,513,479	25,760,489	26,149,035	28,872,062
xes	92,874	(89,817)	7,505	(392,257)	(545,582)	(479,918)	(2,582,794)
	3,212	(61,729)	(110,600)	(23,686)	9,842	26,758	329,257
ng	89,662	(28,088)	118,105	(368,571)	(555,424)	(506,676)	(2,912,051)
ons, net tax							(3,369)
	$ 89,662	$ (28,088)	$ 118,105	$ (368,571)	$ (555,424)	$ (506,676)	$ (2,915,420)
:							
	$ 1,822,473	$ 1,841,443	$ 1,830,777	$ 1,934,267	$ 1,991,042	$ 2,332,976	$ 2,062,505
net	1,899,831	1,901,475	1,895,650	1,902,021	2,039,383	2,293,153	2,587,356
	6,945,438	7,073,132	7,078,719	7,364,291	7,555,850	8,049,911	8,326,540
	5,911,665	6,163,405	6,033,531	6,328,201	6,219,865	6,370,899	6,011,709
	(2,357,524)	(2,609,333)	(2,459,434)	(2,586,756)	(2,211,367)	(1,673,551)	(1,199,652)
y:							
	184,447	363,603	819,588	266,537	395,849	(325,063)	359,910

(82,093)	(75,675)	(346,305)	(221,169)	(156,677)	(120,486)	(346,358)
(122,904)	(235,439)	(506,116)	25,801	(251,650)	397,108	(17,279)
92,692	86,958	382,980	250,137	186,520	193,630	541,346
4,615	4,652	4,623	4,667	4,714	4,780	4,901
87,100	87,800	89,000	90,000	91,800	97,500	103,000

Includes stock-based compensation expense. Stock based compensation expense for all fiscal years presented was determined using the fair value method set forth in ASC 718, "Compensation Stock Compensation."

Total debt included capital lease obligations of $116.3 million, $126.4 million, $115.2 million, $127.0 million, $140.3 million, $152.7 million and $193.8 million, as of June 1, 2013, June 2, 2012, March 2, 2013, March 3, 2012, February 26, 2011, February 27, 2010 and February 28, 2009, respectively.

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THE EXCHANGE OFFER

ms of the Exchange Offer; Period for Tendering Old Notes

Subject to terms and conditions detailed in this prospectus, we will accept for exchange notes which are properly tendered on or prior to the expiration date and not withdrawn as nitted below. As used herein, the term "*expiration date*" means 5:00 p.m., Eastern time, on , 2013, the 30th day following the date of this prospectus. We may, however, in sole discretion, extend the period of time during which the exchange offer is open. The "*expiration date*" means the latest time and date to which the exchange offer is extended.

As of the date of this prospectus, $810.0 million aggregate principal amount of old notes outstanding. This prospectus, together with the letter of transmittal, is first being sent on or t the date hereof, to all holders of old notes known to us.

We expressly reserve the right, at any time, to extend the period of time during which the hange offer is open, and delay acceptance for exchange of any old notes, by giving oral or ten notice of such extension to the holders thereof as described below. During any such nsion, all old notes previously tendered will remain subject to the exchange offer and may ccepted for exchange by us. Any old notes not accepted for exchange for any reason will be rned without expense to the tendering holder as promptly as practicable after the expiration rmination of the exchange offer.

Old notes tendered in the exchange offer must be in denominations of principal amount of 00 and integral multiples of $1,000 in excess thereof; provided that the untendered portion n old note or the portion thereof not accepted for exchange must be in a principal amount of 00 or an integral multiple of $1,000 in excess thereof.

We expressly reserve the right to amend or terminate the exchange offer, and not to accept exchange any old notes, upon the occurrence of any of the conditions of the exchange offer ified under " Conditions to the Exchange Offer." We will give oral or written notice of any nsion, amendment, non-acceptance or termination to the holders of the old notes as mptly as practicable. Such notice, in the case of any extension, will be issued by means of a s release or other public announcement no later than 9:00 a.m., Eastern time, on the next ness day after the previously scheduled expiration date.

cedures for Tendering Old Notes

The tender to us of old notes by you as set forth below and our acceptance of the old notes constitute a binding agreement between us and you upon the terms and subject to the litions set forth in this prospectus and in the accompanying letter of transmittal. Except as orth below, to tender old notes for exchange pursuant to the exchange offer, you must smit a properly completed and duly executed letter of transmittal, including all other uments required by such letter of transmittal or, in the case of a book-entry transfer, an t's message in lieu of such letter of transmittal, to The Bank of New York Mellon Trust mpany, N.A., as exchange agent, at the address set forth below under " Exchange Agent" on rior to the expiration date. In addition, either:

- certificates for such old notes must be received by the exchange agent along with the letter of transmittal; or
- a timely confirmation of a book-entry transfer (a "*book-entry confirmation*") of such old notes, if such procedure is available, into the exchange agent's account at DTC pursuant to the procedure for book-entry transfer must be received by the exchange agent, prior to the expiration

date, with the letter of transmittal or an agent's message in lieu of such letter of transmittal.

The term "*agent's message*" means a message, transmitted by DTC to and received by the change agent and forming a part of a book-entry confirmation, which states that DTC has ived an express

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nowledgment from the tendering participant stating that such participant has received and es to be bound by the letter of transmittal and that we may enforce such letter of transmittal nst such participant.

The method of delivery of old notes, letters of transmittal and all other required documents your election and risk. If such delivery is by mail, it is recommended that you use stered mail, properly insured, with return receipt requested. In all cases, you should allow cient time to assure timely delivery. No letter of transmittal or old notes should be sent to

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be anteed unless the old notes surrendered for exchange are tendered:

by a holder of the old notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

for the account of an eligible institution (as defined below).

In the event that signatures on a letter of transmittal or a notice of withdrawal are required e guaranteed, such guarantees must be by a firm which is a member of the Securities nsfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York k Exchange Medallion Program (each such entity being hereinafter referred to as an *ible institution*"). If old notes are registered in the name of a person other than the signer of etter of transmittal, the old notes surrendered for exchange must be endorsed by, or be mpanied by a written instrument or instruments of transfer or exchange, in satisfactory n as we or the exchange agent determine in our sole discretion, duly executed by the stered holders with the signature thereon guaranteed by an eligible institution.

We, or the exchange agent in our sole discretion, will make a final and binding rmination on all questions as to the validity, form, eligibility (including time of receipt) and ptance of old notes tendered for exchange. We reserve the absolute right to reject any and enders of any particular old note not properly tendered or to not accept any particular old which acceptance might, in our judgment or our counsel's, be unlawful. We also reserve bsolute right to waive any defects or irregularities or conditions of the exchange offer as to particular old note either before or after the expiration date (including the right to waive the gibility of any holder who seeks to tender old notes in the exchange offer). Our or the hange agent's interpretation of the term and conditions of the exchange offer as to any cular old note either before or after the expiration date (including the letter of transmittal the instructions thereto) will be final and binding on all parties. Unless waived, any defects regularities in connection with tenders of old notes for exchange must be cured within a onable period of time, as we determine. We are not, nor is the exchange agent or any other on, under any duty to notify you of any defect or irregularity with respect to your tender of notes for exchange, and no one will be liable for failing to provide such notification.

If the letter of transmittal is signed by a person or persons other than the registered holder olders of old notes, such old notes must be endorsed or accompanied by powers of attorney ed exactly as the name(s) of the registered holder(s) that appear on the old notes.

If the letter of transmittal or any old notes or powers of attorney are signed by trustees, utors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting fiduciary or representative capacity, such persons should so indicate when signing. Unless ved by us or the exchange agent, proper evidence satisfactory to us of their authority to so must be submitted with the letter of transmittal.

By tendering old notes, you represent to us that, among other things, the new notes
uired pursuant to the exchange offer are being obtained in the ordinary course of business of
person receiving such new notes, whether or not such person is the holder, that neither the
er nor such

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r person has any arrangement or understanding with any person, to participate in the ibution of the new notes, and that you are not holding old notes that have, or are reasonably y to have, the status of an unsold allotment in the initial offering. In the case of a holder is not a broker-dealer, that holder, by tendering, will also represent to us that the holder is engaged in, and does not intend to engage in, a distribution of the new notes.

However, any purchaser of old notes who is our affiliate, who intends to participate in the hange offer for the purpose of distributing the new notes or a broker-dealer that acquired old s in a transaction other than as part of its trading or market-making activities and who has nged or has an understanding with any person to participate in the distribution of the old s:

- cannot rely on the applicable interpretations of the Staff of the Commission; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives new notes for its own account in exchange for old notes, re such old notes were acquired by such broker-dealer as a result of market-making vities or other trading activities, must acknowledge that it will deliver a prospectus in nection with any resale of such new notes. See "Plan of Distribution." The letter of smittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

eptance of Old Notes for Exchange; Delivery of New Notes

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, mptly after the expiration date, all old notes properly tendered and will issue the new notes mptly after acceptance of the old notes. See " Conditions to the Exchange Offer." For oses of the exchange offer, we will be deemed to have accepted properly tendered old s for exchange if and when we give oral (confirmed in writing) or written notice to the hange agent.

The holder of each old note accepted for exchange will receive a new note in the amount l to the surrendered old note. Holders of new notes will receive interest accruing from the t recent date to which interest has been paid on the old notes, unless the record date for the interest payment date after the consummation of the exchange offer preceded such date of ummation, in which case the interest payable on such interest payment date will be paid to holders of the old notes.

In all cases, issuance of new notes for old notes that are accepted for exchange will be e only after timely receipt by the exchange agent of:

- certificates for old notes or a timely book-entry confirmation of such old notes into the exchange agent's account at DTC;
- a properly completed and duly executed letter of transmittal or an agent's message in lieu thereof; and
- all other required documents.

If any tendered old notes are not accepted for any reason set forth in the terms and
litions of the exchange offer or if old notes are submitted for a greater principal amount
the holder desires to exchange, such unaccepted or non-exchanged old notes will be
rned without expense to the tendering holder (or, in the case of old notes tendered by book
y transfer into the exchange agent's account at DTC pursuant to the book-entry procedures
ribed below, such non-exchanged old notes will be credited to an account maintained with
C as promptly as practicable after the expiration or termination of the exchange offer).

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k-Entry Transfers

For purposes of the exchange offer, the exchange agent will request that an account be blished with respect to the old notes at DTC within two business days after the date of this pectus, unless the exchange agent has already established an account with DTC suitable for exchange offer. Any financial institution that is a participant in DTC may make book-entry very of old notes by causing DTC to transfer such old notes into the exchange agent's unt at DTC in accordance with DTC's procedures for transfer. Although delivery of old s may be effected through book-entry transfer at DTC, the letter of transmittal or facsimile eof or an agent's message in lieu thereof, with any required signature guarantees and any r required documents, must, in any case, be transmitted to and received by the exchange t at the address set forth under " Exchange Agent" on or prior to the expiration date.

hdrawal Rights

You may withdraw your tender of old notes at any time prior to the expiration date. To be ctive, a written notice of withdrawal must be received by the exchange agent at one of the esses set forth under " Exchange Agent." This notice must specify:

- the name of the person having tendered the old notes to be withdrawn;
- the old notes to be withdrawn (including the principal amount of such old notes); and
- where certificates for old notes have been transmitted, the name in which such old notes are registered, if different from that of the withdrawing holder.

If certificates for old notes have been delivered or otherwise identified to the exchange t, then, prior to the release of such certificates, the withdrawing holder must also submit erial numbers of the particular certificates to be withdrawn and a signed notice of drawal with signatures guaranteed by an eligible institution, unless such holder is an ble institution. If old notes have been tendered pursuant to the procedure for book-entry sfer described above, any notice of withdrawal must specify the name and number of the unt at DTC to be credited with the withdrawn old notes and otherwise comply with the edures of DTC.

We, or the exchange agent in our sole discretion, will make a final and binding rmination on all questions as to the validity, form and eligibility (including time of receipt) uch notices. Any old notes so withdrawn will be deemed not to have been validly tendered exchange for purposes of the exchange offer. Any old notes tendered for exchange but not hanged for any reason will be returned to the holder without cost to such holder (or, in the of old notes tendered by book-entry transfer into the exchange agent's account at DTC uant to the book-entry transfer procedures described above, such old notes will be credited n account maintained with DTC for the old notes as soon as practicable after withdrawal, ction of tender or termination of the exchange offer). Properly withdrawn old notes may be ndered by following one of the procedures described under " Procedures for Tendering Old es" above at any time on or prior to the expiration date.

ditions to the Exchange Offer

Notwithstanding any other provision of the exchange offer, we are not required to accept exchange, or to issue new notes in exchange for, any old notes and may terminate or amend exchange offer, if any of the following events occur prior to acceptance of such old notes:

1) the exchange offer violates any applicable law or applicable interpretation of the Staff of the Commission;

2) there is threatened, instituted or pending any action or proceeding before, or any injunction, order or decree has been issued by,

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any court or governmental agency or other governmental regulatory or administrative agency or commission,

seeking to restrain or prohibit the making or consummation of the exchange offer or any other transaction contemplated by the exchange offer, or assessing or seeking any damages as a result thereof, or

resulting in a material delay in our ability to accept for exchange or exchange some or all of the old notes pursuant to the exchange offer;

3) any statute, rule, regulation, order or injunction has been sought, proposed, introduced, enacted, promulgated or deemed applicable to the exchange offer or any of the transactions contemplated by the exchange offer by any government or governmental authority, domestic or foreign, or any action has been taken, proposed or threatened, by any government, governmental authority, agency or court, domestic or foreign, that in our sole judgment might, directly or indirectly, result in any of the consequences referred to in clauses (1) or (2) above or, in our reasonable judgment, might result in the holders of new notes having obligations with respect to resales and transfers of new notes which are greater than those described in the interpretation of the Commission referred to on the cover page of this prospectus, or would otherwise make it inadvisable to proceed with the exchange offer; or

4) there has occurred:

any general suspension of or general limitation on prices for, or trading in, our securities on any national securities exchange or in the over-the-counter market,

any limitation by a governmental agency or authority which may adversely affect our ability to complete the transactions contemplated by the exchange offer,

a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation by any governmental agency or authority which adversely affects the extension of credit, or

a commencement of a war, armed hostilities or other similar international calamity directly or indirectly involving the United States, or, in the case of any of the foregoing existing at the time of the commencement of the exchange offer, a material acceleration or worsening thereof;

ch in our reasonable judgment in any case, and regardless of the circumstances (including action by us) giving rise to any such condition, makes it inadvisable to proceed with the

hange offer and/or with such acceptance for exchange or with such exchange.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of circumstances giving rise to any condition or may be waived by us in whole or in part at time in our reasonable discretion. Our failure at any time to exercise any of the foregoing ts will not be deemed a waiver of any such right and each such right will be deemed an oing right which may be asserted at any time.

In addition, we will not accept for exchange any old notes tendered, and no new notes will ssued in exchange for any such old notes, if at such time any stop order is threatened or in ct with respect to the Registration Statement, of which this prospectus constitutes a part, or qualification of the indenture under the Trust Indenture Act.

hange Agent

We have appointed The Bank of New York Mellon Trust Company, N.A. as the exchange t for the exchange offer. All executed letters of transmittal should be directed to the hange agent at the

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ess set forth below. Questions and requests for assistance with respect to the procedures for ering or withdrawing tenders of old notes in the exchange offer or requests for additional es of this prospectus or of the letter of transmittal should be directed to the exchange agent essed as follows:

The Bank of New York Mellon Trust Company, N.A., *Exchange Agent*

By Registered or Certified Mail, Overnight Delivery after

4:30 p.m. on the Expiration Date:

The Bank of New York Mellon Trust Company, N.A.
c/o Bank of New York Mellon Corporation
Corporate Trust Reorganization Unit

111 Sanders Creek Parkway
East Syracuse, NY 13057
Attn: Christopher Landers

For Information Call:
(315) 414-3362

By Facsimile Transmission
(for Eligible Institutions only):
(732) 667-9408

Confirm by Telephone:
(315) 414-3362

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER AN AS SET FORTH ABOVE OR TRANSMISSION OF SUCH LETTER OF ANSMITTAL VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES T CONSTITUTE A VALID DELIVERY OF THE LETTER OF TRANSMITTAL.

s and Expenses

We will pay the exchange agent customary fees for its services, reimburse the exchange nt for its reasonable out-of-pocket expenses incurred in connection with the provision of e services and pay other registration expenses, including fees and expenses of the trustee er the indenture relating to the new notes, filing fees, blue sky fees and printing and ibution expenses. We will not make any payment to brokers, dealers or others soliciting ptances of the exchange offer.

Additional solicitation may be made by telephone, facsimile or in person by our and our iates' officers and regular employees.

ounting Treatment

We will record the new notes at the same carrying value as the old notes, as reflected in accounting records on the date of the exchange. Accordingly, we will not recognize any or loss for accounting purposes. The expenses of the exchange offer will be amortized the term of the new notes.

sequences of Exchanging or Failing to Exchange Old Notes

If you do not exchange your old notes for new notes in the exchange offer, your old notes continue to be subject to the provisions of the indenture relating to the new notes regarding sfer and exchange of the old notes and the restrictions on transfer of the old notes described e legend

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our certificates. These transfer restrictions are required because the old notes were issued
er an exemption from, or in transactions not subject to, the registration requirements of the
rities Act and applicable state securities laws. In general, the old notes may not be offered
old unless registered under the Securities Act, except under an exemption from, or in a
saction not subject to, the Securities Act and applicable state securities laws. We do not
to register the old notes under the Securities Act. Based on interpretations by the Staff of
Commission, as set forth in no-action letters issued to third parties, we believe that the new
s you receive in the exchange offer may be offered for resale, resold or otherwise
sferred without compliance with the registration and prospectus delivery provisions of the
rities Act. However, you will not be able to freely transfer the new notes if:

- you are our "affiliate," as defined in Rule 405 under the Securities Act;
- you are not acquiring the new notes in the exchange offer in the ordinary course of your business;
- you have an arrangement or understanding with any person to participate in the "distribution," as defined in the Securities Act, of the new notes you will receive in the exchange offer; or
- you are holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering.

We do not intend to request the Commission to consider, and the Commission has not
idered, the exchange offer in the context of a similar no-action letter. As a result, we
ot guarantee that the Staff of the Commission would make a similar determination with
ect to the exchange offer as in the circumstances described in the no action letters discussed
e. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and
not intend to engage in, a distribution of new notes and has no arrangement or
rstanding to participate in a distribution of new notes. If you are our affiliate, are engaged
intend to engage in a distribution of the new notes or have any arrangement or
rstanding with respect to the distribution of the new notes you will receive in the exchange
, you may not rely on the applicable interpretations of the Staff of the Commission and you
t comply with the registration and prospectus delivery requirements of the Securities Act in
nection with any resale transaction involving the new notes. If you are a participating
er-dealer, you must acknowledge that you will deliver a prospectus in connection with any
e of the new notes. In addition, to comply with state securities laws, you may not offer or
the new notes in any state unless they have been registered or qualified for sale in that state
n exemption from registration or qualification is available and is complied with. The offer
sale of the new notes to "qualified institutional buyers" (as defined in Rule 144A of the
rities Act) is generally exempt from registration or qualification under state securities laws.
do not plan to register or qualify the sale of the new notes in any state where an exemption
registration or qualification is required and not available.

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DESCRIPTION OF THE NEW NOTES

You can find the definitions of terms used in this description under the subheading *finitions*." In this description, the words "*Company*," "*we*," "*us*" and "*our*" refer only to Rite Corporation and not any of its subsidiaries. When we use the term "*notes*" in this ription, the term includes the old notes and the new notes.

We will issue the new notes under the indenture, dated as of July 2, 2013 (the *enture*"), among the Company, the Subsidiary Guarantors and The Bank of New York lon Trust Company, N.A., as trustee (the "*Trustee*").

We urge you to read the Indenture because it, and not this description, defines your rights holder of the new notes. Copies of the Indenture are available upon request to the npany at the address set forth under "Where You Can Find More Information."

We can issue up to $810.0 million of new notes now and an unlimited principal amount of tional notes at later dates under the same Indenture, subject to the limitations contained in estrictive Covenants Limitation on Debt." We can issue additional notes as part of the same es or as an additional series. Any additional notes that we issue in the future in the same es will be identical in all respects to the new notes that we are issuing now, except that notes ed in the future in will have different issuance prices and issuance dates and may have erent CUSIP numbers. We will issue new notes only in fully registered form without pons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

ncipal, Maturity and Interest

The new notes will mature on June 15, 2021. We are issuing up to $810.0 million egate principal amount of the new notes.

Interest on the new notes will accrue at a rate of 6.75% per annum and will be payable -annually in arrears on June 15 and December 15, commencing on December 15, 2013. will pay interest to those persons who were holders of record at the close of business on the 1 or December 1(whether or not a Business Day) immediately preceding each interest ment date.

Interest on the new notes will accrue from the date of issuance of the old notes, or, if rest has already been paid or duly provided for, from the date it was most recently paid or provided for. Interest will be computed on the basis of a 360-day year comprised of twelve ay months.

king

The new notes will be:

- unsubordinated, unsecured obligations of the Company;
- equal in right of payment ("*pari passu*") with all existing and future unsubordinated, unsecured debt of the Company;
- senior in right of payment to all existing and future subordinated debt of the Company; and

guaranteed on an unsubordinated, unsecured basis by the Subsidiary Guarantors.

The Subsidiary Guarantees will be:

unsubordinated, unsecured obligations of the applicable Subsidiary Guarantor;

pari passu with all existing and future unsubordinated, unsecured debt of the applicable Subsidiary Guarantor; and

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senior in right of payment to all existing and future subordinated debt of the applicable Subsidiary Guarantor.

As of June 1, 2013, after giving effect to the Refinancing Transactions:

the total outstanding debt of us and the Subsidiary Guarantors (including current maturities and capital lease obligations, but excluding unused commitments and undrawn letters of credit) would have been approximately $5.9 billion, of which approximately $3.6 billion would have been secured;

there was no outstanding debt of Subsidiaries of the Company that are not Subsidiary Guarantors; and

none of our or any Subsidiary Guarantor's debt would have been subordinated to the new notes or the applicable Subsidiary Guarantee.

We only have a stockholder's claim in the assets of our Subsidiaries. This stockholder's n is junior to the claims that creditors of our Subsidiaries have against our Subsidiaries. ders of the new notes will only be creditors of the Company and of those Subsidiaries that Subsidiary Guarantors. In the case of Subsidiaries that are not Subsidiary Guarantors, all of existing and future liabilities of these Subsidiaries, including any claims of trade creditors preferred stockholders, will be structurally senior to the new notes.

As our Subsidiaries conduct substantially all of our operations, our ability to service our , including the new notes, is dependent upon the earnings of our Subsidiaries, and their ty to distribute those earnings as dividends, loans or other payments to us. Certain laws ict the ability of our Subsidiaries to pay us dividends or make loans and advances to us. If e restrictions are applied to Subsidiaries that are not Subsidiary Guarantors, then we would be able to use the earnings of those Subsidiaries to make payments on the new notes. hermore, under certain circumstances, bankruptcy "fraudulent conveyance" laws or other lar laws could invalidate the Subsidiary Guarantees. If this were to occur, we would also be le to use the earnings of these Subsidiary Guarantors to the extent they face restrictions on ibuting funds to us. Any of the situations described above could make it more difficult for o service our debt.

As of June 1, 2013, after giving effect to the Refinancing Transactions, the total balance t liabilities of the Subsidiary Guarantors (including current maturities and capital lease gations, but excluding intercompany liabilities and unused commitments and undrawn rs of credit) would have been approximately $5.9 billion. This would have represented oximately 99% of the balance sheet liabilities of our Subsidiaries. The Indenture contains tations on the amount of additional debt that we and the Restricted Subsidiaries may incur. vever, the amounts of this debt could nevertheless be substantial and may be incurred either ubsidiary Guarantors or by our other Subsidiaries.

The Subsidiary Guarantors and our other Subsidiaries have other liabilities, including ingent liabilities, that may be significant.

The new notes and the Subsidiary Guarantees are unsecured obligations of the Company each Subsidiary Guarantor. Secured debt of the Company and the Subsidiary Guarantors be effectively senior to the new notes and the applicable Subsidiary Guarantee to extent of value of the assets securing such secured debt.

See "Risk Factors Risks Related to the Exchange Offer and Holding the New Notes."

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sidiary Guarantees

Our obligations under the Indenture, including the repurchase obligation resulting from a nge of Control, will be fully and unconditionally guaranteed, jointly and severally, by the sidiary Guarantors, in each case subject to provisions governing releases of these sidiary Guarantees.

The Subsidiary Guarantors consist of all or our Domestic Subsidiaries. As described under estrictive Covenants Guarantees by Subsidiaries," Subsidiaries that Guarantee specified types ebt that we Incur in the future will be required to provide a Subsidiary Guarantee of the notes. The Subsidiary Guarantors currently generate substantially all of our revenue. As of 1, 2013, our Subsidiaries that were Subsidiary Guarantors represented the following oximate percentages of the assets and revenues of the Company, on a consolidated basis:

- 99% of our consolidated assets were represented by Subsidiaries that are Subsidiary Guarantors

- 100% of our consolidated total revenues were represented by Subsidiaries that are Subsidiary Guarantors

The Guarantees of the new notes will be full and unconditional and joint and several and e will be no restrictions under the Indenture on the ability of the Company to obtain funds n the Subsidiary Guarantors. Also, the Company has no independent assets or operations the Subsidiaries that are not Guaranteeing the new notes are insignificant. Accordingly, lensed consolidated financial information for the Company and its Subsidiaries is not ented or incorporated by reference in this prospectus.

If all of the Capital Stock of a Subsidiary Guarantor is sold, transferred or otherwise osed of pursuant to a transaction permitted by the Indenture, such Subsidiary Guarantor be released from its obligations under the Indenture without further action.

In addition, the Subsidiary Guarantee provided by a Subsidiary Guarantor may be ased:

- upon request of the Company without consent of any holder of the notes unless, within 20 Business Days after written notice of the proposed release of such Subsidiary Guarantor is mailed to the Trustee and the holders of the notes, holders of 25% of the outstanding principal amount of notes deliver to the Company a written objection to such release; or

- with the written consent of the holders of at least a majority of the aggregate principal amount of the notes then outstanding.

At the request of the Company, the Trustee will execute and deliver any documents, uctions or instruments evidencing any such release.

The Subsidiary Guarantee of any Subsidiary Guarantor may also be released as described er "Satisfaction and Discharge; Defeasance."

In addition, the Subsidiary Guarantees (a) will terminate when the Note Obligations in ect of the old notes and the new notes, as the case may be, have been paid in full and vill continue to be effective or be reinstated, as the case may be, if at any time payment, or part thereof, of any Note Obligations is rescinded or must otherwise be restored upon the kruptcy or reorganization of the Company, any Subsidiary Guarantor or otherwise.

The obligations of each Subsidiary Guarantor are limited (and subject to automatic ction) to the extent necessary to prevent the guarantee by a Subsidiary Guarantor from

tituting a fraudulent conveyance.

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ional Redemption

The Company may choose to redeem the notes at any time. If it does so, it may redeem all ny portion of the notes, at once or over time, after giving the required notice under the nture.

To redeem the notes prior to June 15, 2016, the Company must pay a redemption price l to 100% of the principal amount of the notes to be redeemed plus the Applicable nium as of, and accrued and unpaid interest, if any, to, but not including, the redemption (subject to the right of holders of record on the relevant record date to receive interest due n interest payment date that is on or prior to the redemption date). Any notice to holders of s of such a redemption needs to include the appropriate method for calculation of the mption price, but does not need to include the redemption price itself. The actual mption price must be set forth in an Officers' Certificate delivered to the Trustee no later two Business Days prior to the redemption date.

"*Applicable Premium*" means, with respect to any new note on any redemption date, the ter of (i) 1.0% of the principal amount of such new note and (ii) the excess of (a) the ent value at such redemption date of (1) the redemption price of such new note at June 15, 6, (such redemption price being set forth in the table below) plus (2) all required interest ments due on such new note through June 15, 2016 (excluding accrued but unpaid interest), puted using a discount rate equal to the Treasury Rate on such redemption date plus 50 s points over (b) the principal amount of such new note.

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such mption date of United States Treasury securities with a constant maturity (as compiled and ished in the most recent Federal Reserve Statistical Release H.15 (519) that has become icly available at least two Business Days prior to the redemption date (or, if such statistical ase is no longer published, any publicly available source of similar market data)) most ly equal to the period from the redemption date to June 15, 2016; *provided*, *however*, that if period from the redemption date to June 15, 2016 is less than one year, the weekly average d on actually traded United States Treasury securities adjusted to a constant maturity of one shall be used.

Beginning on June 15, 2016, the notes may be redeemed at the redemption prices set forth w, plus accrued and unpaid interest, if any, to, but not including, the redemption date ject to the right of holders of record on the relevant record date to receive interest due on an rest payment date that is on or prior to the redemption date). The following prices are for s redeemed during the 12-month period commencing on June 15 of the years set forth w, and are expressed as percentages of principal amount:

emption Year	Price
6	105.063%
7	103.375%
8	101.688%
9 and thereafter	100.000%

In addition, at any time and from time to time, prior to June 15, 2016, the Company may em up to a maximum of 35% of the original aggregate principal amount of the notes uding additional notes, if any) with the proceeds of one or more Equity Offerings, at a mption price equal to 106.75% of the principal amount thereof, plus accrued and unpaid rest thereon, if any, to, but not including, the redemption date (subject to the right of holders ecord on the relevant record date to receive interest due on an interest payment date that is r prior to the redemption date); *provided*, *however*, that after giving effect to any such mption, at least 65% of the original aggregate principal amount of the notes (including tional notes, if any) remains outstanding. Any such redemption shall be made within ays of the completion of such Equity Offering upon not less than 30 nor more than 60 days' r notice.

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If an optional redemption date is on or after a record date and on or before the relevant rest payment date, the accrued and unpaid interest, if any, will be paid to the person or y in whose name the new note is registered at the close of business on that record date, and dditional interest will be payable to holders whose notes shall be subject to redemption.

king Fund

There will be no mandatory sinking fund payments for the new notes.

urchase at the Option of Holders Upon a Change of Control

Upon the occurrence of a Change of Control, each holder of notes will have the right to ire us to repurchase all or any part of such holder's notes pursuant to the offer described w (the "*Change of Control Offer*") at a purchase price (the "*Change of Control Purchase e*") equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, ut not including, the purchase date (subject to the right of holders of record on the relevant rd date to receive interest due on the relevant interest payment date). If the purchase date is r after a record date and on or before the relevant interest payment date, the accrued and aid interest, if any, will be paid to the person or entity in whose name the new note is stered at the close of business on that record date, and no additional interest will be payable olders whose notes shall be subject to purchase. Notes may be purchased in part in principal unts of $2,000 and integral multiples of $1,000 in excess thereof; *provided* that the urchased portion of a note must be in a principal amount of $2,000 and integral multiples of 00 in excess thereof.

Within 30 days following any Change of Control, the Company shall:

either (1) cause a notice of the Change of Control Offer to be sent at least once to the Dow Jones News Service or similar business news service in the United States or (2) file or furnish such notice on a Current Report on Form 8-K with the Commission through EDGAR (or any successor electronic reporting system of the Commission accessible to the public without charge); and

send, by first-class mail, with a copy to the Trustee, to each holder of notes, at such holder's address appearing in the register for the notes, a notice stating:

(1) that a Change of Control has occurred and a Change of Control Offer is being made pursuant to the covenant entitled "Repurchase at the Option of Holders Upon a Change of Control" and that all notes timely tendered will be accepted for payment;

(2) the Change of Control Purchase Price and the purchase date, which shall be, subject to any contrary requirements of applicable law, a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed;

(3) the circumstances and relevant facts regarding the Change of Control (including, to the extent reasonably practicable, information with respect to pro forma historical income, cash flow and capitalization after giving effect to the Change of Control); and

(4) the procedures that holders of notes must follow in order to tender their notes (or portions thereof) for payment, and the procedures that holders of notes must follow in order to withdraw an election to tender notes (or portions thereof) for payment (which, in the case of Global Securities, will permit holders to effect such procedures through DTC).

We will comply, to the extent applicable, with the requirements of Section 14(e) of the hange Act and any other securities laws or regulations in connection with the repurchase of s pursuant to a Change of Control Offer. To the extent that the provisions of any securities or regulations conflict with the provisions of the covenant described above, we will ply with the applicable

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rities laws and regulations and will not be deemed to have breached our obligations under covenant by virtue of such compliance.

The Change of Control repurchase feature is a result of negotiations between us and the al purchasers of the old notes. Management has no present intention to engage in a saction involving a Change of Control, although it is possible that we would decide to do so e future. Subject to the covenants described below, we could, in the future, enter into sactions, including acquisitions, refinancings or other recapitalizations, that would not titute a Change of Control under the Indenture, but that could increase the amount of debt tanding at such time or otherwise affect our capital structure or credit ratings.

The Company will not be required to make a Change of Control Offer upon a Change of trol if a third party makes the Change of Control Offer in the manner, at or prior to the s and otherwise in compliance with the requirements set forth in the Indenture applicable to ange of Control Offer made by the Company and purchases all notes properly tendered and withdrawn under the Change of Control Offer (it being understood that such third-party make a Change of Control Offer that is conditioned on and prior to the occurrence of a nge of Control pursuant to this clause).

A Change of Control Offer may be made in advance of a Change of Control, conditional such Change of Control, if a definitive agreement is in place for the Change of Control at ime of making of the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the sale, transfer, gnment, lease, conveyance or other disposition of "all or substantially all" the Company's ts. Although there is a developing body of case law interpreting the phrase "substantially there is no precise established definition of the phrase under applicable law. Accordingly, e Company disposes of less than all its assets by any of the means described above, the ty of a holder of notes to require the Company to repurchase its notes may be uncertain. In a case, holders of the notes may not be able to resolve this uncertainty without resorting to l action.

The Senior Credit Facility, the Tranche 1 Term Loan and the Tranche 2 Term Loan ide that the occurrence of certain of the events that constitute a Change of Control as well e triggering of our obligation to repurchase the notes upon a Change of Control will titute a default under such facilities.

Other existing debt of the Company contains, and future debt of the Company may ain, prohibitions of events that would constitute a Change of Control or that would require debt to be repurchased upon a Change of Control (including the Company's 8.5% vertible notes due 2015, the Company's 10.250% Notes due 2019, the Company's 8.00% es due 2020 and the Company's 9.25% Notes due 2020). Moreover, the exercise by holders otes (or the other debt referenced above) of their right (or the triggering of such right) to ire us to repurchase their notes or other debt could cause a default under existing or future of the Company, even if the Change of Control itself does not result in a default under existing or future debt (including any future permitted accounts receivable securitization ram). Finally, our ability to pay cash to holders of notes upon a repurchase may be limited ur financial resources at the time of such repurchase as well as our outstanding debt and r agreements at such time. Therefore, we cannot assure you that sufficient funds will be lable when necessary to make any required repurchases. Our failure to purchase notes in nection with a Change of Control would result in a default under the Indenture. Such a ult would, in turn, constitute a default under our existing debt, and may constitute a default r future debt as well. Our obligation to make an offer to repurchase the notes as a result of ange of Control may be waived or modified at any time prior to the occurrence of such nge of Control with the written consent of the holders of a majority in aggregate principal unt of the outstanding notes. See " Amendments and Waivers."

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trictive Covenants

Covenant Suspension. During any period of time that:

(a) the notes have Investment Grade Ratings from both Rating Agencies; and

(b) no Default or Event of Default has occurred and is continuing under the Indenture,

Company and the Restricted Subsidiaries will not be subject to the following provisions of ndenture:

" Limitation on Debt,"

" Limitation on Restricted Payments,"

" Limitation on Asset Sales,"

" Limitation on Restrictions on Distributions from Restricted Subsidiaries,"

" Limitation on Transactions with Affiliates,"

clauses (a)(1) and (b) of " Limitation on Sale and Leaseback Transactions,"

clause (x) of the fourth paragraph (and such clause (x) as referred to in the second paragraph) of " Designation of Restricted and Unrestricted Subsidiaries," and

clause (e) of the first paragraph of " Merger, Consolidation and Sale of Property"

ectively, the "*Suspended Covenants*"). Solely for the purpose of determining the amount of mitted Liens under the " Limitation on Liens" covenant during any Suspension Period (as ned herein) and without limiting the Company's or any Restricted Subsidiary's ability to r Debt during any Suspension Period, to the extent that calculations in the " Limitation on s" covenant refer to the " Limitation on Debt" covenant, such calculations shall be made as gh the " Limitation on Debt" covenant remains in effect during the Suspension Period. In event that the Company and the Restricted Subsidiaries are not subject to the Suspended enants for any period of time as a result of the preceding sentences and, on any subsequent (the "*Reversion Date*"), one or both of the Rating Agencies withdraws its ratings or ngrades the ratings assigned to the notes below the required Investment Grade Ratings or a ault or Event of Default occurs and is continuing, then the Company and the Restricted sidiaries will thereafter again be subject to the Suspended Covenants. The period of time ween the Suspension Date and the Reversion Date is referred to in this description as the spension Period." Notwithstanding that the Suspended Covenants may be reinstated, no ault will be deemed to have occurred as a result of a failure to comply with the Suspended enants during the Suspension Period. On the Reversion Date, all Debt Incurred during the

pension Period will be classified to have been Incurred pursuant to clause (1) of the first graph or one of the clauses set forth in the second paragraph of the covenant described er " Limitation on Debt" (to the extent such Debt would be permitted to be Incurred eunder as of the Reversion Date and after giving effect to Debt Incurred prior to the pension Period and outstanding on the Reversion Date). To the extent such Debt would not ermitted to be Incurred pursuant to clause (1) of the first paragraph or one of the clauses set in the second paragraph of the covenant described under " Limitation on Debt," such Debt be deemed to have been outstanding on the Issue Date, so that it is classified as permitted er clause (k) of the second paragraph of the covenant described under " Limitation on Debt". ulations made after the Reversion Date of the amount available to be made as Restricted ments under the covenant described under " Limitation on Restricted Payments" will be e as though the covenant described under " Limitation on Restricted Payments" had been in ct during the entire period of time from the Issue Date. Accordingly, Restricted Payments e during the Suspension Period will reduce the amount available to be made as Restricted ments under the first paragraph of the covenant

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ribed under " Limitation on Restricted Payments" following any Reversion Date, and the s specified in clauses (c)(1) through (c)(4) of the first paragraph of the covenant described er " Limitation on Restricted Payments" will increase the amount available to be made under irst paragraph thereof following any Reversion Date. For purposes of determining pliance with the first five paragraphs of the covenant described under " Limitation on Asset s," on the Reversion Date, the Net Available Cash from all Asset Sales not applied in rdance with the covenant will be deemed to be reset to zero.

Limitation on Debt. The Company will not, and will not permit any Restricted sidiary to, Incur, directly or indirectly, any Debt unless, after giving effect to the application e proceeds thereof, no Default or Event of Default would occur as a consequence of such rrence and no Default or Event of Default would be continuing following such Incurrence application of proceeds and either:

(1) such Debt is Debt of the Company or a Subsidiary Guarantor and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, the Consolidated Interest Coverage Ratio would be greater than 2.00 to 1.00; or

(2) such Debt is Permitted Debt.

The term "*Permitted Debt*" is defined to include the following:

(a) Debt of the Company evidenced by the old notes and of Restricted Subsidiaries, including any future Restricted Subsidiaries, evidenced by Guarantees relating to the old notes;

(b) Debt of the Company or a Restricted Subsidiary (including Guarantees thereof) (i) under any Credit Facilities, (ii) Incurred pursuant to a Real Estate Financing Transaction, a Sale and Leaseback Transaction or an Equipment Financing Transaction, (iii) Incurred in respect of Capital Lease Obligations, (iv) Incurred pursuant to Debt Issuances or (v) Incurred by a Receivables Entity, whether or not a Subsidiary Guarantor, in a Qualified Receivables Transaction that is not recourse to the Company or any other Restricted Subsidiary (except for Standard Securitization Undertakings), *provided* that the aggregate principal amount of all such Debt in clauses (i) through (v) hereof at any one time outstanding shall not, after giving pro forma effect to the Incurrence of such Debt and the application of the proceeds thereof, exceed the greater of:

(1) $3,700.0 million, which amount shall be permanently reduced by the amount of Net Available Cash used to Repay Debt under the Credit Facilities, and not subsequently reinvested in Additional Assets or used to purchase notes or Repay other Debt, pursuant to the covenant described under " Limitation on Asset Sales" and

(2) the sum of the amount equal to (a) 60% of the book value of the inventory (determined using the first-in-first-out method of accounting) of the Company and the Restricted Subsidiaries and (b) 85% of the book value of the accounts receivables of the Company and the Restricted Subsidiaries, including any Receivables Entity that is a Restricted Subsidiary, with the amounts of such inventory and receivables calculated on a pro forma basis to give effect to, without duplication, all Investments, acquisitions, dispositions, mergers and consolidations made by the Company and its Restricted Subsidiaries on or prior to the date of such calculation;

(c) $220.0 million of the Tranche 1 Term Loan and guarantees thereof by the Subsidiary Guarantors, including any future Guarantor;

(d) Debt of the Company outstanding on the Issue Date and consisting of (i) the Tranche 2 Term Loan and of Subsidiary Guarantors, including any future Guarantor, consisting of guarantees relating to the Tranche 2 Term Loan and (ii) the 9.25% Notes due 2020 and of Subsidiary

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Guarantors, including any future Guarantor, consisting of guarantees relating to the 9.25% Notes due 2020;

(e) Debt Incurred after the Issue Date in respect of Purchase Money Debt, *provided* that the aggregate principal amount of such Debt does not exceed 80% of the Fair Market Value (on the date of the Incurrence thereof) of the Property acquired, constructed, developed or leased, including additions and improvements thereto;

(f) Debt of the Company owing to and held by any consolidated Restricted Subsidiary and Debt of a Restricted Subsidiary owing to and held by the Company or any consolidated Restricted Subsidiary; provided, however, that any subsequent issue or transfer of Capital Stock or other event that results in any such consolidated Restricted Subsidiary ceasing to be a consolidated Restricted Subsidiary or any subsequent transfer of any such Debt (except to the Company or a consolidated Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Debt by the issuer thereof;

(g) Debt under Interest Rate Agreements entered into by the Company or a Restricted Subsidiary for the purpose of limiting interest rate risk of the financial management of the Company or such Restricted Subsidiary and not for speculative purposes, provided that the obligations under such agreements are directly related to payment obligations on Debt otherwise permitted by the terms of this covenant;

(h) Debt under Currency Exchange Protection Agreements entered into by the Company or a Restricted Subsidiary for the purpose of limiting currency exchange rate risks and not for speculative purposes;

(i) Debt under Commodity Price Protection Agreements entered into by the Company or a Restricted Subsidiary in the financial management of the Company or that Restricted Subsidiary and not for speculative purposes;

(j) Debt in connection with one or more standby letters of credit, banker's acceptance, performance or surety bonds or completion guarantees issued by the Company or a Restricted Subsidiary or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit;

(k) Debt outstanding on the Issue Date not otherwise described in clauses (a) through (j) above or clause (q) below (including future Guarantees of such debt to the extent guaranteed on the date hereof and to the extent such future Guarantees are required by the terms of such Debt and to the extent such entity Guarantees the notes);

(l) other Debt of the Company or a Restricted Subsidiary (including Guarantees thereof) in an aggregate principal amount outstanding at any one time not to exceed $600.0 million;

(m) Debt of a Restricted Subsidiary outstanding on the date on which that Restricted Subsidiary was acquired by the Company or otherwise became a Restricted Subsidiary (other than Debt Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of transactions pursuant to which that Restricted Subsidiary became a Subsidiary of the Company or was otherwise acquired by the Company), provided that at the time that Restricted Subsidiary was acquired by the Company or otherwise became a Restricted Subsidiary and after giving effect to the Incurrence of that Debt, the Company would have been able to Incur $1.00 of additional Debt pursuant to clause (1) of the first paragraph of this covenant;

(n) Debt arising from the honoring by a bank or other financial institution of a check or draft or other similar instrument inadvertently drawn against insufficient funds, provided that such Debt is extinguished within five Business Days of its Incurrence;

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(o) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(p) [intentionally omitted]

(q) Debt in respect of Sale and Leaseback Transactions or Real Estate Financing Transactions involving only real property (and the related personal property) owned by the Company or a Restricted Subsidiary on or after the Issue Date in an aggregate principal amount outstanding at any one time not to exceed $350.0 million, *provided* that such Sale and Leaseback Transactions or Real Estate Financing Transactions may involve Property other than real property (and the related personal property) owned on or after the Issue Date to the extent the portion of the Debt related to such Property is permitted by another provision of this covenant at the time of Incurrence;

(r) Debt in respect of Sale and Leaseback Transactions that are not Capital Lease Obligations Incurred to finance the acquisition, construction and development of Property after the Issue Date, including additions and improvements thereto, provided that any reclassification of such Debt as a Capital Lease Obligation shall be deemed an Incurrence of such Debt;

(s) Permitted Refinancing Debt Incurred in respect of Debt Incurred pursuant to clause (1) of the first paragraph of this covenant and clauses (a), (c), (d), (e), (k), (m) and (q) above; and

(t) Debt arising from agreements of the Company or any Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than Guarantees of Debt incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that (a) such Debt is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote or footnotes to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (a)) and (b) the maximum assumable liability in respect of such Debt will at no time exceed the gross proceeds including non-cash proceeds (the fair market value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Company or such Restricted Subsidiary in connection with such disposition.

Notwithstanding anything to the contrary contained in this covenant, the Company shall permit any Restricted Subsidiary that is not a Subsidiary Guarantor to Incur any Debt uant to this covenant if the proceeds thereof are used, directly or indirectly, to Refinance Debt of the Company or any Subsidiary Guarantor.

For purposes of determining compliance with this covenant, (1) in the event that an item ebt meets the criteria of more than one of the types of Debt described herein, the Company, s sole discretion, will classify such item of Debt at the time of Incurrence and only be ired to include the amount and type of such Debt in one of the above clauses, (2) the pany will be entitled at the time of such Incurrence to divide and classify an item of Debt ore than one of the types of Debt described herein and (3) with respect to Debt permitted r clause (k) in respect of Sale and Leaseback Transactions that are not Capital Lease gations on the Issue Date, any reclassification of such Debt as a Capital Lease Obligation not be deemed an Incurrence of such Debt; *provided*, *however*, that (s) all outstanding t evidenced by the 8.00% Notes due 2020 will be deemed to have been Incurred pursuant to se (b) or (l) of the second paragraph of this covenant, (t) all outstanding Debt evidenced by 0.250% Notes due 2019 will be deemed to have been Incurred pursuant to clause (b) or

f the second paragraph of this covenant, (u) $250.0 million of the Tranche 1 Term Loan be deemed to have been Incurred pursuant to clause (b) or (l) of the second paragraph of covenant, (v) all outstanding Debt under the Senior Credit Facility immediately following ssue

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e will be deemed to have been Incurred pursuant to clause (b) or (l) of the second paragraph is covenant, (w) any Permitted Debt that is not Secured Debt may later be reclassified as ng been Incurred pursuant to clause (1) of the first paragraph of this covenant to the extent Debt could be Incurred pursuant to such clause at the time of such reclassification, and ny Permitted Debt may later be reclassified as having been Incurred pursuant to any other se of the second paragraph of this covenant to the extent such Debt could be Incurred uant to such clause at the time of such reclassification.

Limitation on Restricted Payments. The Company will not make, and will not permit any ricted Subsidiary to make, directly or indirectly, any Restricted Payment if at the time of, after giving effect to, such proposed Restricted Payment:

(a) a Default or Event of Default shall have occurred and be continuing;

(b) the Company could not Incur at least $1.00 of additional Debt pursuant to clause (1) of the first paragraph of the covenant described under " Limitation on Debt;" or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Measurement Date (the amount of any Restricted Payment, if made other than in cash, to be based upon Fair Market Value) would exceed an amount equal to the sum of:

(1) 50% of the aggregate amount of Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the first fiscal quarter of fiscal year 2014 to the end of the most recent fiscal quarter for which financial statements have been filed with the Commission (or, if the aggregate amount of Consolidated Net Income for such period shall be a deficit, minus 100% of such deficit); plus

(2) 100% of Capital Stock Sale Proceeds; plus

(3) the sum of:

(A) the aggregate net cash proceeds received by the Company or any Restricted Subsidiary from the issuance or sale after the beginning of the first fiscal quarter of fiscal year 2014 of convertible or exchangeable Debt that has been converted into or exchanged for Capital Stock (other than Disqualified Stock) of the Company; and

(B) the aggregate amount by which Debt (other than Subordinated Obligations) of the Company or any Restricted Subsidiary is reduced on the Company's consolidated balance sheet after the beginning of the first fiscal quarter of fiscal year 2014 upon the conversion or exchange of any Debt (other than convertible or exchangeable debt issued or sold after the beginning of the first fiscal quarter of fiscal year 2014) for Capital Stock (other than Disqualified Stock) of the Company;

excluding, in the case of clause (A) or (B):

(x) any such Debt issued or sold to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees; and

(y) the aggregate amount of any cash or other Property distributed by the Company or any Restricted Subsidiary upon any such conversion or exchange;

plus

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(4) an amount equal to the sum of:

(A) the net reduction in Investments in any Person other than the Company or a Restricted Subsidiary resulting from dividends, repayments of loans or advances, payments of interest on Debt, distributions, liquidations or other transfers of Property made after the beginning of the first fiscal quarter of fiscal year 2014 in each case to the Company or any Restricted Subsidiary from such Person less the cost of the disposition of such Investments; and

(B) the portion (proportionate to the Company's equity interest in such Unrestricted Subsidiary) of the Fair Market Value of the net assets of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary (provided that such designation occurs after the beginning of the first fiscal quarter of fiscal year 2014);

ided, *however*, that the foregoing sum shall not exceed, in the case of any Person, the unt of Investments previously made (and treated as a Restricted Payment) by the Company ny Restricted Subsidiary in such Person.

Notwithstanding the foregoing limitation, the Company may:

(a) pay dividends on its Capital Stock within 60 days of the declaration thereof if, on said declaration date, such dividends could have been paid in compliance with the Indenture; *provided*, *however*, that at the time of such payment of such dividend, no other Default or Event of Default shall have occurred and be continuing (or result therefrom); *provided further*, *however*, that any such dividend following the Measurement Date shall be included in the calculation of the amount of Restricted Payments;

(b) purchase, repurchase, redeem, legally defease, acquire or retire for value Capital Stock of the Company or Subordinated Obligations on or after the Issue Date in exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees); *provided*, *however*, that:

(1) such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments; and

(2) the Capital Stock Sale Proceeds from such exchange or sale shall be excluded from the calculation pursuant to clause (c)(2) above;

(c) purchase, repurchase, redeem, legally defease, acquire or retire for value any Subordinated Obligations on or after the Issue Date in exchange for, or out of the proceeds of the substantially concurrent sale of, Permitted Refinancing Debt; *provided*, *however*, that such purchase, repurchase, redemption, legal defeasance, acquisition or retirement shall be excluded in the calculation of the amount of Restricted Payments;

(d) [intentionally omitted];

(e) so long as no Default or Event of Default has occurred and is continuing, the repurchase or other acquisition on or after the Issue Date of shares of, or options to purchase shares of, Capital Stock of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; *provided*, *however*, that the aggregate amount of

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such repurchases and other acquisitions shall not exceed the sum of (x) $15.0 million and (y) any cash proceeds from the sale of Capital Stock (other than Disqualified Stock) of the Company to employees, directors or consultants of the Company or any of its Subsidiaries that occur after the Issue Date and any cash proceeds from key man life insurance policies received after the Issue Date; *provided further*, *however*, that the Capital Stock Sale Proceeds from sales shall be excluded from the calculation pursuant to clause (c)(2) above and that such repurchases and other acquisitions following the Measurement Date shall be included in the calculation of the amount of Restricted Payments;

(f) make payments to holders of its Capital Stock in lieu of the issuance of fractional shares of its Capital Stock on or after the Issue Date; *provided*, *however*, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(g) make any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation in the event of a Change of Control or an Asset Sale in accordance with provisions similar to those described under " Repurchase at the Option of Holders Upon a Change of Control" or " Limitation on Asset Sales;" provided that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company has made the Change of Control Offer or Asset Sales Prepayment Offer, as applicable, as required with respect to the notes and has completed the repurchase of all notes validly tendered for payment in connection with such Change of Control Offer or Asset Sales Prepayment Offer; *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement following the Measurement Date shall be included in the calculation of the amount of Restricted Payments;

(h) repurchase Capital Stock of the Company deemed to be issued upon the exercise of stock options or warrants or similar rights (i) if such Capital Stock represent a portion of the exercise price of such options or warrants and (ii) for purposes of tax withholding by the Company in connection with such exercise or vesting; *provided*, *however*, that such repurchase shall be excluded in the calculation of the amount of Restricted Payments;

(i) pay dividends on Rite Aid Lease Management Company preferred stock outstanding on the Issue Date pursuant to the terms of such preferred stock as in effect on the Issue Date; *provided* that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(j) make any other Restricted Payments on or after the Issue Date not to exceed an aggregate amount of $75.0 million; *provided*, *however*, that such payments shall be included in the calculation of the amount of Restricted Payments;

(k) purchase, repurchase, redeem, acquire or retire for value the Series G Preferred Stock or Series H Preferred Stock; provided, however, that such payments following the Measurement Date shall be included in the calculation of Restricted Payments; and

(l) the declaration and payment of Preferred Stock Dividends and dividends on Preferred Stock of the Company to the extent that (i) such Preferred Stock was incurred pursuant to clause (l) of the first paragraph of the covenant described under " Limitation on Debt" and (ii) such dividends are included in Consolidated Interest Expense; provided, however, that such payments shall not be included in the calculation of Restricted Payments; and provided further that nothing contained in this clause (l) shall prevent the Company from declaring and paying such dividends

pursuant to another section of this covenant.

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Limitation on Liens. The Company will not, and will not permit any Restricted sidiary to, directly or indirectly, Incur or suffer to exist, any Lien (other than Permitted s) upon any of its Property (including Capital Stock of a Restricted Subsidiary), whether ed on the Issue Date or thereafter acquired, or any interest therein or any income or profits efrom, unless it has made or will make effective provision whereby the notes or the icable Subsidiary Guarantee will be secured equally and ratably with (or prior to) all other t of the Company or any Restricted Subsidiary secured by such Lien.

Limitation on Asset Sales. The Company will not, and will not permit any Restricted sidiary to, directly or indirectly, consummate any Asset Sale unless:

(a) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the Property subject to such Asset Sale;

(b) at least 75% of the consideration paid to the Company or such Restricted Subsidiary in connection with such Asset Sale is in the form of Qualified Consideration; and

Company delivers an Officers' Certificate to the Trustee certifying that such Asset Sale plies with the foregoing clauses (a) and (b).

The Net Available Cash (or any portion thereof) from Asset Sales may be applied by the pany or a Restricted Subsidiary, to the extent the Company or such Restricted Subsidiary s (or is required by the terms of any Debt):

to Repay the Credit Facilities, the Tranche 1 Term Loan, the Tranche 2 Term Loan, the 10.25% Notes due 2019, the 8.00% Notes due 2020 or any other Debt of the Company or any Restricted Subsidiary secured by a Lien on Property of the Company or any Restricted Subsidiary of the Company (excluding, in any such case, any Debt owed to the Company or an Affiliate of the Company) (the "*Senior Obligations*"); or

to reinvest in Additional Assets or Expansion Capital Expenditures (including by means of an Investment in Additional Assets or Expansion Capital Expenditures by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary); *provided*, *however*, that the Net Available Cash (or any portion thereof) from Asset Sales from the Company to any Subsidiary must be reinvested in Additional Assets or Expansion Capital Expenditures of the Company.

Pending application of Net Available Cash pursuant to this covenant, which shall not be ired in respect of an Asset Sale if the Net Available Cash from such Asset Sale is less than million, such Net Available Cash shall, to the extent not inconsistent with the terms of the or Obligations, be invested in Temporary Cash Investments or applied to temporarily ce revolving credit indebtedness. Subject to compliance with the preceding sentence, if the Available Cash from an Asset Sale equals or exceeds $1.0 million, any Net Available Cash n such Asset Sale not applied in accordance with the preceding paragraph within 365 days n the date of the receipt of such Net Available Cash or that is not segregated from the eral funds of the Company for investment in identified Additional Assets in respect of a ect that shall have been commenced, and for which binding contractual commitments have n entered into, prior to the end of such 365-day period and that shall not have been pleted or abandoned shall constitute "Excess Proceeds;" *provided*, *however*, that the unt of any Net Available Cash that ceases to be so segregated as contemplated above and Net Available Cash that is segregated in respect of a project that is abandoned or completed also constitute "Excess Proceeds" at the time any such Net Available Cash ceases to be so egated or at the time the relevant project is so abandoned or completed, as applicable; *vided further*, *however*, that the amount of any Net Available Cash that continues to be

egated for investment and that is not actually reinvested within 24 months from the date of eceipt of such Net Available Cash shall also constitute "Excess Proceeds".

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When the aggregate amount of Excess Proceeds exceeds $50.0 million (taking into unt income earned on such Excess Proceeds, if any), the Company will be required to e an offer to purchase (the "*Asset Sales Prepayment Offer*") the notes which offer shall be e amount of the Allocable Excess Proceeds, on a pro rata basis according to principal unt at maturity, at a purchase price equal to 100% of the principal amount thereof, plus ued and unpaid interest, if any, to the purchase date (subject to the right of holders of rd on the relevant record date to receive interest due on the relevant interest payment date), ccordance with the procedures (including prorating in the event of oversubscription) set in the Indenture. To the extent that any portion of the amount of Net Available Cash ains after compliance with the preceding sentence and provided that all holders of notes been given the opportunity to tender their notes for purchase in accordance with the nture, the Company or such Restricted Subsidiary may use such remaining amount for any ose permitted by the Indenture and the amount of Excess Proceeds will be reset to zero.

The term "*Allocable Excess Proceeds*" will mean the product of:

(a) the Excess Proceeds; and

(b) a fraction,

(1) the numerator of which is the aggregate principal amount of the notes outstanding on the date of the Asset Sales Prepayment Offer; and

(2) the denominator of which is the sum of the aggregate principal amount of the notes outstanding on the date of the Asset Sales Prepayment Offer and the aggregate principal amount of other Debt of the Company outstanding on the date of the Asset Sales Prepayment Offer that is *pari passu* in right of payment with the notes and subject to terms and conditions in respect of Asset Sales similar in all material respects to the covenant described hereunder and requiring the Company to make an offer to purchase such Debt or otherwise repay such Debt at substantially the same time as the Asset Sales Prepayment Offer.

Within five Business Days after the Company is obligated to make an Asset Sales ayment Offer as described in the preceding paragraph, the Company will send a written ce, by first-class mail or electronically, to the holders of the notes, accompanied by such rmation regarding the Company and its Subsidiaries as the Company in good faith believes enable such holders to make an informed decision with respect to such Asset Sales ayment Offer. Such notice shall state, among other things, the purchase price and the hase date, which shall be, subject to any contrary requirements of applicable law, a ness Day no earlier than 30 days nor later than 60 days from the date such notice is mailed. hing shall prevent the Company from conducting an Asset Sales Prepayment Offer earlier as set forth in this paragraph.

The Company will comply, to the extent applicable, with the requirements of ion 14(e) of the Exchange Act and any other securities laws or regulations in connection the repurchase of notes pursuant to the covenant described hereunder. To the extent that provisions of any securities laws or regulations conflict with provisions of the covenant ribed hereunder, the Company will comply with the applicable securities laws and lations and will not be deemed to have breached its obligations under the covenant ribed hereunder by virtue thereof.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Company not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or rwise cause or suffer to exist any consensual restriction on the right of any Restricted sidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock, or pay any Debt or other obligation owed, to the Company or any other Restricted Subsidiary;

(b) make any loans or advances to the Company or any other Restricted Subsidiary; or

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(c) transfer any of its Property to the Company or any other Restricted Subsidiary. The foregoing limitations will not apply:

(1) with respect to clauses (a), (b) and (c), to restrictions:

(A) in effect on the Issue Date;

(B) relating to Debt of a Restricted Subsidiary and existing at the time it became a Restricted Subsidiary if such restriction was not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Company;

(C) that result from the Refinancing of Debt Incurred pursuant to an agreement referred to in clause (1)(A) or (B) above or in clause (2)(A) or (B) below, provided that such restriction is no less favorable to the holders of notes in any material respect, as reasonably determined by the Board of Directors, than those under the agreement evidencing the Debt so Refinanced;

(D) resulting from the Incurrence of any Debt permitted pursuant to the covenant described under " Limitation on Debt," provided that (i) (x) the restriction is no less favorable to the holders of notes in any material respect, as reasonably determined by the Board of Directors, than the restrictions of the same type contained in the Indenture or (y) the restriction is no less favorable to the holders of notes in any material respect, as reasonably determined by the Board of Directors, than the restrictions of the same type contained in the Senior Credit Facility and (ii) the Board of Directors determines in good faith that such restrictions will not impair the ability of the Company to make payments of principal and interest on the notes when due;

(E) existing by reason of applicable law;

(F) any contractual requirements incurred with respect to Qualified Receivables Transactions relating exclusively to a Receivables Entity that, in the good faith determination of the principal financial officer of the Company, are customary for Qualified Receivables Transactions; or

(G) customary restrictions contained in joint venture and other similar agreements; and

(2) with respect to clause (c) only, to restrictions:

(A) relating to Debt that is permitted to be Incurred and secured without also securing the notes or a Subsidiary Guarantee pursuant to the covenants described under " Limitation on Debt" and " Limitation on Liens" that limit the right of the debtor to dispose of the Property securing such Debt;

(B) encumbering Property at the time such Property was acquired by the Company or any Restricted Subsidiary, so long as such restriction relates solely to the Property so acquired and was

not created in connection with or in anticipation of such acquisition;

(C) resulting from customary provisions restricting subletting or assignment of leases or customary provisions in other agreements that restrict assignment of such agreements or rights thereunder;

(D) customary restrictions contained in agreements relating to the sale or other disposition of Property limiting the transfer of such Property pending the closing of such sale;

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(E) resulting from purchase money obligations for Property acquired in the ordinary course of business or Capital Lease Obligations that impose restrictions on the Property so acquired; or

(F) resulting from restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Limitation on Transactions with Affiliates. The Company will not, and will not permit Restricted Subsidiary to, directly or indirectly, conduct any business or enter into or suffer xist any transaction or series of transactions (including the purchase, sale, transfer, gnment, lease, conveyance or exchange of any Property or the rendering of any service) , or for the benefit of, any Affiliate of the Company (an "*Affiliate Transaction*"), unless:

(a) the terms of such Affiliate Transaction are:

(1) set forth in writing;

(2) in the best interest of the Company or such Restricted Subsidiary, as the case may be; and

(3) no less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate of the Company;

(b) if such Affiliate Transaction involves aggregate payments or value to the Affiliate in excess of $25.0 million in any 12-month period, the Board of Directors (including a majority of the disinterested members of the Board of Directors) approves such Affiliate Transaction and, in its good faith judgment, believes that such Affiliate Transaction complies with clauses (a)(2) and (3) of this paragraph as evidenced by a resolution of the Board of Directors promptly delivered to the Trustee; and

(c) if such Affiliate Transaction involves aggregate payments or value to the Affiliate in excess of $75.0 million in any 12-month period, the Company obtains a written opinion from an Independent Financial Advisor to the effect that the consideration to be paid or received in connection with such Affiliate Transaction is fair, from a financial point of view, to the Company and the Restricted Subsidiaries, taken as a whole.

Notwithstanding the foregoing limitation, the Company or any Restricted Subsidiary may r into or suffer to exist the following:

(a) any transaction or series of transactions between the Company and one or more Restricted Subsidiaries or between two or more Restricted Subsidiaries, provided that no more than 5% of the total voting power of the Voting Stock (on a fully diluted basis) of any such Restricted Subsidiary is owned by an Affiliate of the Company (other than a Restricted Subsidiary);

(b) any Restricted Payment permitted to be made pursuant to the covenant described under " Limitation on Restricted Payments" or any Permitted Investment (other than pursuant to clauses (a)(iii), (b) or (h) of the definition of "*Permitted Investment*");

(c) the payment of reasonable and customary compensation (including amounts paid pursuant to employee benefit plans) for the personal services of and related indemnities provided to officers, directors, consultants and employees of the Company or any of the Restricted Subsidiaries;

(d) loans and advances to employees made in the ordinary course of business in accordance with applicable law and consistent with the past practices of the Company or such Restricted

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Subsidiary, as the case may be, provided that such loans and advances do not exceed $25.0 million in the aggregate at any one time outstanding;

(e) any transaction effected as part of a Qualified Receivables Transaction or any transaction involving the transfer of accounts receivable of the type specified in the definition of "Credit Facilities" and permitted under clause (b) of the second paragraph of the covenant described under " Limitation on Debt";

(f) payments of customary fees by the Company or any of its Restricted Subsidiaries to Leonard Green & Partners L.P. or any of its Affiliates made for any corporate advisory services or financial advisory, financing, underwriting or placement services or in respect of other investment banking activities including, without limitation, in connection with acquisitions or divestitures, which are approved by a majority of the Board of Directors in good faith;

(g) any Affiliate Transaction, if such Affiliate Transaction is with any Person solely in its capacity as a holder of Debt or Capital Stock of the Company or any of its Restricted Subsidiaries, where such Person is treated no more favorably than any other holder of such Debt or Capital Stock of the Company or any of its Restricted Subsidiaries;

(h) any agreement as in effect on the Issue Date or any amendment thereto (so long as such amendment is not disadvantageous to the holders of the notes in any material respect as determined by the Company in good faith) or any transaction contemplated thereby;

(i) any Affiliate Transaction that involves aggregate payments or value to the Affiliate not in excess of $5.0 million;

(j) payments of indemnification obligations to officers, managers and directors of the Company or any Restricted Subsidiary to the extent required by the organizational documents of such entity or applicable law;

(k) any Affiliate Transaction in which the only consideration paid by the Company or any Restricted Subsidiary consists of Capital Stock (other than Disqualified Stock) of the Company;

(l) any Affiliate Transaction with any joint venture or special purpose entity engaged in a related business; *provided* that all the outstanding ownership interests of such joint venture or special purpose entity are owned only by the Company, its Restricted Subsidiaries and Persons that are not Affiliates of the Company; and

(m) any Affiliate Transaction between the Company or any Restricted Subsidiary and any Person that is an Affiliate of the Company or any Restricted Subsidiary solely because a director of such Person is also a director of the Company; *provided* that such director abstains from voting as a director of the Company on any matter involving such other Person.

Limitation on Sale and Leaseback Transactions. The Company shall not, and shall not hit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction with respect ny Property unless:

(a) the Company or such Restricted Subsidiary would be entitled to:

(1) Incur Debt in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction pursuant to the covenant described under " Limitation on Debt;" and

(2) create a Lien on such Property securing such Attributable Debt without also securing the notes or the applicable Subsidiary Guarantee pursuant to the covenant described under " Limitation on Liens;" and

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(b) such Sale and Leaseback Transaction is effected in compliance with the covenant described under " Limitation on Asset Sales," provided that such Sale and Leaseback Transaction constitutes an Asset Sale.

Designation of Restricted and Unrestricted Subsidiaries. The Board of Directors may gnate any Subsidiary of the Company to be an Unrestricted Subsidiary if:

(a) the Subsidiary to be so designated does not own any Capital Stock or Debt of, or own or hold any Lien on any Property of, the Company or any other Restricted Subsidiary and is not required to be a Subsidiary Guarantor pursuant to the Indenture; and

(b) either:

(1) the Subsidiary to be so designated has total assets of $1,000 or less; or

(2) such designation is effective immediately upon such entity becoming a Subsidiary of the Company.

Unless so designated as an Unrestricted Subsidiary, any Person that becomes a Subsidiary e Company will be classified as a Restricted Subsidiary; *provided*, *however*, that such sidiary shall not be designated a Restricted Subsidiary and shall be automatically classified n Unrestricted Subsidiary if either of the requirements set forth in clauses (x) and (y) of the nd immediately following paragraph will not be satisfied after giving pro forma effect to classification as a Restricted Subsidiary or if such Person is a Subsidiary of an estricted Subsidiary.

Except as provided in the first sentence of the preceding paragraph, no Restricted sidiary may be redesignated as an Unrestricted Subsidiary. In addition, neither the mpany nor any Restricted Subsidiary shall at any time be directly or indirectly liable for any t that provides that the holder thereof may (with the passage of time or notice or both) are a default thereon or cause the payment thereof to be accelerated or payable prior to its ed Maturity upon the occurrence of a default with respect to any Debt, Lien or other gation of any Unrestricted Subsidiary (including any right to take enforcement action nst such Unrestricted Subsidiary).

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted sidiary if, immediately after giving pro forma effect to such designation, (x) the Company d Incur at least $1.00 of additional Debt pursuant to clause (1) of the first paragraph of the enant described under " Limitation on Debt," and (y) no Default or Event of Default shall occurred and be continuing or would result therefrom.

Any such designation or redesignation by the Board of Directors will be evidenced to the tee by filing with the Trustee a resolution of the Board of Directors giving effect to such gnation or redesignation and an Officers' Certificate that:

(a) certifies that such designation or redesignation complies with the foregoing provisions; and

(b) gives the effective date of such designation or redesignation,

filing with the Trustee to occur within 45 days after the end of the fiscal quarter of the mpany in which such designation or redesignation is made (or, in the case of a designation edesignation made during the last fiscal quarter of the Company's fiscal year, within 90 days the end of such fiscal year).

Guarantees by Subsidiaries. (a) The Company shall not permit any Restricted Subsidiary is not a Subsidiary Guarantor to Guarantee the payment of any Debt or Capital Stock of the mpany (other than Guarantees of Debt incurred under clause (b), (c), (d)(i), (e) or (l) of the nd paragraph of the covenant described under " Limitation on Debt" or Guarantees nitted pursuant

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ause (j) of such second paragraph or Guarantees permitted by clause (s) of such second graph as it relates to clause (d) of such second paragraph), except that a Restricted sidiary that is not a Subsidiary Guarantor may Guarantee Debt of the Company, *provided*

(i) such Debt and the Debt represented by such Guarantee is permitted by the covenant described under " Limitation on Debt;"

(ii) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of payment of the notes by such Restricted Subsidiary; and

(iii) such Guarantee of Debt of the Company:

(A) unless such Debt is a Subordinated Obligation, shall be *pari passu* (or subordinate) in right of payment to and on substantially the same terms as (or less favorable to such Debt than but without regards as to security interest) such Restricted Subsidiary's Guarantee with respect to the Notes; and

(B) if such Debt is a Subordinated Obligation, shall be subordinated in right of payment to such Restricted Subsidiary's Guarantee with respect to the notes to at least the same extent as such Debt is subordinated to the notes.

(b) Upon any Subsidiary becoming a Subsidiary Guarantor as described above, such Subsidiary shall deliver to the Trustee an Opinion of Counsel to the effect that:

(i) such Guarantee of the notes has been duly executed and authorized; and

(ii) such Guarantee of the notes constitutes a valid, binding and enforceable obligation of such Subsidiary, except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfers) and except insofar as enforcement thereof is subject to general principles of equity.

The failure of any Restricted Subsidiary to provide a Guarantee if then prohibited to do so ny Debt of the Company or a Restricted Subsidiary shall not constitute a violation of the enant described above; *provided*, *however*, that at the time such prohibition no longer exists Guarantee would then be required to comply with such clauses, such Restricted Subsidiary ides such Guarantee.

rger, Consolidation and Sale of Property

The Company will not merge, consolidate or amalgamate with or into any other Person er than a merger of a Wholly Owned Restricted Subsidiary into the Company) or sell, sfer, assign, lease, convey or otherwise dispose of all or substantially all its Property in any transaction or series of transactions unless:

(a) the Company will be the surviving Person (the "*Surviving Person*") or the Surviving Person (if other than the Company) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) the Surviving Person (if other than the Company) expressly assumes, by supplemental indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee by such Surviving Person, the due and punctual payment of the principal of, and premium, if any, and interest on, all the notes, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of the Indenture to be performed by the Company;

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(c) in the case of a sale, transfer, assignment, lease, conveyance or other disposition of all or substantially all the Property of the Company, such Property shall have been transferred as an entirety or virtually as an entirety to one Person;

(d) immediately before and after giving effect to such transaction or series of transactions on a pro forma basis (and treating, for purposes of this clause (d) and clause (e) below, any Debt that becomes, or is anticipated to become, an obligation of the Surviving Person or any Restricted Subsidiary as a result of such transaction or series of transactions as having been Incurred by the Surviving Person or such Restricted Subsidiary at the time of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing;

(e) immediately after giving effect to such transaction or series of transactions on a pro forma basis, either (i) the Company or the Surviving Person, as the case may be, would be able to Incur at least $1.00 of additional Debt under clause (1) of the first paragraph of the covenant described under " Restrictive Covenants Limitation on Debt" or (ii) the Surviving Person would have a Consolidated Interest Coverage Ratio which is not less than the Consolidated Interest Coverage Ratio of the Company immediately prior to such transaction or series of transactions; and

(f) the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this covenant and that all conditions precedent herein provided for relating to such transaction have been satisfied.

The Company shall not permit any Subsidiary Guarantor to merge, consolidate or lgamate with or into any other Person (other than a merger of a Wholly Owned Restricted sidiary into such Subsidiary Guarantor, or a merger of a Subsidiary Guarantor into the mpany or another Subsidiary Guarantor) or sell, transfer, assign, lease, convey or otherwise ose of all or substantially all its Property in any one transaction or series of transactions ss:

(a) such Subsidiary Guarantor will be the Surviving Person or the Surviving Person (if other than such Subsidiary Guarantor) formed by such merger, consolidation or amalgamation or to which such sale, transfer, assignment, lease, conveyance or disposition is made will be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) the Surviving Person (if other than such Subsidiary Guarantor) expressly assumes, by a supplemental indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee by such Surviving Person, the due and punctual performance and observance of all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee;

(c) immediately before and after giving effect to such transaction or series of transactions on a pro forma basis (and treating, for purposes of this clause (c), any Debt that becomes, or is anticipated to become, an obligation of the Surviving Person, the Company or any Restricted Subsidiary as a result of such transaction or series of transactions as having been Incurred by the Surviving Person, the Company or such Restricted Subsidiary at the time of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing; and

(d) the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such transaction and such supplemental indenture, if any, in respect thereto comply with this covenant and that all conditions

precedent herein provided for relating to such transaction have been satisfied.

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The foregoing provisions (other than clause (c)) shall not apply to (i) any transactions
ch do not constitute an Asset Sale if the Subsidiary Guarantor is otherwise being released
its Subsidiary Guarantee at the time of such transaction in accordance with the Indenture
i) any transactions which constitute an Asset Sale if the Company has complied with the
enant described under " Restrictive Covenants Limitation on Asset Sales" and the Subsidiary
rantor is released from its Subsidiary Guarantee at the time of such transaction in
rdance with the Indenture.

The Surviving Person shall succeed to, and be substituted for, and may exercise every
and power of the Company under the Indenture (or of the Subsidiary Guarantor under the
sidiary Guarantee, as the case may be) and the Company or the applicable Subsidiary
rantor shall be released from its obligations under the Indenture other than in the case of a
(in which case the predecessor Company shall not be released from its obligation to pay
principal of, premium, if any, and interest on, the notes). Subject to the foregoing, following
merger, consolidation or amalgamation of the Company or any Subsidiary Guarantor or the
transfer, assignment, conveyance or other disposition of all or substantially all the
pany's or a Subsidiary Guarantor's Property in any one transaction or series of transactions,
eferences to "the Company" in the Indenture (or to the "Subsidiary Guarantor" under the
sidiary Guarantee) shall be deemed to refer to the Surviving Person.

Reports

Notwithstanding that the Company may not be subject to the reporting requirements of
ion 13 or 15(d) of the Exchange Act, the Company will file with the Commission and
ide the Trustee with such annual and quarterly reports and such information, documents
other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable
U.S. corporation subject to such Sections, such information, documents and reports to be so
and provided at the times specified for the filing of such information, documents and
rts under such Sections; *provided*, *however*, that the Company will not be so obligated to
such information, documents and reports with the Commission if the Commission does not
it such filings; *provided further*, *however*, that the Company will be required to provide to
ers of notes any such information, documents or reports that are not so filed; *provided*
er, *however*, that the filing of such reports and such other information and documents with
Commission through EDGAR (or any successor electronic reporting system of the
mission accessible to the public without charge) constitutes delivery to the Trustee for
oses of this sentence.

At any time that the Company is not subject to the reporting requirements of Section 13 or
) of the Exchange Act, the Company shall furnish to any holder (including any beneficial
er) of the notes or to any prospective purchaser of the notes, the information required to be
ided pursuant to Rule 144A(d)(4) under the Securities Act.

Notwithstanding anything herein to the contrary, the Company will not be deemed to have
d to comply with any of its obligations under "SEC Reports" for purposes of clause (4)
er " Events of Default" until 120 days after the date any report hereunder is due.

nts of Default

Events of Default in respect of the notes include:

(1) failure to make the payment of any interest on the notes when the same becomes due and payable, and such failure continues for a period of 30 days;

(2) failure to make the payment of any principal of, or premium, if any, on, any of the notes when the same becomes due and payable at its Stated Maturity, upon acceleration, redemption, optional redemption, required repurchase or otherwise;

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(3) failure to comply with the covenant described under " Merger, Consolidation and Sale of Property;"

(4) failure to comply with any other covenant or agreement in the notes or in the Indenture (other than a failure that is the subject of the foregoing clause (1), (2) or (3)) and such failure continues for 30 days after written notice is given to the Company as provided below;

(5) a default under any Debt by the Company or any Restricted Subsidiary that results in acceleration of the final maturity of such Debt, or failure to pay any such Debt at final maturity (giving effect to applicable grace periods), in an aggregate amount greater than (a) $75.0 million or its foreign currency equivalent at the time or (b) such lesser amount as may be applicable to the corresponding event of default in any other capital markets Debt Incurred pursuant to clause (1) of the first paragraph or clause (b), (l) or (s) (with respect to such clause (1) of the first paragraph) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Debt" and then outstanding of the Company (the "*cross acceleration provisions*");

(6) any judgment or judgments for the payment of money in an aggregate amount in excess of (a) $75.0 million or its foreign currency equivalent at the time or (b) such lesser amount as may be applicable to the corresponding event of default in any other capital markets Debt Incurred pursuant to clause (1) of the first paragraph or clause (b), (l) or (s) (with respect to such clause (1) of the first paragraph) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Debt" and then outstanding of the Company that shall be rendered against the Company or any Restricted Subsidiary and that shall not be waived, satisfied, bonded, insured or discharged for any period of 30 consecutive days during which a stay of enforcement shall not be in effect (the "*judgment default provisions*");

(7) certain events involving bankruptcy, insolvency or reorganization of the Company or any Significant Subsidiary (the "*bankruptcy provisions*"); and

(8) any Subsidiary Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee and the Indenture as the same may be amended from time to time) and such default continues for 20 days after notice or any Subsidiary Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Subsidiary Guarantee (the "*guarantee provisions*").

A Default under clause (4) or (8) is not an Event of Default until the Trustee notifies the mpany of such Default or the holders of not less than 25% in aggregate principal amount of notes then outstanding notify the Company and the Trustee of the Default and the Company not cure such Default within the time specified after receipt of such notice. Such notice t specify the Default, demand that it be remedied and state that such notice is a "Notice of ault."

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, tten notice in the form of an Officers' Certificate of any event that with the giving of notice e lapse of time would become an Event of Default, its status and what action the Company king or proposes to take with respect thereto.

If an Event of Default with respect to the notes (other than an Event of Default resulting n certain events involving bankruptcy, insolvency or reorganization with respect to the mpany) shall have occurred and be continuing, the Trustee or the holders of not less than in aggregate principal amount of the notes then outstanding may declare to be ediately due and payable the principal amount at maturity of all the notes then outstanding, accrued but unpaid interest to the date of acceleration. In case an Event of Default lting from certain events of bankruptcy, insolvency or reorganization with respect to the

npany shall occur, such amount with respect to all the notes shall be due and payable
ediately without any declaration or other act on the part of the Trustee or the holders of the
s. After any such acceleration, but before a judgment or decree based on

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leration is obtained by the Trustee, the holders of a majority in aggregate principal amount e notes then outstanding may, under certain circumstances, rescind and annul such leration if all Events of Default, other than the nonpayment of accelerated principal, nium or interest, have been cured or waived as provided in the Indenture.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an nt of Default shall occur and be continuing, the Trustee will be under no obligation to cise any of its rights or powers under the Indenture at the request or direction of any of the ers of the notes, unless such holders shall have offered to the Trustee indemnity reasonably factory to the Trustee. Subject to such provisions for the indemnification of the Trustee, the ers of a majority in aggregate principal amount of the notes then outstanding will have the t to direct the time, method and place of conducting any proceeding for any remedy lable to the Trustee or exercising any trust or power conferred on the Trustee with respect e notes.

No holder of notes will have any right to institute any proceeding with respect to the nture, or for the appointment of a receiver or trustee, or for any remedy thereunder, unless:

(a) such holder has previously given to the Trustee written notice of a continuing Event of Default;

(b) the holders of at least 25% in aggregate principal amount of the notes then outstanding have made written request and offered indemnity reasonably satisfactory to the Trustee to institute such proceeding as trustee; and

(c) the Trustee shall not have received from the holders of a majority in aggregate principal amount of the notes then outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days.

However, such limitations do not apply to a suit instituted by a holder of any note for rcement of payment of the principal of, and premium, if any, or interest on, such note on or r the respective due dates expressed in such note.

endments and Waivers

(a) Subject to certain exceptions, the Indenture may be amended with the consent of the holders of a majority in aggregate principal amount of the notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the notes) and any past default or compliance with any provisions may also be waived (except, in the case of a default in the payment of principal, premium or interest and certain covenants and provisions of the Indenture which cannot be amended without the consent of each holder of an outstanding note) with the consent of the holders of at least a majority in aggregate principal amount of the notes then outstanding. However, without the consent of each holder affected thereby, no amendment may, among other things:

(1) amend the Indenture to reduce the amount of notes whose holders are required to consent to an amendment or waiver;

(2) amend the Indenture to reduce the rate of or extend the time for payment of interest on any note;

(3) amend the Indenture to reduce the principal of or extend the Stated Maturity of any note;

(4) amend the Indenture to make any Note payable in money other than that stated in the note;

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(5) amend the Indenture or any Subsidiary Guarantee to impair the right of any holder of the notes to receive payment of principal of and interest on such holder's notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's notes or any Subsidiary Guarantee;

(6) amend the Indenture or any Subsidiary Guarantee to subordinate the notes or any Subsidiary Guarantee to any other obligation of the Company or the applicable Subsidiary Guarantor;

(7) amend the Indenture to reduce the premium payable upon the redemption of any note or change the time (other than amendments related to notice provisions) at which any note may be redeemed, as described under " Optional Redemption";

(8) amend the Indenture, at any time after a Change of Control has occurred, to reduce the premium payable upon a Change of Control, amend the definition of Change of Control or change the time at which the Change of Control Offer relating thereto must be made or at which the notes must be repurchased pursuant to such Change of Control Offer; and

(9) at any time after the Company is obligated to make an Asset Sale Prepayment Offer with the Excess Proceeds from Asset Sales, amend the Indenture to change the time at which such Asset Sale Prepayment Offer must be made or at which the notes must be repurchased pursuant thereto.

(b) Without the consent of any holder of the notes, the Company and the Trustee may amend the Indenture to:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) provide for the assumption by a successor corporation of the obligations of the Company or any Subsidiary Guarantor under the Indenture;

(3) provide for uncertificated notes in addition to or in place of certificated notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated notes are described in section 163(f) (2)(b) of the Code);

(4) add additional Guarantees with respect to the notes or release Subsidiary Guarantors from Subsidiary Guarantees as provided by the terms of the Indenture or the Subsidiary Guarantees;

(5) secure the notes, add to the covenants of the Company or the Subsidiary Guarantors for the benefit of the holders of the notes or surrender any right or power conferred upon the Company;

(6) make any change to the Indenture, the notes or the Subsidiary Guarantees that does not adversely affect the rights of any holder of the notes;

(7) make any change to comply with any requirement of the Commission in connection with the qualification of the Indenture under the Trust Indenture Act;

(8) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee;

(9) conform the text of the Indenture, the Subsidiary Guarantees or the notes to any provision under the caption "Description of the New Notes" in this prospectus to the extent that such provision in the Indenture, the Subsidiary Guarantees or the notes was intended to be a substantially verbatim recitation of a provision under the caption "Description of the

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New Notes" in this prospectus, as evidenced by an Officers' Certificate delivered by the Company to the Trustee;

(10) comply with the rules of any applicable securities depositary *provided*, *however*, that such amendment does not materially and adversely affect the rights of holders to transfer the notes.; or

(11) make any amendment to the provisions of the Indenture relating to the transfer and legending or de-legending of the notes; *provided*, *however*, that (i) compliance with the Indenture as so amended would not result in the notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer the notes.

The consent of the holders of the notes is not necessary to approve the particular form of proposed amendment. It is sufficient if such consent approves the substance of the osed amendment. After an amendment becomes effective, the Company is required to mail ch holder of the notes at such holder's address appearing in the applicable Security ister a notice briefly describing such amendment. However, the failure to give such notice l holders of the notes, or any defect therein, will not impair or affect the validity of the ndment.

sfaction and Discharge; Defeasance

If the Company delivers to the Trustee all outstanding notes for cancellation or all tanding notes have become due and payable, whether at maturity or as a result of the ing of a notice of redemption pursuant to the Indenture, or will become due and payable in one year or are to be called for redemption within one year under arrangements factory to the Trustee, and the Company irrevocably deposits with the Trustee funds cient to pay at maturity or upon redemption all outstanding notes, including interest eon to maturity or such redemption date, and if in either case the Company pays all other s payable by it under the Indenture, then the Indenture shall, other than in respect of limited gations with respect to the Trustee, cease to be of further effect.

The Company at any time may terminate all its obligations under the notes and the nture ("*legal defeasance*"), except for certain obligations, including those respecting the asance trust and obligations to register the transfer or exchange of the notes, to replace lated, destroyed, lost or stolen notes and to maintain a registrar and paying agent in respect e notes.

The Company at any time may terminate:

(1) its obligations under the covenants described under " Repurchase at the Option of Holders Upon a Change of Control" and " Restrictive Covenants";

(2) the operation of the cross acceleration provisions, the judgment default provisions, the bankruptcy provisions with respect to Significant Subsidiaries and the guarantee provisions described under " Events of Default" above; and

(3) the limitations contained in clause (e) under the first paragraph of " Merger, Consolidation and Sale of Property" above ("*covenant defeasance*").

The Company may exercise its legal defeasance option notwithstanding its prior exercise s covenant defeasance option.

If the Company exercises its legal defeasance option, payment of the notes may not be lerated because of an Event of Default. If the Company exercises its covenant defeasance on, payment of the notes may not be accelerated because of an Event of Default specified in se (4) (with respect to the covenants described under " Restrictive Covenants"), (5), (6), with respect only to Significant Subsidiaries) or (8) under " Events of Default" above or use of the failure of the

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pany to comply with clause (e) under the first paragraph of " Merger, Consolidation and of Property" above. If the Company exercises its legal defeasance option or its covenant asance option, each Subsidiary Guarantor will be released from all its obligations under its sidiary Guarantee.

The legal defeasance option or the covenant defeasance option may be exercised only if:

(a) the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations, which through the scheduled payments of principal and interest thereon will provide funds in an amount sufficient, or a combination thereof sufficient (without any reinvestment of the income therefrom) to pay the principal of, premium, if any, and interest on the Notes to maturity or redemption, as the case may be, and the Company shall have specified whether the Notes are being defeased to maturity or to a particular redemption date;

(b) the Company delivers to the Trustee a certificate from a nationally recognized firm of independent certified public accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the notes to maturity or redemption, as the case may be;

(c) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that, as of the date of such opinion and subject to customary assumptions and exclusions following the deposit, the trust funds will not be subject to the effect of Section 547 of Title 11 of the United States Code;

(d) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or any Subsidiary Guarantor;

(e) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto (other than any Default or Event of Default resulting from the borrowing of funds (and granting of related Liens) to fund the deposit);

(f) such deposit does not constitute a default under any other agreement or instrument binding on the Company;

(g) [intentionally omitted];

(h) in the case of the legal defeasance option, the Company delivers to the Trustee an Opinion of Counsel stating that (1) the Company has received from the Internal Revenue Service a ruling or (2) since the date of the Indenture there has been a change in the applicable Federal income tax law, to the effect, in either case, that, and based thereon such Opinion of Counsel shall confirm that, the holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance has not occurred;

(i) in the case of the covenant defeasance option, the Company delivers to the Trustee an Opinion of Counsel to the effect that the holders of the notes will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such

covenant defeasance had not occurred; and

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(j) the Company delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the notes have been complied with as required by the Indenture.

erning Law

The Indenture, the new notes and the Subsidiary Guarantees are governed by the laws of State of New York without reference to principles of conflicts of law.

Trustee

The Bank of New York Mellon Trust Company, N.A., is the Trustee under the Indenture.

Except during the continuance of an Event of Default, the Trustee will perform only such es as are specifically set forth in the Indenture. During the existence of an Event of Default, Trustee will exercise such of the rights and powers vested in it under the Indenture and use same degree of care and skill in its exercise as a prudent person would exercise under the umstances in the conduct of such person's own affairs.

nitions

Set forth below is a summary of the defined terms used in the "Description of the New es" above. Reference is made to the Indenture for the full definition of all such terms as as any other capitalized terms used herein for which no definition is provided. Unless the ext otherwise requires, an accounting term not otherwise defined has the meaning assigned in accordance with GAAP.

"*Additional Assets*" means:

(a) any Property (other than cash, cash equivalents and securities) to be owned by the Company or any Restricted Subsidiary and used in a Related Business; or

(b) Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary from any Person other than the Company or an Affiliate of the Company, *provided*, *however*, that, in the case of this clause (b), such Restricted Subsidiary is primarily engaged in a Related Business.

"*Affiliate*" of any specified Person means:

(a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person; or

(b) any other Person who is a director or executive officer of:

(1) such specified Person;

(2) any Subsidiary of such specified Person; or

(3) any Person described in clause (a) above.

For the purposes of this definition, "*control*" when used with respect to any Person means power to direct the management and policies of such Person, directly or indirectly, whether ugh the ownership of voting securities, by contract or otherwise; and the terms *trolling*" and "*controlled*" have meanings correlative to the foregoing.

For purposes of this definition, The Jean Coutu Group (PJC), Inc. and its Affiliates shall Affiliates" of the Company so long as The Jean Coutu Group (PJC), Inc. beneficially owns e than 10% of the Voting Stock of the Company.

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"*Asset Sale*" means any sale, lease, transfer, issuance or other disposition (or series of ed sales, leases, transfers, issuances or dispositions) by the Company or any Restricted sidiary, including any disposition by means of a merger, consolidation or similar saction (each referred to for the purposes of this definition as a "*disposition*"), of:

(a) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares); or

(b) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary,

e case of either clause (a) or clause (b) above, whether in a single transaction or a series of ed transactions, (i) that have a Fair Market Value in excess of $15.0 million or (ii) for egate consideration in excess of $15.0 million, other than, in the case of clause (a) or bove:

(1) any disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Wholly Owned Restricted Subsidiary;

(2) any disposition that constitutes a Permitted Investment or Restricted Payment permitted by the covenant described under " Restrictive Covenants Limitation on Restricted Payments;"

(3) any disposition effected in compliance with the first paragraph of the covenant described under " Merger, Consolidation and Sale of Property;"

(4) a sale of accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity;

(5) a transfer of accounts receivable and related assets of the type specified in the definition of "Qualified Receivables Transaction" (or a fractional undivided interest therein) by a Receivables Entity in connection with a Qualified Receivables Transaction;

(6) a sale by the Company or a Restricted Subsidiary of Property by way of a Sale and Leaseback Transaction but only if (a) such Property was owned by the Company or a Restricted Subsidiary on or after the Issue Date, (b) the requirements of clause (a) of the covenant described under " Restrictive Covenants Limitation on Sale and Leaseback Transactions" are satisfied with respect to such Sale and Leaseback Transaction, (c) the requirements of clauses (a), (b) and (c) of the first paragraph of the covenant described under " Restrictive Covenants Limitation on Asset Sales" are satisfied as though such Sale and Leaseback Transaction constituted an Asset Sale and (d) the aggregate Fair Market Value of such Property, when added to the Fair Market Value of all other sales of Property pursuant to this clause (6) since the Issue Date, does not exceed $250.0 million;

(7) a disposition of cash, cash equivalents or investment grade securities or surplus, damaged, obsolete, unmerchantable, idle or worn out property or assets or any sale or disposition of property or assets in connection with scheduled turnarounds, maintenance and equipment and facility updates or any disposition of inventory or goods held for sale in the ordinary course of business;

(8) to the extent allowable on a tax-deferred basis under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a related business;

(9) the lease, assignment, license, sublicense or sublease of any real or personal property in the ordinary course of business;

(10) foreclosures or governmental condemnations on assets;

(11) the licensing or sub-licensing of intellectual property;

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(12) any sale or other disposition deemed to occur with creating, granting or perfecting a Lien not otherwise prohibited by the Indenture;

(13) dispositions of receivables pursuant to factoring arrangements, so long as such receivables are sold at no less than the Fair Market Value thereof (which may include a discount customary for transactions of this type); or

(14) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business.

"*Attributable Debt*" in respect of a Sale and Leaseback Transaction means, at any date of rmination:

(a) if such Sale and Leaseback Transaction is a Capital Lease Obligation, the amount of Debt represented thereby according to the definition of "Capital Lease Obligation," and

(b) in all other instances, the greater of:

(1) the Fair Market Value of the Property subject to such Sale and Leaseback Transaction; and

(2) the present value (discounted at the interest rate borne by the notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (in each case including any period for which such lease has been extended).

"*Average Life*" means, as of any date of determination, with respect to any Debt or erred Stock, the quotient obtained by dividing:

(a) the sum of the product of the numbers of years (rounded to the nearest one-twelfth of one year) from the date of determination to the dates of each successive scheduled principal payment of such Debt or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by

(b) the sum of all such payments.

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*Bankruptcy Law*" means the Bankruptcy Code and any similar Federal, state or foreign for the relief of debtors.

"*Board of Directors*" means the board of directors of the Company or any duly authorized constituted committee thereof.

"*Business Day*" means any day other than a Saturday, a Sunday or a day on which banking tutions in The City of New York, New York are authorized or obligated by law, regulation, utive order or governmental decree to close.

"*Capital Lease Obligations*" means any obligation under a lease that is required to be talized for financial reporting purposes in accordance with GAAP; and the amount of Debt esented by such obligation shall be the capitalized amount of such obligations determined ccordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment ent or any other amount due under such lease prior to the first date upon which such lease be terminated by the lessee without payment of a penalty. For purposes of " Restrictive

enants Limitation on Liens," a Capital Lease Obligation shall be deemed secured by a Lien
he Property being leased.

"*Capital Stock*" means, with respect to any Person, any shares or other equivalents
wever designated) of any class of corporate stock or partnership interests or any other
cipations, rights, warrants, options or other interests in the nature of an equity interest in
Person, including

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erred Stock, but excluding any debt security convertible or exchangeable into such equity rest (regardless of such convertible debt security's treatment under GAAP).

"*Capital Stock Sale Proceeds*" means the aggregate cash proceeds received by the npany from the issuance or sale (other than to a Subsidiary of the Company or an employee k ownership plan or trust established by the Company or any such Subsidiary for the efit of their employees) by the Company of its Capital Stock (other than Disqualified Stock) r the beginning of the fiscal quarter immediately following the Issue Date, net of attorneys' accountants' fees, underwriters' or placement agents' fees, discounts or commissions and terage, consultant and other fees actually incurred in connection with such issuance or sale net of taxes paid or payable as a result thereof.

"*Change of Control*" means the occurrence of any of the following events:

(a) if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act (other than one or more Permitted Holders), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 40% or more of the total voting power of the Voting Stock of the Company (for purposes of this clause (a), such person or group shall be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the "*parent corporation*") so long as such person or group beneficially owns, directly or indirectly, in the aggregate a majority of the total voting power of the Voting Stock of such parent corporation); or

(b) the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the assets of the Company and the Restricted Subsidiaries, considered as a whole (other than a disposition of such assets as an entirety or virtually as an entirety to a Wholly Owned Restricted Subsidiary) shall have occurred, or the Company merges, consolidates or amalgamates with or into any other Person or any other Person merges, consolidates or amalgamates with or into the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is reclassified into or exchanged for cash, securities or other Property, other than any such transaction where:

(1) the outstanding Voting Stock of the Company is reclassified into or exchanged for other Voting Stock of the Company or for Voting Stock of the surviving corporation; and

(2) the holders of the Voting Stock of the Company immediately prior to such transaction own, directly or indirectly, not less than a majority of the Voting Stock of the Company or the surviving corporation immediately after such transaction and in substantially the same proportion as before the transaction; or

(c) during any period of two consecutive years commencing after the Issue Date, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election or appointment by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of not less than three-fourths of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or

(d) the shareholders of the Company shall have approved any plan of liquidation or dissolution of the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time.

"*Commission*" means the Securities and Exchange Commission, as from time to time
tituted, created under the Exchange Act, or, if at any time after the execution of the
nture such

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mission is not existing and performing the duties now assigned to it under the Trust nture Act, then the body performing such duties at such time.

"*Commodity Price Protection Agreement*" means, in respect of a Person, any forward ract, commodity swap agreement, commodity option agreement or other similar agreement rangement designed to protect such Person against fluctuations in commodity prices.

"*Consolidated Interest Coverage Ratio*" means, as of any date of determination, the ratio

(a) the aggregate amount of EBITDA for the most recent four consecutive fiscal quarters for which internal financial statements are available prior to such determination date to

(b) Consolidated Interest Expense for such four fiscal quarters; *provided*, *however*, that:

(1) if

(A) since the beginning of such period the Company or any Restricted Subsidiary has Incurred any Debt that remains outstanding or Repaid any Debt; or

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is an Incurrence or Repayment of Debt,

Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Incurrence or Repayment as if such Debt was Incurred or Repaid on the first day of such period, *provided* that, in the event of any such Repayment of Debt, EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to Repay such Debt, and

(2) if

(A) since the beginning of such period the Company or any Restricted Subsidiary shall have made any Asset Sale or an Investment (by merger or otherwise) in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of Property which constitutes all or substantially all of an operating unit of a business;

(B) the transaction giving rise to the need to calculate the Consolidated Interest Coverage Ratio is such an Asset Sale, Investment or acquisition; or

(C) since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made such an Asset Sale, Investment or acquisition,

TDA for such period shall be calculated after giving pro forma effect to such Asset Sale, stment or acquisition as if such Asset Sale, Investment or acquisition occurred on the first of such period.

If any Debt bears a floating rate of interest and is being given pro forma effect, the interest ense payable with respect to such Debt shall be calculated as if the base interest rate in ct for such floating rate of interest on the date of determination had been the applicable base rest rate for the entire period (taking into account any Interest Rate Agreement applicable to Debt if such Interest Rate Agreement has a remaining term in excess of 12 months). In the t the Capital Stock of any Restricted Subsidiary is sold during the period, the Company be deemed, for purposes of clause (1) above, to have Repaid during such period the Debt uch Restricted Subsidiary to the extent the Company and its continuing Restricted sidiaries are no longer liable for such Debt after such sale.

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"*Consolidated Interest Expense*" means, for any period, the total interest expense of the pany and its consolidated Restricted Subsidiaries (excluding the non-cash interest expense ed to (w) accretion of severance reserves (x) litigation reserves, (y) closed store liability rves and (z) self-insurance reserves), plus, to the extent not included in such total interest nse, and to the extent Incurred by the Company or its Restricted Subsidiaries, and without ication:

(a) interest expense attributable to Capital Lease Obligations;

(b) amortization of debt discount and debt issuance cost, including commitment fees;

(c) capitalized interest;

(d) non-cash interest expense other than expenses under clauses (x), (y) and (z) above;

(e) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing;

(f) net costs associated with Hedging Obligations (including amortization of fees but excluding costs associated with forward contracts for inventory in the ordinary course of business);

(g) Disqualified Stock Dividends (and dividends on Preferred Stock incurred pursuant to clause (l) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Restricted Payments", which dividends shall be calculated in the same manner as Disqualified Stock Dividends;

(h) Preferred Stock Dividends;

(i) interest Incurred in connection with Investments in discontinued operations;

(j) interest accruing on any Debt of any other Person to the extent such Debt is Guaranteed by the Company or any Restricted Subsidiary; and

(k) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Debt Incurred by such plan or trust.

Any program fees or liquidity fees on unused amounts related to any Qualified eivables Transaction shall not be included in Consolidated Interest Expense, unless rwise required by GAAP.

"*Consolidated Net Income*" means, for any period, the net income (loss) of the Company its consolidated Subsidiaries; *provided*, *however*, that there shall not be included in such solidated Net Income:

(a) any net income (loss) of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

(1) subject to the exclusion contained in clause (c) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Person during such period to the

Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (b) below); and

(2) the Company's equity in a net loss of any such Person other than an Unrestricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

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(b) any net income (loss) of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions, directly or indirectly, to the Company, except that:

(1) subject to the exclusion contained in clause (c) below, the Company's equity in the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to another Restricted Subsidiary, to the limitation contained in this clause); and

(2) the Company's equity in a net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(c) any gain or loss realized upon the sale or other disposition of any Property of the Company or any of its consolidated Subsidiaries (including pursuant to any Sale and Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business;

(d) any extraordinary gain or loss;

(e) the cumulative effect of a change in accounting principles;

(f) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees of the Company or any Restricted Subsidiary, provided that such shares, options or other rights can be redeemed at the option of the holder only for Capital Stock of the Company (other than Disqualified Stock);

(g) store closing costs;

(h) non-cash charges or credits that relate to use of the last-in-first-out method of accounting for inventory; and

(i) loss on debt modifications.

Notwithstanding the foregoing, for purposes of the covenant described under " Restrictive enants Limitation on Restricted Payments" only, there shall be excluded from Consolidated Income any dividends, repayments of loans or advances or other transfers of assets from estricted Subsidiaries to the Company or a Restricted Subsidiary to the extent such dends, repayments or transfers increase the amount of Restricted Payments permitted under covenant pursuant to clause (c)(4) thereof.

"*Credit Facilities*" means, with respect to the Company or any Restricted Subsidiary, one ore debt or commercial paper facilities with banks or other institutional lenders (including Senior Credit Facility), providing for revolving credit loans, term loans, receivables or ntory financing (including through the sale of receivables or inventory to such lenders or to ial purpose, bankruptcy remote entities formed to borrow from such lenders against such ivables or inventory), or trade letters of credit, in each case together with Refinancings eof on any basis so long as such Refinancing constitutes Debt.

"*Currency Exchange Protection Agreement*" means, in respect of a Person, any foreign hange contract, currency swap agreement, currency option or other similar agreement or

ngement designed to protect such Person against fluctuations in currency exchange rates.

"*Debt*" means, with respect to any Person on any date of determination (without ication):

(a) the principal of and premium (if any) in respect of:

(1) debt of such Person for money borrowed; and

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(2) debt evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale and Leaseback Transactions entered into by such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of Property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) the amount of all obligations of such Person with respect to the Repayment of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any Lien on any Property of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such Property or the amount of the obligation so secured; and

(h) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Debt of any Person at any date shall be the outstanding balance at such date l unconditional obligations as described above and the maximum liability, upon the rrence of the contingency giving rise to the obligation, of any contingent obligations at date. The amount of Debt represented by a Hedging Obligation shall be equal to:

(1) zero if such Hedging Obligation has been Incurred pursuant to clause (g) or (h) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Debt"; or

(2) the notional amount of such Hedging Obligation if not Incurred pursuant to such clauses.

"*Debt Issuances*" means, with respect to the Company or any Restricted Subsidiary, one or e issuances of Debt evidenced by notes, debentures, bonds or other similar securities or uments.

"*Default*" means any event which is, or after notice or passage of time or both would be, vent of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that by its terms
by the terms of any security into which it is convertible or for which it is exchangeable, in
er case at the option of the holder thereof) or otherwise:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

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(b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part; or

(c) is convertible or exchangeable at the option of the holder thereof for Debt or Disqualified Stock;

r prior to, in the case of clause (a), (b) or (c), the first anniversary of the Stated Maturity of notes. "*Disqualified Stock Dividends*" means all dividends with respect to Disqualified k of the Company held by Persons other than a Wholly Owned Restricted Subsidiary. The unt of any such dividend shall be equal to the quotient of such dividend divided by the erence between one and the maximum statutory federal income tax rate (expressed as a mal number between 1 and 0) then applicable to the Company.

"*Domestic Subsidiary*" means any Subsidiary other than a Foreign Subsidiary.

"*DTC*" means The Depository Trust Company.

"*EBITDA*" means, for any period, an amount equal to, for the Company and its olidated Restricted Subsidiaries:

(a) the sum of Consolidated Net Income for such period, plus the following to the extent reducing Consolidated Net Income for such period:

(1) the provision for taxes based on income or profits or utilized in computing net loss;

(2) Consolidated Interest Expense and non-cash interest expense related to accretion of severance reserves, litigation reserves, closed store liability reserves and self-insurance reserves, to the extent excluded from Consolidated Interest Expense;

(3) depreciation;

(4) amortization of intangibles;

(5) non-cash impairment charges;

(6) any expenses or charges (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the Incurrence of Debt permitted to be Incurred by the Indenture (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the offering of Credit Facilities, Qualified Receivables Transactions or Debt Issuances and other Debt and (ii) any amendment or other modification of Credit Facilities, Qualified Receivables Transactions or Debt Issuances and, in each case, deducted (and not added back) in computing Consolidated Net Income;

(7) the amount of any restructuring charges, integration costs or other business optimization expenses or reserves deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs (including costs related to the closure and/or consolidation of stores) incurred in connection with acquisitions on or after the Issue Date;

(8) the amount of net cost savings projected by the Company in good faith to be realized as a result of specified actions taken or initiated during

or prior to such period (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that (x) such cost savings are reasonably identifiable and factually supportable, (y) such actions are reasonably expected to be taken no later than 12 months following the end of the period in respect of which EBITDA is being calculated and (z) the aggregate amount of cost savings added pursuant to this clause (8) shall not exceed $150.0 million for any four consecutive quarter period (which adjustments may be incremental to pro forma cost savings adjustments made pursuant to the definition of "*Consolidated Interest Coverage Ratio*");

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(9) the amount of revenue deferred in respect of the Company's customer loyalty card program; and

(10) any other non-cash items (other than any such non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period), minus

(b) all non-cash items increasing Consolidated Net Income for such period (other than any such non-cash item to the extent that it will result in the receipt of cash payments in any future period) including, without limitation, the release of deferred revenue in respect of the Company's customer loyalty card program.

Notwithstanding the foregoing clause (a), the provision for taxes and the depreciation, rtization and non-cash items of a Restricted Subsidiary shall be added to Consolidated Net me to compute EBITDA only to the extent (and in the same proportion) that the net income uch Restricted Subsidiary was included in calculating Consolidated Net Income and only if rresponding amount would be permitted at the date of determination to be dividended to the mpany by such Restricted Subsidiary without prior approval (that has not been obtained), uant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, tes, rules and governmental regulations applicable to such Restricted Subsidiary or its eholders.

"*8.00% Notes due 2020*" means the Company's 8.00% Senior Secured Notes due 2020 ed under the indenture dated as of August 16, 2010, among the Company, the Subsidiary rantors and The Bank of New York Mellon Trust Company, N.A., as trustee, and tanding on the Issue Date.

"*Equipment Financing Transaction*" means any arrangement (together with any nancing thereof) with any Person pursuant to which the Company or any Restricted sidiary Incurs Debt secured by a Lien on equipment or equipment related property of the mpany or any Restricted Subsidiary.

"*Equity Offering*" means (a) an underwritten offering of common stock of the Company by Company pursuant to an effective registration statement under the Securities Act or (b) so as the Company's common stock is, at the time, listed or quoted on a national securities hange (as such term is defined in the Exchange Act), an offering of common stock by the mpany in a transaction exempt from or not subject to the registration requirements of the rities Act.

"*Event of Default*" has the meaning set forth under " Events of Default."

"*Exchange Act*" means the Securities Exchange Act of 1934.

"*Expansion Capital Expenditure*" means any capital expenditure incurred by the Company ny Restricted Subsidiary in developing, relocating, integrating, remodeling and refurbishing rehouse, distribution center, store or other facility (other than ordinary course ntenance) for carrying on the business of the Company and its Restricted Subsidiaries that fficer of the Company determines in good faith will enhance the income generating ability e warehouse, distribution center, store or other facility.

"*Fair Market Value*" means, with respect to any Property, the price that could be otiated in an arm's-length free market transaction, for cash, between a willing seller and a ng buyer, neither of whom is under undue pressure or compulsion to complete the saction. Pressure or compulsion shall not include sales of Property conducted in compliance the requirements of a regulatory authority in connection with an acquisition or merger nitted by the Indenture. Fair Market Value shall be determined, except as otherwise ided:

(a) if such Property has a Fair Market Value equal to or less than $25.0 million, by any Officer of the Company; or

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(b) if such Property has a Fair Market Value in excess of $25.0 million, by a majority of the Board of Directors and evidenced by a resolution of the Board of Directors, dated within 30 days of the relevant transaction, delivered to the Trustee.

"*Foreign Subsidiary*" means any Subsidiary of the Company which (a) is organized under aws of any jurisdiction outside of the United States, (b) is organized under the laws of to Rico or the U.S. Virgin Islands, (c) has substantially all its operations outside of the ed States, (d) has substantially all its operations in Puerto Rico or the U.S. Virgin Islands,) does not own any material assets other than Capital Stock of one or more Subsidiaries of ype described in (a) through (d) above.

"*GAAP*" means United States generally accepted accounting principles, including those set :

(a) in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants;

(b) in the statements and pronouncements of the Financial Accounting Standards Board;

(c) in such other statements by such other entity as approved by a significant segment of the accounting profession; and

(d) the rules and regulations of the Commission governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the Commission.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or rectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, ingent or otherwise, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for the purpose of assuring in any other manner the obligee against loss in respect thereof (in whole or in part);

ided, *however*, that the term "Guarantee" shall not include:

(1) endorsements for collection or deposit in the ordinary course of business; or

(2) a contractual commitment by one Person to invest in another Person for so long as such Investment is reasonably expected to constitute a Permitted Investment under clause (b) of the definition of "Permitted Investment."

The term "Guarantee" used as a verb has a corresponding meaning. The term "Guarantor" mean any Person Guaranteeing any obligation.

"*Hedging Obligation*" of any Person means any obligation of such Person pursuant to any rest Rate Agreement, Currency Exchange Protection Agreement, Commodity Price ection Agreement or any other similar agreement or arrangement.

"*Incur*" means, with respect to any Debt or other obligation of any Person, to create, issue, r (by merger, conversion, exchange or otherwise), extend, assume, Guarantee or become e in respect of such Debt or other obligation or the recording, as required pursuant to AP or otherwise, of any such Debt or obligation on the balance sheet of such Person (and urrence" and "Incurred" shall have meanings correlative to the foregoing); *provided*, *ever*, that a change in GAAP that results in

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bligation of such Person that exists at such time, and is not theretofore classified as Debt, oming Debt shall not be deemed an Incurrence of such Debt; *provided further*, *however*, any Debt or other obligations of a Person existing at the time such Person becomes a sidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be rred by such Subsidiary at the time it becomes a Subsidiary; and *provided further*, *ever*, that solely for purposes of determining compliance with " Restrictive enants Limitation on Debt," amortization of debt discount shall not be deemed to be the rrence of Debt; *provided* that in the case of Debt sold at a discount, the amount of such t Incurred shall at all times be the aggregate principal amount at Stated Maturity.

"*Independent Financial Advisor*" means a third-party accounting, appraisal or investment king firm or consultant, in each case, of national standing, that is, in the good faith rmination of the Company, qualified to perform the task for which it has been engaged; *ided* that such firm or appraiser is not an Affiliate of the Company.

"*Interest Rate Agreement*" means, for any Person, any interest rate swap agreement, rest rate cap agreement, interest rate collar agreement or other similar agreement designed rotect against fluctuations in interest rates.

"*Investment*" by any Person means any direct or indirect loan (other than advances to omers in the ordinary course of business that are recorded as accounts receivable on the nce sheet of such Person), advance or other extension of credit or capital contribution (by ns of transfers of cash or other Property to others or payments for Property or services for ccount or use of others, or otherwise) to, or Incurrence of a Guarantee of any obligation of, urchase or acquisition of Capital Stock, bonds, notes, debentures or other securities or ence of Debt issued by, any other Person. For purposes of the covenant described under estrictive Covenants Limitation on Restricted Payments," " Restrictive Covenants Designation estricted and Unrestricted Subsidiaries" and the definition of "Restricted Payment," estment" shall include the portion (proportionate to the Company's equity interest in such sidiary) of the Fair Market Value of the net assets of any Subsidiary of the Company at the that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that n a redesignation of such Subsidiary as a Restricted Subsidiary, the Company shall be ned to continue to have a permanent "Investment" in an Unrestricted Subsidiary of an unt (if positive) equal to:

(a) the Company's "Investment" in such Subsidiary at the time of such redesignation; less

(b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation.

In determining the amount of any Investment made by transfer of any Property other than , such Property shall be valued at its Fair Market Value at the time of such Investment.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) Moody's and BBB- (or the equivalent) by S&P, without regard to outlook.

"*Issue Date*" means July 2, 2013, the date on which the old notes were issued.

"*Lien*" means, with respect to any Property of any Person, any mortgage or deed of trust, ge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, ment (other than any easement not materially impairing usefulness or marketability), mbrance, preference, priority or other security agreement or preferential arrangement of kind or nature whatsoever on or with respect to such Property (including any Capital Lease gation, conditional sale or other title retention agreement having substantially the same nomic effect as any of the foregoing or any Sale and Leaseback Transaction).

"*Measurement Date*" means February 21, 2013.

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"*Moody's*" means Moody's Investors Service, Inc. or any successor to the rating agency
ness thereof.

"*Net Available Cash*" from any Asset Sale means cash payments received therefrom
uding any cash payments received by way of deferred payment of principal pursuant to a
or installment receivable or otherwise, but only as and when received, but excluding any
r consideration received in the form of assumption by the acquiring Person of Debt or other
gations relating to the Property that is the subject of such Asset Sale or received in any
r non-cash form), in each case net of:

(a) all legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under GAAP, as a consequence of such Asset Sale;

(b) all payments made on (i) any Debt that is secured by any Property subject to such Asset Sale, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such Property, or Debt which must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law, be repaid out of the proceeds from such Asset Sale and (ii) any Debt under a Qualified Receivables Transaction required to be repaid or necessary to obtain a consent needed to consummate such Asset Sale;

(c) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale; and

(d) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the Property disposed in such Asset Sale and retained by the Company or any Restricted Subsidiary after such Asset Sale.

"*9.250% Notes due 2020*" means the Company's 9.250% Senior Notes due 2020 issued
er the indenture dated as of February 27, 2012, as amended, among the Company, the
sidiary Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee,
outstanding on the Issue Date.

"*Note Obligations*" means the obligations of the Company and the Subsidiary Guarantors
er the Indenture and the notes.

"*Officer*" means the Chief Executive Officer, President, Chief Financial Officer, Chief
ounting Officer, Treasurer or any Executive Vice President, Senior Vice President, Vice
ident or Secretary of the Company.

"*Officers' Certificate*" means a certificate signed by two Officers of the Company, at least
of whom shall be the principal executive officer, principal financial officer, treasurer or
cipal accounting officer of the Company, and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion from legal counsel. The counsel may be an
loyee of or counsel to the Company.

"*Paying Agent*" means any Person authorized by the Company to pay the principal of and
nium, if any, or interest on any Notes on behalf of the Company.

"*Permitted Holder*" means (a) Leonard Green & Partners, L.P., or any of its Affiliates and
The Jean Coutu Group (PJC), Inc. or any of its Affiliates.

"*Permitted Investment*" means any Investment by the Company or a Restricted Subsidiary

(a) (i) the Company, (ii) any Restricted Subsidiary or (iii) any Person that will, upon the making of such Investment, become a Restricted Subsidiary;

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(b) any Person if as a result of such Investment such Person is merged or consolidated with or into, or transfers or conveys all or substantially all its Property to, the Company or a Restricted Subsidiary;

(c) cash and Temporary Cash Investments;

(d) receivables owing to the Company or a Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided*, *however*, that such trade terms may include such concessionary trade terms as the Company or such Restricted Subsidiary deems reasonable under the circumstances;

(e) payroll, travel, moving, tax and similar advances that are made in the ordinary course of business;

(f) loans and advances to employees made in the ordinary course of business in accordance with applicable law consistent with past practices of the Company or such Restricted Subsidiary, as the case may be; *provided* that such loans and advances do not exceed $25.0 million at any one time outstanding;

(g) stock, obligations or other securities received in settlement of debts created in the ordinary course of business and owing to the Company or a Restricted Subsidiary or in satisfaction of judgments;

(h) any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with (i) an Asset Sale consummated in compliance with the covenant described under " Restrictive Covenants Limitation on Asset Sales" or (ii) a disposition of assets that does not constitute an Asset Sale;

(i) Hedging Obligations permitted under clause (g), (h) or (i) of the covenant described under " Restrictive Covenants Limitation on Debt;"

(j) any Person if the Investments are outstanding on the Issue Date, not otherwise described in clauses (a) through (i) above;

(k) Investments in Unrestricted Subsidiaries that are joint ventures with one or more non-Affiliates formed to create a group purchasing organization for the purpose of purchasing pharmaceuticals or merchandise for resale by the Company or its Restricted Subsidiaries; *provided*, *however*, that such Investments (1) do not exceed an amount determined in good faith by the principal financial officer of the Company to be reasonably necessary to finance the working capital and other start-up or operating expenses of any such Unrestricted Subsidiary and (2) do not exceed the Company's pro rata ownership interest in the Capital Stock of any such Unrestricted Subsidiary;

(l) other Investments that do not exceed $50.0 million outstanding at any one time in the aggregate;

(m) Investments in any entity, formed by the Company or a Restricted Subsidiary, organized under Section 501(c)(3) of the Code, that do not exceed an aggregate amount of $10.0 million in any fiscal year; and

(n) any assets, Capital Stock or other securities to the extent acquired in exchange for shares of Capital Stock of the Company (other than Disqualified Stock).

"*Permitted Liens*" means:

(a) Liens to secure Debt permitted to be Incurred under clause (b), (c), (d)(i), (l) or (s) (with respect to clause (d)) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Debt";

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(b) Liens to secure Debt permitted to be Incurred under clause (e), (q) or (r) of the second paragraph of the covenant described under " Restrictive Covenants Limitation on Debt"*provided* that any such Lien may not extend to any Property of the Company or any Restricted Subsidiary, other than the Property acquired, developed, constructed or leased with the proceeds of such Debt and any improvements or additions to such Property;

(c) Liens for taxes, assessments or governmental charges or levies on the Property of the Company or any Restricted Subsidiary if the same shall not at the time be more than 30 days past due or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision that shall be required in conformity with GAAP shall have been made therefor;

(d) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens and other similar Liens, on the Property of the Company or any Restricted Subsidiary arising in the ordinary course of business and securing payment of obligations that are not more than 60 days past due or are being contested in good faith and by appropriate proceedings;

(e) Liens on the Property of the Company or any Restricted Subsidiary Incurred in the ordinary course of business to secure performance of obligations with respect to statutory or regulatory requirements, performance or return-of-money bonds, surety bonds or other obligations of a like nature and Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of Property and which do not in the aggregate impair in any material respect the use of Property in the operation of the business of the Company and the Restricted Subsidiaries taken as a whole;

(f) Liens on Property at the time the Company or any Restricted Subsidiary acquired such Property, including any acquisition by means of a merger or consolidation with or into the Company or any Restricted Subsidiary; *provided*, *however*, that any such Lien may not extend to any other Property of the Company or any Restricted Subsidiary; *provided further*, *however*, that such Liens shall not have been Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Property was acquired by the Company or any Restricted Subsidiary;

(g) Liens on the Property of a Person at the time such Person becomes a Restricted Subsidiary; *provided*, *however*, that any such Lien may not extend to any other Property of the Company or any other Restricted Subsidiary that is not a direct Subsidiary of such Person; *provided further*, *however*, that any such Lien was not Incurred in anticipation of or in connection with the transaction or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(h) pledges or deposits by the Company or any Restricted Subsidiary under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Debt) or leases to which the Company or any Restricted Subsidiary is party, or deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary, or deposits for the payment of rent, in each case Incurred in the ordinary course of business;

(i) utility easements, building restrictions and such other encumbrances or charges against real Property as are of a nature generally existing with respect to properties of a similar character;

(j) Liens arising out of judgments or awards against the Company or a Restricted Subsidiary with respect to which the Company or the Restricted Subsidiary shall then be proceeding with an appeal or other proceeding for review and which do not give rise to an Event of Default;

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(k) leases, subleases, licenses or sublicenses of Assets (including, without limitation, real property and intellectual property rights) granted by the Company or a Restricted Subsidiary to any other Person in the ordinary course of business and not materially impairing the use of such Property in the operation of the business of the Company or the Restricted Subsidiary in the ordinary course of business;

(l) [intentionally omitted];

(m) Liens existing on the Issue Date not otherwise described in clauses (a) through (l) above;

(n) Liens on the Property of the Company or any Restricted Subsidiary to secure any Refinancing, in whole or in part, of any Debt secured by Liens referred to in clause (a) (but only to the extent it relates to clause (c) or (d) referred to therein), (b) (other than Liens securing Debt Incurred pursuant to clause (r) referred to therein), (f), (g), or (m) above; *provided*, *however*, that (i) in the case of clause (b) above, the proviso to such clause remains satisfied and (ii) any such Lien shall be limited to all or part of the same Property that secured the original Lien (together with improvements and accessions to such Property) and the aggregate principal amount of Debt that is secured by such Lien shall not be increased to an amount greater than the sum of:

(A) the outstanding principal amount, or, if greater, the committed amount, of the Debt secured by Liens described under clause (b) (except as referred to above), (f), (g), or (m) above, as the case may be, at the time the original Lien became a Permitted Lien under the Indenture; and

(B) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, incurred by the Company or such Restricted Subsidiary in connection with such Refinancing; and

(o) Liens not otherwise permitted by clauses (a) through (n) above encumbering assets that have an aggregate Fair Market Value not in excess of $15.0 million;

(p) Liens securing indebtedness or other obligations of a Restricted Subsidiary owing to the Company or a Subsidiary Guarantor permitted to be Incurred under the covenant described under " Restrictive Covenants Limitation on Debt";

(q) Liens on specific items of inventory or other goods and proceeds of any person securing such Person's obligations to vendors or in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) Liens arising from financing statement filings under the Uniform Commercial Code or similar state laws regarding (i) operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business and (ii) goods consigned or entrusted to or bailed with a person in connection with the processing, reprocessing, recycling or tolling of such goods;

(s) deposits in the ordinary course of business to secure liability to insurance carriers;

(t) customary options, put and call arrangements, rights of first refusal and similar rights relating to capital stock in a joint venture pursuant to the related joint venture agreement;

(u) deposits, including into trust, to satisfy any redemption, defeasance or discharge of Debt at the time of such deposit that is permitted to be paid under the Indenture; and

(v) the lien provided for in the indenture securing the Trustee's compensation, reimbursement of expenses and indemnities.

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"*Permitted Refinancing Debt*" means any Debt that Refinances any other Debt, including successive Refinancings, so long as:

(a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of:

(1) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being Refinanced; and

(2) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such Refinancing;

(b) the Average Life of such Debt is equal to or greater than the Average Life of the Debt being Refinanced;

(c) the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being Refinanced;

(d) the new Debt shall not be senior in right of payment to the Debt that is being Refinanced; and

(e) the proceeds of such Debt are used to Refinance the Debt being Refinanced no later than 60 days following its issuance.

ided, *however*, that Permitted Refinancing Debt shall not include: (x) Debt of a Subsidiary is not a Subsidiary Guarantor that Refinances Debt of the Company or a Subsidiary rantor, or (y) Debt of the Company or a Restricted Subsidiary that Refinances Debt of an estricted Subsidiary.

"*Person*" means any individual, corporation, company (including any limited liability pany), association, partnership, joint venture, trust, unincorporated organization, ernment or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" means any Capital Stock of a Person, however designated, which les the holder thereof to a preference with respect to the payment of dividends, or as to the ibution of assets upon any voluntary or involuntary liquidation or dissolution of such on, over shares of any other class of Capital Stock issued by such Person.

"*Preferred Stock Dividends*" means all dividends with respect to Preferred Stock of ricted Subsidiaries held by Persons other than the Company or a Wholly Owned Restricted sidiary. The amount of any such dividend shall be equal to the quotient of such dividend ded by the difference between one and the maximum statutory federal income rate ressed as a decimal number between 1 and 0) then applicable to the issuer of such erred Stock.

"*pro forma*" means, unless the context otherwise requires, with respect to any calculation e or required to be made pursuant to the terms hereof, a calculation performed in rdance with Article 11 of Regulation S-X promulgated under the Securities Act, as rpreted in good faith by the Board of Directors after consultation with the independent fied public accountants of the Company, or otherwise a calculation made in good faith by Board of Directors after consultation with the independent certified public accountants of Company, as the case may be.

"*Property*" means, with respect to any Person, any interest of such Person in any kind of erty or asset, whether real, personal or mixed, or tangible or intangible, including Capital k in, and other securities of, any other Person. For purposes of any calculation required

uant to the Indenture, the value of any Property shall be its Fair Market Value.

"*Purchase Money Debt*" means Debt Incurred to finance the acquisition, development, truction or lease by the Company or a Restricted Subsidiary of Property, including tions and improvements

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eto, where the maturity of such Debt does not exceed the anticipated useful life of the
perty being financed; *provided*, *however*, that such Debt is Incurred within 24 months after
completion of the acquisition, development, construction or lease of such Property by the
mpany or such Restricted Subsidiary.

"*Qualified Consideration*" means, with respect to any Asset Sale (or any other transaction
eries of related transactions required to comply with clause (b) of the first paragraph of the
enant described under " Restrictive Covenants Limitation on Asset Sales"), any one or more
a) cash or cash equivalents, (b) notes or obligations that are converted into cash (to the
nt of the cash received) within 180 days of such Asset Sale, (c) equity securities listed on a
onal securities exchange (as such term is defined in the Exchange Act) and converted into
(to the extent of the cash received) within 180 days of such Asset Sale, (d) the assumption
scharge by the purchaser of liabilities of the Company or any Restricted Subsidiary (other
liabilities that are by their terms subordinated to the notes) as a result of which the
mpany and the Restricted Subsidiaries are no longer obligated with respect to such
lities, (e) Additional Assets or (f) other Property, provided that the aggregate Fair Market
ue of all Property received since the Issue Date by the Company and its Restricted
sidiaries pursuant to Asset Sales (or such other transactions) that is used to determine
lified Consideration pursuant to this clause (f) does not exceed the greater of $100.0 million
5% of Total Assets.

"*Qualified Receivables Transaction*" means any transaction or series of transactions that
be entered into by the Company or any of its Subsidiaries pursuant to which the Company
ny of its Subsidiaries may sell, convey or otherwise transfer to:

(a) a Receivables Entity (in the case of a transfer by the Company or any of its Subsidiaries); and

(b) any other Person (in the case of a transfer by a Receivables Entity),

ay grant a security interest in, any accounts receivable (whether now existing or arising in
uture) of the Company or any of its Subsidiaries, and any assets related thereto including,
out limitation, all collateral securing those accounts receivable, all contracts and all
rantees or other obligations in respect of those accounts receivable, proceeds of those
unts receivable and other assets which are customarily transferred or in respect of which
rity interests are customarily granted in connection with asset securitization transactions
lving accounts receivable; *provided* that:

(1) if the transaction involves a transfer of accounts receivable with Fair Market Value equal to or greater than $25.0 million, the Board of Directors shall have determined in good faith that the Qualified Receivables Transaction is economically fair and reasonable to the Company and the Receivables Entity;

(2) all sales of accounts receivable and related assets to or by the Receivables Entity are made at Fair Market Value; and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Board of Directors).

"*Rating Agencies*" means Moody's and S&P.

"*Real Estate Financing Transaction*" means any arrangement with any Person pursuant to
ch the Company or any Restricted Subsidiary Incurs Debt secured by a Lien on real
perty of the Company or any Restricted Subsidiary and related personal property together
any Refinancings thereof.

"*Receivables Entity*" means a Wholly Owned Subsidiary of the Company (or another on formed for the purposes of engaging in a Qualified Receivables Transaction with the npany in which the Company or any Subsidiary of the Company makes an Investment and hich the Company or any

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sidiary of the Company transfers accounts receivable and related assets) which engages in ctivities other than in connection with the financing of accounts receivable of the Company its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and r assets relating thereto, and any business or activities incidental or related to that business, (with respect to any Receivables Entity formed after the Issue Date) which is designated by Board of Directors (as provided below) as a Receivables Entity and:

(a) no portion of the Debt or any other obligations (contingent or otherwise) of which:

(1) is Guaranteed by the Company or any Subsidiary of the Company (excluding Guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings);

(2) is recourse to or obligates the Company or any Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings; or

(3) subjects any property or asset of the Company or any Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Company nor any Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or the Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(c) to which neither the Company nor any Subsidiary of the Company has any obligation to maintain or preserve the entity's financial condition or cause the entity to achieve certain levels of operating results other than pursuant to Standard Securitization Undertakings.

Any designation of this kind by the Board of Directors shall be evidenced to the Trustee lling with the Trustee a certified copy of the resolution of the Board of Directors giving ct to the designation and an Officers' Certificate certifying that the designation complied the foregoing conditions. For the avoidance of doubt, Rite Aid Funding I and Rite Aid ding II are designated Receivables Entities without any further action on the part of the mpany.

"*Refinance*" means, in respect of any Debt, to refinance, extend, renew, refund, repay, ay, repurchase, redeem, defease or retire, or to issue other Debt, in exchange or acement for, such Debt. "Refinanced" and "Refinancing" shall have correlative meanings.

"*Related Business*" means any business that is related, ancillary or complementary to the nesses of the Company and the Restricted Subsidiaries on the Issue Date.

"*Repay*" means, in respect of any Debt, to repay, prepay, repurchase, redeem, legally ase or otherwise retire such Debt. "Repayment" and "Repaid" shall have correlative nings. For purposes of the covenant described under " Restrictive Covenants Limitation on et Sales" and the definition of "Consolidated Interest Coverage Ratio," Debt shall be idered to have been Repaid only to the extent the related loan commitment, if any, shall been permanently reduced in connection therewith.

"*Restricted Payment*" means:

(a) any dividend or distribution (whether made in cash, securities or other Property) declared or paid on or with respect to any shares of Capital Stock of the Company or any Restricted Subsidiary (including any payment in connection with any merger or consolidation with or into the Company or any Restricted Subsidiary), except for any dividend or distribution that is made solely to the Company or a Restricted Subsidiary (and, if such Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, to the other shareholders of such Restricted Subsidiary on a pro rata

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basis or on a basis that results in the receipt by the Company or a Restricted Subsidiary of dividends or distributions of greater value than it would receive on a pro rata basis) or any dividend or distribution payable solely in shares of Capital Stock (other than Disqualified Stock) of the Company;

(b) the purchase, repurchase, redemption, acquisition or retirement for value of any Capital Stock of the Company or any Restricted Subsidiary (other than from the Company or a Restricted Subsidiary);

(c) the purchase, repurchase, redemption, acquisition or retirement for value, prior to the date for any scheduled maturity, sinking fund or amortization or other installment payment, of any Subordinated Obligation (other than the purchase, repurchase or other acquisition of any Subordinated Obligation purchased in anticipation of satisfying a scheduled maturity, sinking fund or amortization or other installment obligation, in each case due within one year of the date of acquisition and other than Debt permitted to be Incurred by clause (f) of the second paragraph of " Restrictive Covenants Limitation on Debt");

(d) any Investment (other than Permitted Investments) in any Person; or

(e) the issuance, sale or other disposition of Capital Stock of any Restricted Subsidiary to a Person other than the Company or another Restricted Subsidiary if the result thereof is that such Restricted Subsidiary shall cease to be a Restricted Subsidiary, in which event the amount of such "Restricted Payment" shall be the Fair Market Value of the remaining interest, if any, in such former Restricted Subsidiary held by the Company and the other Restricted Subsidiaries.

Notwithstanding the foregoing, no payment or other transaction permitted by clause (c) or f the covenant described under " Restrictive Covenants Limitation on Transactions with liates" will be considered a Restricted Payment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted sidiary.

"*S&P*" means Standard & Poor's Ratings Service or any successor to the rating agency ness thereof.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement relating to perty now owned or hereafter acquired whereby the Company or a Restricted Subsidiary sfers such Property to another Person and the Company or a Restricted Subsidiary leases it n such Person.

"*Secured Debt*" means indebtedness for money borrowed which is secured by a mortgage, ge, lien, security interest or encumbrance on property of the Company or any Restricted sidiary, but shall not include guarantees arising in connection with the sale, discount, antee or pledge of notes, chattel mortgages, leases, accounts receivable, trade acceptances other paper arising, in the ordinary course of business, out of installment or conditional s to or by, or transactions involving title retention with, distributors, dealers or other omers, of merchandise, equipment or services.

"*Securities Act*" means the Securities Act of 1933.

"*Senior Credit Facility*" means the Senior Credit Agreement, as amended and restated as ebruary 21, 2013 (as may be further amended, modified, supplemented or Refinanced from to time), among the Company, the Lenders (as defined therein), Citicorp North erica, Inc., as administrative agent and collateral agent, Wells Fargo Bank, N.A., as lication agent, and Bank of America, N.A., General Electric Capital Corporation, Goldman

as Bank USA and Morgan Stanley Senior Funding, Inc., as co-documentation agents.

"*Series G Preferred Stock*" means the Company's 7% Series G cumulative, convertible in-kind preferred stock.

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"*Series H Preferred Stock*" means the Company's 6% Series H cumulative, convertible in-kind preferred stock.

"*Significant Subsidiary*" means any Subsidiary that would be a "Significant Subsidiary" of Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the mmission.

"*Standard Securitization Undertakings*" means representations, warranties, covenants and mnities entered into by the Company or any Subsidiary of the Company which are omary in an accounts receivable securitization transaction involving a comparable pany.

"*Stated Maturity*" means, with respect to any security, the date specified in such security e fixed date on which the payment of principal of such security is due and payable, uding pursuant to any mandatory redemption provision (but excluding any provision viding for the repurchase of such security at the option of the holder thereof upon the pening of any contingency beyond the control of the issuer unless such contingency has urred).

"*Subordinated Obligation*" means any Debt of the Company or any Subsidiary Guarantor ether outstanding on the Issue Date or thereafter Incurred) that is subordinate or junior in t of payment to the notes or the applicable Subsidiary Guarantee pursuant to a written ement to that effect.

"*Subsidiary*" means, in respect of any Person, any corporation, company (including any ted liability company), association, partnership, joint venture or other business entity of ch a majority of the total voting power of the Voting Stock is at the time owned or rolled, directly or indirectly, by:

(a) such Person;

(b) such Person and one or more Subsidiaries of such Person; or

(c) one or more Subsidiaries of such Person.

"*Subsidiary Guarantee*" means a Guarantee by a Subsidiary Guarantor of the Company's gations with respect to the notes on the terms set forth in the Indenture.

"*Subsidiary Guarantor*" means each Subsidiary that is a party to the Indenture as of the e Date and any other Person that Guarantees the notes pursuant to the covenant described er " Restrictive Covenants Guarantees by Subsidiaries."

"*Temporary Cash Investments*" means any of the following:

(a) Investments in U.S. Government Obligations maturing within 365 days of the date of acquisition thereof;

(b) Investments in time deposit accounts, certificates of deposit, money market deposits maturing within one year of the date of acquisition thereof issued by a bank or trust company organized under the laws of the United States of America or any state thereof having capital, surplus and undivided profits aggregating in excess of $500.0 million and whose long-term debt is rated "A-3" or "A-" or higher according to Moody's or S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act));

(c) repurchase obligations with a term of not more than 365 days for underlying securities of the types described in clause (a) entered into with:

(1) a bank meeting the qualifications described in clause (b) above; or

(2) any primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York;

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(d) Investments in commercial paper, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America with a rating at the time as of which any Investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act));

(e) direct obligations (or certificates representing an ownership interest in such obligations) of any state of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such state is pledged and which are not callable or redeemable at the issuer's option, provided that:

(1) the long-term debt of such state is rated "A-3" or "A-" or higher according to Moody's or S&P (or such similar equivalent rating by at least one "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act)); and

(2) such obligations mature within one year of the date of acquisition thereof; and

(f) money market funds at least 80% of the assets of which constitute Temporary Cash Equivalents of the kinds described in clauses (a) through (e) of this definition (except that the maturities of certain investments held by any such money market funds may exceed one year so long as the dollar-weighted average life of the investments of such money market mutual fund is less than one year).

"*10.250% Notes due 2019*" means the Company's 10.250% Senior Secured Notes due 9 issued under the indenture dated as of October 26, 2009, among the Company, the sidiary Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, outstanding on the Issue Date.

"*Total Assets*" means the total assets of the Company and the Restricted Subsidiaries on a olidated basis determined in accordance with GAAP as shown on the most recent olidated balance sheet of the Company.

"*Tranche 1 Term Loan*" means the Company's second priority term loan incurred under Credit Agreement, dated as of February 21, 2013 (as may be further amended, modified, plemented or Refinanced from time to time), among the Company, the Lenders (as defined ein), Citicorp North America, Inc., as administrative agent and collateral agent, Bank of erica, N.A., as syndication agent, and Wells Fargo Bank, N.A., General Electric Capital poration, Goldman Sachs Bank USA and Morgan Stanley Senior Funding, Inc., as ocumentation agents.

"*Tranche 2 Term Loan*" means the Company's second priority term loan incurred under Credit Agreement, dated as of June 21, 2013 (as may be further amended, modified, plemented or Refinanced from time to time), among the Company, the Lenders (as defined ein), Citicorp North America, Inc., as administrative agent and collateral agent, Bank of erica, N.A., as syndication agent, and Wells Fargo Bank, N.A., General Electric Capital poration, Goldman Sachs Bank USA and Morgan Stanley Senior Funding, Inc., as ocumentation agents.

"*Unrestricted Subsidiary*" means:

(a) any Subsidiary of the Company that is designated after the Issue Date as an Unrestricted Subsidiary as permitted or required pursuant to the covenant described under " Restrictive Covenants Designation of Restricted and Unrestricted Subsidiaries" and is not thereafter redesignated as a Restricted Subsidiary as permitted pursuant

thereto; and

(b) any Subsidiary of an Unrestricted Subsidiary.

"*U.S. Government Obligations*" means direct obligations (or certificates representing an ership interest in such obligations) of the United States of America (including any agency strumentality

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eof) for the payment of which the full faith and credit of the United States of America is ged and which are not callable or redeemable at the issuer's option.

"*Voting Stock*" of any Person means all classes of Capital Stock or other interests uding partnership interests) of such Person then outstanding and normally entitled (without rd to the occurrence of any contingency) to vote in the election of directors, managers or ees thereof.

"*Wholly Owned Restricted Subsidiary*" means, at any time, a Restricted Subsidiary all the ng Stock of which (except directors' qualifying shares) is at such time owned, directly or rectly, by the Company and its other Wholly Owned Subsidiaries.

k-Entry System

The new notes will be initially issued in the form of one or more Global Securities stered in the name of DTC or its nominee.

Upon the issuance of a Global Security, DTC or its nominee will credit the accounts of ons holding through it with the respective principal amounts of the new notes represented uch Global Security exchanged by such Persons in the exchange offer. Ownership of ficial interests in a Global Security will be limited to Persons that have accounts with DTC *rticipants*") or Persons that may hold interests through participants. Any Person acquiring nterest in a Global Security through an offshore transaction in reliance on Regulation S of Securities Act may hold such interest through Cede & Co. or Euroclear. Ownership of ficial interests in a Global Security will be shown on, and the transfer of that ownership rest will be effected only through, records maintained by DTC (with respect to participants' rests) and such participants (with respect to the owners of beneficial interests in such Global rity other than participants). The laws of some jurisdictions require that certain purchasers ecurities take physical delivery of such securities in definitive form. Such limits and such may impair the ability to transfer beneficial interests in a Global Security.

Payment of principal of, premium, if any, and interest on new notes represented by a bal Security will be made in immediately available funds to DTC or its nominee, as the case be, as the sole registered owner and the sole holder of the new notes represented thereby ll purposes under the Indenture. The Company has been advised by DTC that upon receipt ny payment of principal of or interest on any Global Security, DTC will immediately credit, s book-entry registration and transfer system, the accounts of participants with payments in unts proportionate to their respective beneficial interests in the principal or face amount of Global Security as shown on the records of DTC. Payments by participants to owners of ficial interests in a Global Security held through such participants will be governed by ding instructions and customary practices as is now the case with securities held for omer accounts registered in "street name" and will be the sole responsibility of such cipants.

A Global Security may not be transferred except as a whole by DTC or a nominee of DTC nominee of DTC or to DTC. A Global Security is exchangeable for certificated new notes if:

(a) DTC notifies the Company that it is unwilling or unable to continue as a depositary for such Global Security or if at any time DTC ceases to be a clearing agency registered under the Exchange Act and the Company fails to appoint a successor depositary within 90 days of its receipt of such notice or of its becoming aware of such cessation;

(b) the Company in its discretion (and subject to the procedures of the depositary) at any time determines not to have any or all the new notes represented by such Global Security; or

(c) there shall have occurred and be continuing a Default or an Event of Default with respect to the new notes represented by such Global Security.

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Any Global Security that is exchangeable for certificated new notes pursuant to the eding sentence will be exchanged for certificated new notes in authorized denominations registered in such names as DTC or any successor depositary holding such Global Security direct. Subject to the foregoing, a Global Security is not exchangeable, except for a Global rity of like denomination to be registered in the name of DTC or any successor depositary s nominee. In the event that a Global Security becomes exchangeable for certificated new s,

(a) certificated new notes will be issued only in fully registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof;

(b) payment of principal of, and premium, if any, and interest on, the certificated new notes will be payable, and the transfer of the certificated new notes will be registerable, at the office or agency of the Company maintained for such purposes; and

(c) no service charge will be made for any registration of transfer or exchange of the certificated new notes, although the Company may require payment of a sum sufficient to cover any tax or governmental charge imposed in connection therewith.

So long as DTC or any successor depositary for a Global Security, or any nominee, is the stered owner of such Global Security, DTC or such successor depositary or nominee, as the may be, will be considered the sole owner or holder of the new notes represented by such bal Security for all purposes under the Indenture and the new notes. Except as set forth ve, owners of beneficial interests in a Global Security will not be entitled to have the new s represented by such Global Security registered in their names, will not receive or be led to receive physical delivery of certificated new notes in definitive form and will not be idered to be the owners or holders of any new notes under such Global Security. ordingly, each Person owning a beneficial interest in a Global Security must rely on the edures of DTC or any successor depositary, and, if such Person is not a participant, on the edures of the participant through which such Person owns its interest, to exercise any rights holder under the Indenture. The Company understands that under existing industry tices, in the event that the Company requests any action of holders or that an owner of a ficial interest in a Global Security desires to give or take any action which a holder is led to give or take under the Indenture, DTC or any successor depositary would authorize participants holding the relevant beneficial interest to give or take such action and such cipants would authorize beneficial owners owning through such participants to give or take action or would otherwise act upon the instructions of beneficial owners owning through n.

DTC has advised the Company that DTC is a limited-purpose trust company organized er the Banking Law of the State of New York, a member of the Federal Reserve System, a aring corporation" within the meaning of the New York Uniform Commercial Code and a aring agency" registered under the Exchange Act. DTC was created to hold the securities of articipants and to facilitate the clearance and settlement of securities transactions among its cipants in such securities through electronic book-entry changes in accounts of the cipants, thereby eliminating the need for physical movement of securities certificates. C's participants include securities brokers and dealers (which may include the initial hasers), banks, trust companies, clearing corporations and certain other organizations some hom (or their representatives) own DTC. Access to DTC's book-entry system is also lable to others, such as banks, brokers, dealers and trust companies, that clear through or ntain a custodial relationship with a participant, either directly or indirectly.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of ests in Global Securities among participants of DTC, it is under no obligation to perform or inue to perform such procedures, and such procedures may be discontinued at any time. e of the Company, the Trustee or the initial purchasers will have any responsibility for the ormance by DTC or its participants or indirect participants of their respective obligations er the rules and procedures governing their operations.

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istration Rights and Additional Interest

We have filed the registration statement of which this prospectus forms a part and are ducting the exchange offer in accordance with our obligations under the registration rights ement between us, the Subsidiary Guarantors, the Trustee and the initial purchasers of the notes. Holders of the new notes will not be entitled to any registration rights with respect to new notes.

Under some circumstances set forth in the registration rights agreement, holders of old s, including holders who are not permitted to participate in the exchange offer or who may freely sell new notes received in the exchange offer, may require us to file and cause to ome effective, a shelf registration statement covering resales of the old notes by these ers.

If we do not complete the exchange offer within 270 days of the date of original issuance e old notes (March 29, 2014), the interest rate borne by the old notes will be increased at a of 0.25% per annum every 90 days (but shall not exceed 0.50% per annum) until the hange offer is completed, or until the old notes are freely transferable under Rule 144 of the urities Act.

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MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The exchange of an old note for a new note pursuant to the exchange offer will not titute a "significant modification" of the old note for U.S. federal income tax purposes and, rdingly, the new note received will be treated as a continuation of the old note in the hands uch holder. As a result, there will be no U.S. federal income tax consequences to a holder exchanges an old note for a new note pursuant to the exchange offer and any such holder have the same adjusted tax basis and holding period in the new note as it had in the old immediately before the exchange. A holder who does not exchange its old notes for new s pursuant to the exchange offer will not recognize any gain or loss, for U.S. federal me tax purposes, upon consummation of the exchange offer.

PLAN OF DISTRIBUTION

Each broker-dealer that receives new notes for its own account pursuant to the exchange r must acknowledge that it will deliver a prospectus in connection with any resale of such notes. This prospectus, as it may be amended or supplemented from time to time, may be by a broker-dealer in connection with resales of new notes received in exchange for old s where such old notes were acquired as a result of market-making activities or other ng activities. We on behalf of ourself and the Subsidiary Guarantors have agreed that, ing on the expiration date and ending on the close of business 210 days after the expiration , we will make this prospectus, as amended or supplemented, available to any broker-dealer se in connection with any such resale. In addition, until, , 2014, all dealers cting transactions in the new notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of new notes by broker-dealers. New s received by broker-dealers for their own account pursuant to the exchange offer may be from time to time in one or more transactions in the over-the-counter market, in negotiated sactions, through the writing of options on the new notes or a combination of such methods esale, at market prices prevailing at the time of resale, at prices related to such prevailing ket prices or at negotiated prices. Any such resale may be made directly to purchasers or to rough brokers or dealers who may receive compensation in the form of commissions or essions from any such broker-dealer or the purchasers of any such new notes. Any ter-dealer that resells new notes that were received by it for its own account pursuant to the hange offer and any broker or dealer that participates in a distribution of such new notes be deemed to be an "underwriter" within the meaning of the Securities Act and any profit ny such resale of new notes and any commission or concessions received by any such ons may be deemed to be underwriting compensation under the Securities Act. The letter of smittal states that, by acknowledging that it will deliver and by delivering a prospectus, a ter-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the rities Act.

For a period of 210 days after the expiration date we and the Subsidiary Guarantors will mptly send additional copies of this prospectus and any amendment or supplement to this pectus to any broker-dealer that requests such documents in the letter of transmittal. We agreed to pay all expenses incident to the exchange offer (including the expenses of one sel for the holders of the old notes) other than commissions or concessions of any ter-dealers and will indemnify the holders of the old notes (including any broker-dealers) nst certain liabilities, including liabilities under the Securities Act.

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LEGAL MATTERS

The validity of the new notes and the related guarantees will be passed upon for us by dden, Arps, Slate, Meagher & Flom LLP, New York, New York.

EXPERTS

The consolidated financial statements, and the related financial statement schedule, rporated in this prospectus by reference from the Company's Annual Report on Form 10-K he fiscal year ended March 2, 2013, and the effectiveness of Rite Aid Corporation and idiaries' internal control over financial reporting have been audited by Deloitte & che LLP, an independent registered public accounting firm, as stated in their reports, which ncorporated herein by reference. Such financial statements and financial statement dule have been so incorporated in reliance upon the reports of such firm given upon their ority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act and, in accordance ewith, file annual, quarterly and current reports, proxy statements and other information the Commission. You may read and copy these documents at the Commission's public rence room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 0-SEC-0330 for further information on the operation of the public reference room. Our mission filings are also available over the Internet at the Commission's website at *://www.sec.gov* and under the heading "Investor Information" on our corporate website at *v.riteaid.com*. Our common stock is listed on the NYSE under the trading symbol, "RAD," all such materials filed by us with the NYSE can also be inspected at the offices of the SE, 20 Broad Street, New York, New York 10005.

INCORPORATION BY REFERENCE

We are "incorporating by reference" into this prospectus information that we file with the mission. This permits us to disclose important information to you by referencing these documents. Any information referenced this way is considered to be a part of this pectus and any information filed by us with the Commission subsequent to the date of this pectus automatically will be deemed to update and supersede this information. We rporate by reference the following documents which we have filed with the Commission:

- our Annual Report on Form 10-K for the fiscal year ended March 2, 2013, which we filed with the Commission on April 23, 2013;
- our Quarterly Report on Form 10-Q for the quarter ended June 1, 2013, which we filed with the Commission on July 5, 2013;
- our Current Reports on Form 8-K and Form 8-K/A, which we filed with the Commission on April 18, 2013, May 16, 2013, June 7, 2013 (two reports, to the extent filed and not furnished), June 18, 2013, June 19, 2013, June 21, 2013, June 24, 2013, July 2, 2013, July 8, 2013, July 17, 2013 and July 23, 2013; and

the portions of our Definitive Proxy Statement, which we filed with the Commission on May 16, 2013, incorporated by reference by our Annual Report on Form 10-K for the fiscal year ended March 2, 2013.

We incorporate by reference any filings made with the Commission in accordance with ions 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration ement of which this prospectus forms a part and prior to the effectiveness of the registration ement and on or after the date of this prospectus and before the settlement of the exchange

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er than, in each case, any portion of the respective filings that are furnished pursuant to 2.02 or Item 7.01 of a Current Report on Form 8-K (including exhibits related thereto) or r applicable Commission rules, rather than filed).

We will provide to each person, including any beneficial owner, to whom an prospectus is vered, without charge, upon written or oral request, a copy of any or all of the documents are incorporated by reference into this prospectus, excluding any exhibits to those uments unless the exhibit is specifically incorporated by reference as an exhibit in this pectus. You should direct requests for documents to:

Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention: Investor Relations
Phone: (717) 761-2633

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Offer to Exchange
$810,000,000

6.75% Senior Notes due 2021

Rite Aid Corporation

PROSPECTUS

, 2013

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

m 20. Indemnification of Directors and Officers.

Delaware Corporations

Delaware General Corporation Law. Under the Section 145 of the Delaware General poration Law ("*DGCL*"), a corporation may indemnify any person who was or is a party or reatened to be made a party to any threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative or investigative (other than an action by or e right of the corporation) by reason of the fact that he or she is or was a director, officer, loyee or agent of the corporation, or is or was serving at the request of the corporation as a ctor, officer, employee or agent of another corporation, partnership, joint venture, trust or r enterprise, against expenses (including attorneys' fees), judgments, fines and amounts in settlement actually and reasonably incurred by such person in connection with such n, suit or proceeding (i) if such person acted in good faith and in a manner that person onably believed to be in or not opposed to the best interests of the corporation and (ii) with ect to any criminal action or proceeding, if he or she had no reasonable cause to believe conduct was unlawful. In actions brought by or in the right of the corporation, a oration may indemnify such person against expenses (including attorneys' fees) actually reasonably incurred by such person in connection with the defense or settlement of such n or suit if such person acted in good faith and in a manner that person reasonably believed e in or not opposed to the best interests of the corporation, except that no indemnification be made in respect of any claim, issue or matter as to which that person shall have been dged to be liable to the corporation unless and only to the extent that the Court of Chancery e State of Delaware or the court in which such action or suit was brought shall determine n application that, despite the adjudication of liability but in view of all circumstances of case, such person in fairly and reasonably entitled to indemnification for such expenses ch the Court of Chancery or other such court shall deem proper. To the extent that such on has been successful on the merits or otherwise in defending any such action, suit or eeding referred to above or any claim, issue or matter therein, he or she is entitled to mnification for expenses (including attorneys' fees) actually and reasonably incurred by person in connection therewith. The indemnification and advancement of expenses ided for or granted pursuant to Section 145 of the DGCL is not exclusive of any other ts of indemnification or advancement of expenses to which those seeking indemnification dvancement of expenses may be entitled, and a corporation may purchase and maintain rance against liabilities asserted against any former or current, director, officer, employee gent of the corporation, or a person who is or was serving at the request of the corporation director, officer, employee or agent of another corporation, partnership, joint venture, trust ther enterprise, whether or not the power to indemnify is provided by the statute.

Rite Aid Corporation

Certificate of Incorporation and Bylaws. Article Tenth of our Certificate of rporation and Article VIII of our Bylaws provide for the indemnification of our directors officers as authorized by Section 145 of the DGCL. The directors and officers of us and our idiaries are insured (subject to certain exceptions and deductions) against liabilities which may incur in their capacity as such including liabilities under the Securities Act, under lity insurance policies carried by us.

Maxi Drug North, Inc.; PJC Special Realty Holdings, Inc.

Certificate of Incorporation. Article Seventh of the Certificates of Incorporation of the e corporations provides that the corporation shall have and may exercise, to the fullest nt permitted by Delaware law, the power to indemnify its officers and directors. Article

th provides that no

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ctor shall be personally liable to the corporation or any stockholder except to the extent that lpation from liability is not permitted under the General Corporation Law of Delaware.

Bylaws. Article IV, Section 7 of the Bylaws of the above corporations provides that no ctor shall be liable to the corporation or its stockholders as a director notwithstanding any vision of law imposing such liability. However, such provision shall not eliminate or limit iability of a director (i) for any breach of the director's duty of loyalty to the corporation or tockholders, (ii) for acts or omissions not in good faith or which involve intentional conduct or a knowing violation of the law, (iii) for any transaction from which the director ved any improper personal benefit. Article XIII further provides that the corporation shall mnify any officer or director to the fullest extent permitted by applicable law, if such on acted in good faith and in a manner he or she reasonably believed to be in or not osed to the best interests of the corporation, and, with respect to any criminal action, had no onable cause to believe his or her conduct was unlawful. However, no indemnification shall nade in respect to any claim, issue or matter as to which he or she shall have been adjudged e liable for negligence or misconduct in performance of his or her duty to the corporation, ss a court determines that such person is fairly and reasonably entitled to indemnity for expenses which the court shall deem proper.

Eagle Managed Care Corp.

Certificate of Incorporation. Article 10 of the Certificate of Incorporation of Eagle aged Care Corp. provides that a director of the corporation shall not be personally liable to corporation or its stockholders except for liability (i) for any breach of the director's duty of lty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or ch involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 e DGCL, or (iv) for any transaction from which the director derived any improper personal fit.

Bylaws. Article VII of the Bylaws of Eagle Managed Care Corp. provides that the oration shall indemnify any authorized representative of the corporation if he or she acted od faith and in a manner he or she reasonably believed to be in or not opposed to the best rests of the corporation, and, with respect to any criminal action, had no reasonable cause to eve his or her conduct was unlawful.

Eckerd Corporation

Certificate of Incorporation. Article Tenth of the Certificate of Incorporation of Eckerd poration provides that a director of the corporation shall not be liable to the corporation or tockholders to the fullest extent permitted by the Delaware General Corporation Law. cle Eleventh further provides that the corporation shall indemnify its directors and officers e fullest extent authorized or permitted by law.

Bylaws. Article XIV of the Bylaws of Eckerd Corporation provides that the corporation indemnify any officer or director of the corporation if he or she acted in good faith and in nner he or she reasonably believed to be in or not opposed to the best interests of the oration, and, with respect to any criminal action, had no reasonable cause to believe his or conduct was unlawful. However, no indemnification shall be made in respect of any claim, e or matter as to which such person shall have been adjudged to be liable to the corporation, ss a court determines that such person is fairly and reasonably entitled to indemnity for expenses which the court shall deem proper. Except for proceedings to enforce rights of mnification, the corporation shall not be obligated to indemnify any director or officer in nection with a proceeding initiated by such person unless such proceeding was authorized he Board of Directors.

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Genovese Drug Stores, Inc.

Certificate of Incorporation. Article Sixth of the Certificate of Incorporation of ovese Drug Stores, Inc. provides that any director or officer shall be indemnified by the oration to the full extent permitted by the General Corporation Law of Delaware or any r applicable laws.

Bylaws. Article VIII of the Bylaws of Genovese Drug Stores, Inc. provides that the oration may indemnify any director or officer to the full extent permitted by Delaware law, shall indemnify to the full extent required by such laws. It further provides that no such on shall be entitled to indemnification with respect to an action, suit, or proceeding against corporation, unless such indemnification (i) is due such person pursuant to the specific isions of any written agreement between such person and the corporation or (ii) has been oved in writing in advance of the commencement of such action, suit, or proceeding.

JCG Holdings (USA), Inc.

Certificate of Incorporation. Article Ninth of the Certificate of Incorporation of JCG dings (USA), Inc. provides that the personal liability of the directors of the corporation is inated to the fullest extent permitted by the provisions of paragraph (7) of subsection (b) of of the General Corporation Law of Delaware. Article Tenth further provides that the oration shall indemnify all persons whom it shall have the power to indemnify under the isions of 145 of the General Corporation Law of Delaware, and to the fullest extent nitted by said section.

Bylaws. Article V of the Bylaws of JCG Holdings (USA), Inc. provides that the oration shall indemnify any director or officer to the fullest extent permitted by the General poration Law of Delaware. It further provides that the corporation shall grant such mnification to each of its directors and officers with respect to any matter in a proceeding which his or her liability is limited pursuant to Section 9 of the Certificate of rporation of the corporation. However, such indemnification shall exclude: ndemnification with respect to any improper personal benefit which a director or officer is rmined to have received and of the expenses to a defense against such a claim, unless essful on the merits of such defense, and (ii) indemnification of present or former officers directors absorbed in a merger or consolidation, unless specifically authorized by the Board irectors or stockholders.

K&B, Incorporated

Certificate of Incorporation. Article VII of the Certificate of Incorporation of K&B, rporated provides that there shall be no liability of directors to the corporation or its eholders for monetary damages for breach of fiduciary duty to the fullest extent permitted ection 102(b) (7) of the DGCL.

Bylaws. Article IV of the Bylaws of K&B, Incorporated provides that there shall be no lity of directors to the corporation or its shareholders for monetary damages for breach of ciary duty to the fullest extent permitted by Section 102(b)(7) of the DGCL.

Maxi Drug, Inc.

Certificate of Incorporation. Article 10 of the Certificate of Incorporation of Maxi g, Inc. provides that a director of the corporation shall not be personally liable to the oration or its stockholders except for liability (i) for any breach of the director's duty of lty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or ch involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 e DGCL or (iv) for any transaction from which the director derived any improper personal fit.

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Bylaws. Article III, Section 3.08 of the Bylaws of Maxi Drug, Inc. provides that a ctor of the corporation shall not be personally liable to the corporation or its stockholders pt for liability (i) for any breach of the director's duty of loyalty to the corporation or its kholders, (ii) for acts or omissions not in good faith or which involve intentional conduct or a knowing violation of the law, (iii) for any transaction from which the director ved any improper personal benefit. Article VIII, Section 8.02 further provides that the oration shall indemnify its officers and directors to the extent legally permissible, unless he be finally adjudged not to have acted in good faith in the reasonable belief that his action in the best interests of the corporation.

P.J.C. Distribution, Inc.

Bylaws. Article IX of the Bylaws of P.J.C. Distribution, Inc. provides that the oration shall indemnify any officer or director, if such person acted in good faith and in a ner he reasonably believed to be in or not opposed to the best interests of the corporation, with respect to any criminal action, had no reasonable cause to believe his conduct was wful. However, no indemnification shall be made in respect to any claim, issue or matter as hich such person shall have been adjudged to be liable to the corporation, unless a court rmines that such person is fairly and reasonably entitled to indemnity for such expenses ch the court shall deem proper.

P.J.C. Realty Co., Inc.

Bylaws. Article VII of the Bylaws of P.J.C. Realty Co., Inc. provides that the corporation indemnify its officers and directors to the extent permitted by the General Corporation of Delaware.

PJC Lease Holdings, Inc.

Certificate of Incorporation. Article Sixth of the Certificate of Incorporation of PJC se Holdings, Inc. provides that a director of the corporation shall not be personally liable to corporation or its stockholders except for liability (i) for any breach of the director's duty of lty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or ch involve intentional misconduct or a knowing violation of the law, (iii) pursuant to ion 174 of the GCL or (iv) for any transaction from which the director derived any roper personal benefit.

Bylaws. Article VIII of the Bylaws of PJC Lease Holdings, Inc. provides that the oration shall indemnify any officer or director, if such person acted in good faith and in a ner such person reasonably believed to be in or not opposed to the best interests of the oration, and, with respect to any criminal action, had no reasonable cause to believe such on's conduct was unlawful. However, no indemnification shall be made in respect to any n, issue or matter as to which such person shall have been adjudged to be liable to the oration, unless a court determines that such person is fairly and reasonably entitled to mnity for such expenses which the court shall deem proper. Except for proceedings to rce rights of indemnification, the corporation shall not be obligated to indemnify any ctor or officer in connection with a proceeding initiated by such person unless such eeding was authorized by the Board of Directors.

Rite Aid Drug Palace, Inc.; Rite Aid Hdqtrs. Corp.; Rite Fund, Inc.; Rite Investments Corp.

Certificate of Incorporation and Bylaws. Neither the Certificates of Incorporation nor Bylaws of the above corporations contain provisions regarding the indemnification of ctors or officers.

Rite Aid Hdqtrs. Funding, Inc.

Certificate of Incorporation. Article Sixth of the Certificate of Incorporation of Rite Aid trs. Funding, Inc. provides that no director shall be personally liable to the corporation or of its

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kholders for monetary damages for breach of fiduciary duty as a director, except for lity (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, or acts or omissions not in good faith or which involve intentional misconduct or a wing violation of the law, (iii) under Section 174 of the DGCL, or (iv) for any transaction n which the director derived any improper personal benefit. Any repeal or modification of cle Sixth by the stockholders of the corporation shall not adversely affect any right or ection of a director of the corporation existing at the time of such repeal or modification respect to acts or omissions occurring prior to such repeal or modification.

Rite Aid of Delaware, Inc.

Certificate of Incorporation. Article Ninth of the Certificate of Incorporation of Rite Aid elaware, Inc. provides that the corporation shall indemnify all persons whom it shall have er to indemnify to the fullest extent permitted by Section 145 of the DGCL.

Rite Aid Online Store, Inc.; Rite Aid Payroll Management, Inc.

Certificates of Incorporation: Article Nine of the Certificates of Incorporation for the e corporations provides that to the fullest extent possible under the DGCL, directors shall e liable to the corporation or the shareholders for monetary damages for a breach of ciary duty as director.

Bylaws. Article V of the Bylaws of the above corporations provide that the corporation indemnify all persons whom it shall have power to indemnify to the fullest extent itted by the DGCL.

Rite Aid Realty Corp.

Certificate of Incorporation. Article Tenth of the Certificate of Incorporation of Rite Aid ty Corp. provides that the corporation shall have the power to indemnify any director or er if such director or officer acted in good faith and in a manner such director or officer onably believed to be in or not opposed to the best interest of the corporation.

Rite Aid Transport, Inc.

Certificate of Incorporation. Article Sixth of the Certificate of Incorporation of Rite Aid nsport, Inc. provides that no director of the corporation shall be liable to the corporation or tockholders for monetary damages for breach of fiduciary duty as a director, except for lity (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, or acts or omissions not in good faith or which involve intentional misconduct or a wing violation of the law, (iii) under Section 174 of the DGCL, or (iv) for any transaction n which the director derived any improper personal benefit.

Rx Choice, Inc.

Certificate of Incorporation. Article Fifth of the Certificate of Incorporation of Rx ice, Inc. provides that the corporation shall indemnify its directors and officers to the full nt required or permitted by the DGCL.

The Jean Coutu Group (PJC) USA, Inc.

Certificate of Incorporation. Article Tenth of the Certificate of Incorporation of The Coutu Group (PJC) USA, Inc. provides that the corporation shall indemnify each director officer of the corporation to the extent provided by law. Article Eleventh further provides no director of the corporation shall be personally liable to any stockholder of the oration except for liability (i) for any breach of the director's duty of loyalty to the oration or its stockholders, (ii) for acts or

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ssions not in good faith or which involve intentional misconduct or a knowing violation of aw, (iii) under Section 174 of Title 8 of the Delaware Code, or (iv) for any transaction from ch the director derived any improper personal benefit.

Thrift Drug, Inc.

Certificate of Incorporation. Article Ninth of the Certificate of Incorporation of Thrift g, Inc. provides that a director of the corporation shall not be personally liable to the oration or its stockholders except for liability (i) for any breach of the director's duty of lty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or ch involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 e DGCL, or (iv) for any transaction from which the director derived any improper personal fit.

Bylaws. Article VIII of the Bylaws of Thrift Drug, Inc. provides that the corporation indemnify in accordance with and to the full extent permitted by Delaware law.

Delaware Limited Liability Companies

Delaware Limited Liability Company Act. Section 18-303(a) of the Delaware Limited ility Company Act ("*DLLCA*") provides that, except as otherwise provided by the DLLCA, debts, obligations and liabilities of a limited liability company, whether arising in contract, or otherwise, shall be solely the debts, obligations and liabilities of the limited liability pany, and no member or manager of a limited liability company shall be obligated onally for any such debt, obligation or liability of the limited liability company solely by on of being a member or acting as a manager of the limited liability company. ion 18-108 of the DLLCA states that subject to such standards and restrictions, if any, as orth in its limited liability company agreement, a limited liability company may, and shall the power to, indemnify and hold harmless any member or manager or other person from against any and all claims and demands whatsoever.

1515 West State Street Boise, Idaho, LLC; Ann ú Government Streets-Mobile, Alabama, LLC; Central Avenue & Main Street Petal-MS, LLC; Eighth and Water Streets-Urichsville, Ohio, LLC; Munson & Andrews, LLC; Paw Paw Lake Road & Paw Paw Avenue-Coloma, Michigan, LLC; Silver Springs Road-Baltimore, Maryland/One, LLC; Silver Springs Road-Baltimore, Maryland/Two, LLC; Name Rite, LLC; State & Fortification Streets-Jackson, Mississippi, LLC; State Street and Hill Road-Gerard, Ohio, LLC; Tyler and Sanders Roads, Birmingham-Alabama, LLC; Rite Aid Specialty Pharmacy LLC

Operating Agreement. Section 3.11 of Article III of the Operating Agreements of the ted liability companies above provides that managers who perform the duties of the agers shall not be personally liable to the company or to any member for any loss or age sustained by the company or any member, unless (i) the manager has breached or d to perform the duties of its position under the DLLCA, the Certificate of Formation or Operating Agreement and (ii) the failure to perform constitutes self-dealing, willful conduct or recklessness by the manager. Article VI of the Operating Agreement provides the company shall indemnify indemnified representatives against liability incurred in nection with any proceeding in which the indemnified representative is involved as a party, ept: (1) where such indemnification is expressly prohibited by applicable law; (2) where the duct of the indemnified representative has been finally determined (i) to constitute willful conduct or recklessness sufficient in the circumstances to bar indemnification against lities arising from the conduct; or (ii) to be based upon or attributable to the receipt by the mnified representative by the company of a personal benefit to which the indemnified esentative is not legally entitled; or (3) to the extent such indemnification has been finally rmined in a final adjudication to be otherwise unlawful.

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JCG (PJC) USA, LLC

Limited Liability Company Agreement. Article 12 of the Limited Liability Company eement of JCG (PJC) USA, LLC provides that except as otherwise provided by the aware Act, the debts, obligations and liabilities of the company, whether arising in contract, or otherwise, shall be solely the debts, obligations and liabilities of the company, and the nber shall not be obligated for any such debt, obligation or liability of the company. The pany shall, to the fullest extent authorized by the Delaware Act, indemnify the member n and against any and all claims and demands arising by reason of the fact that such person r was, a member of the company.

PJC Dorchester Realty LLC; PJC Haverhill Realty LLC; PJC Hyde Park Realty LLC; PJC Manchester Realty LLC; PJC Mansfield Realty LLC; PJC New London Realty LLC; PJC Peterborough Realty LLC; PJC Providence Realty LLC; PJC Realty N.E. LLC; PJC Revere Realty LLC

Limited Liability Company Agreement. Article 7.1 of the Limited Liability Company eements of the above limited liability companies provides that except as otherwise provided he DLLCA, the debts, obligations and liabilities of the company, whether arising in ract, tort or otherwise, shall be solely the debts, obligations and liabilities of the company, the sole member shall not be obligated personally for any such debt, obligation or liability e company. Article 7.2(b) provides that the except as otherwise provided by the DLLCA, manager shall not be personally liable for any of the debts, liabilities, obligations or racts of the company. Article 7.6(a) provides that no member shall have any personal lity whatsoever to the company or any other member. Article 7.6(b) further provides that company shall indemnify each member against any and all losses, claims, damages, enses, and liabilities (including, without limitation, indemnification against negligence, s negligence or breach of duty).

PJC East Lyme Realty LLC; PJC Hermitage Realty LLC

Limited Liability Company Agreement. The Limited Liability Company Agreements of above limited liability companies do not contain provisions regarding the indemnification ontrolling persons, directors or officers.

Rite Aid Services, LLC

Operating Agreement. The Operating Agreement of Rite Aid Services, LLC provides the company shall indemnify the member and authorized agents of the company for all s, losses, liabilities and damages accrued in connection with the business of the company to fullest extent provided by the law of Delaware.

Delaware Limited Partnership

Delaware Revised Uniform Limited Partnership Act. Section 17-108 of the Delaware sed Uniform Limited Partnership Act provides that, subject to such standards and ictions, if any, as are set forth in its partnership agreement, a limited partnership may, and have the power to, indemnify and hold harmless any partner or other person from and nst any and all claims and demands whatsoever. Section 17-303 provides that a limited ner is not liable for the obligations of a limited partnership unless he or she is also a general ner or, in addition to the exercise of the rights and powers of a limited partner, he or she cipates in the control of the business. However, if the limited partner does participate in the rol of the business, he or she is liable only to persons who transact business with the ted partnership reasonably believing, based upon the limited partner's conduct, that the ted partner is a general partner.

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Maxi Drug South, L.P.

Agreement of Limited Partnership. The Agreement of Limited Partnership of Maxi Drug th, L.P. provides that, subject to the fiduciary duties of a general partner as provided by law, general partner and its affiliates shall have no liability to the partnership or to any partner ny loss suffered by the partnership which arises out of any action or inaction of the general ner or its affiliates if the general partner or its affiliates, in good faith, determined that such se of conduct is in, or not opposed to, the best interest of the partnership, and such course onduct did not constitute gross negligence or willful misconduct of the general partner or its iates. To the fullest extent permitted by law, the general partner and its affiliates shall be mnified by the partnership against any losses, judgments, liabilities, expenses and amounts in settlement of any claims sustained by them in connection with the partnership, provided the same were not the result of gross negligence or willful misconduct on the part of the eral partner or its affiliates. Any claim for indemnification shall be paid from, and only to extent of, the partnership's assets and no partners shall have any personal liability on unt thereof.

Alabama Corporations

Alabama Business Corporations Law. Code of Alabama, 1975, Section 10-2B-8.51 and B-8.56 gives a corporation power to indemnify any person who was or is a party or is atened to be made a party to any threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative or investigative and whether formal or rmal by reason of the fact that he is or was a director, officer, employee or agent of the oration, or is or was serving at the request of the corporation as a director, officer, partner, ee, employee or agent of another foreign or domestic corporation, partnership, joint ure, trust, employee benefit plan or other enterprise, against expenses (including attorneys'), judgments, penalties, fines and amounts paid in settlement reasonably incurred by him in nection with such action, suit or proceeding if such person acted in good faith and in a ner he reasonably believed to be in the best interests of the corporation, when acting in his er official capacity with the corporation, or, in all other cases, not opposed to the best rests of the corporation, and, with respect to any criminal action or proceeding, had no onable cause to believe his conduct was unlawful. No indemnification shall be made, ever, in respect of any claim, issue or matter as to which such person shall have not met the icable standard of conduct, shall have been adjudged to be liable to the corporation or, in nection with any other action, suit or proceeding charging improper personal benefit to such on, if such person was adjudged liable on the basis that personal benefit was improperly ived by him, unless and only to the extent that the court in which such action or suit was ght shall determine upon application that, despite the adjudication of liability but in view l the circumstances of the case, such person is fairly and reasonably entitled to indemnity uch expenses which such court shall deem proper. Also, Section 10-2B-8.52 states that, to extent that a director, officer, employee or agent of a corporation has been successful on the ts or otherwise in defense of any such action, suit or proceeding, or in defense of any n, issue or matter therein, he shall be indemnified against expenses (including attorneys') reasonably incurred by him in connection therewith, notwithstanding that he has not been essful on any other claim, issue or matter in any such action, suit or proceeding.

3581 Carter Hill Road-Montgomery Corp.; Harco, Inc.; K&B Alabama Corporation; Rite Aid of Alabama, Inc.

Certificate of Incorporation and Bylaws. Neither the Certificates of Incorporation nor Bylaws of the above corporations contain provisions regarding the indemnification of ctors or officers.

California Corporations

California General Corporation Law. Section 317 of the California General Corporation ("*CAGCL*") authorizes a court to award, or a corporation to grant, indemnity to officers,

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r agents for reasonable expenses incurred in connection with the defense or settlement of ction by or in the right of the corporation or in a proceeding by reason of the fact that the on is or was an officer, director, or agent of the corporation. Indemnity is available where person party to a proceeding or action acted in good faith and in a manner reasonably eved to be in the best interests of the corporation and its shareholders and, with respect to inal actions, had no reasonable cause to believe his conduct was unlawful. To the extent a oration's officer, director or agent is successful on the merits in the defense of any eeding or any claim, issue or related matter, that person shall be indemnified against enses actually and reasonably incurred. Under Section 317 of the CAGCL, expenses rred in defending any proceeding may be advanced by the corporation prior to the final osition of the proceeding upon receipt of any undertaking by or on behalf of the officer, ctor, employee or agent to repay that amount if it is ultimately determined that the person is entitled to be indemnified. Indemnifications are to be made by a majority vote of a quorum isinterested directors, or by approval of members not including those persons to be mnified, or by the court in which such proceeding is or was pending upon application made ither the corporation, the agent, the attorney, or other person rendering services in nection with the defense. The indemnification provided by Section 317 is not exclusive of other rights to which those seeking indemnification may be entitled.

Thrifty Corporation

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Thrifty Corporation contain provisions regarding the indemnification of directors or ers.

Thrifty Payless, Inc.

Articles of Incorporation. Article VI of the Articles of Incorporation of the above oration provides that the liability of directors for monetary damages shall be eliminated to fullest extent permissible under California law and that agents of the corporation shall be mnified to the fullest extent permissible under California Law and in excess of that essly permitted by Section 317 of the CAGCL, subject to the limits set forth in Section 204 e CAGCL.

Bylaws. Article V, Section 5.05 of the Bylaws of Thrifty PayLess, Inc. provides that the oration shall indemnify in accordance with and to the full extent permitted by California

Connecticut Corporation

Connecticut Business Corporation Act. Subsection (a) of Section 33-771 of the necticut Business Corporation Act ("*CTBCA*"), provides that a corporation may indemnify ndividual who is a party to a proceeding because he is a director against liability incurred in proceeding if: (1)(A) he conducted himself in good faith; (B) he reasonably believed (i) in case of conduct in his official capacity, that his conduct was in the best interests of the oration; and (ii) in all other cases, that his conduct was at least not opposed to the best rests of the corporation; and (C) in the case of any criminal proceeding, he has no onable cause to believe his conduct was unlawful; or (2) he engaged in conduct for which der indemnification has been made permissible or obligatory under a provision of the ficate of incorporation as authorized by the CTBCA. Subsection (b) of Section 33-771 of CTBCA provides that a director's conduct with respect to an employee benefit plan for a ose he reasonably believed to be in the interests of the participants in and beneficiaries of plan is conduct that satisfies the requirement that his conduct was at least not opposed to the interest of the corporation. Subsection (c) of Section 33-771 of the CTBCA provides that ermination of a proceeding by judgment, order, settlement or conviction or upon a plea of contendere or its equivalent is not, of itself, determinative that the director did not meet elevant standard of conduct described in Section 33-771 of the CTBCA. Subsection (d) of ion 33-771 of the CTBCA provides that, unless ordered by a court, a corporation may not

mnify a director: (1) in

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nection with a proceeding by or in the right of the corporation except for reasonable enses incurred in connection with the proceeding if it is determined that the director has met relevant standard of conduct under Section 33-771(a) of the CTBCA; or (2) in connection any proceeding with respect to conduct for which he was adjudged liable on the basis that eceived a financial benefit to which he was not entitled, whether or not involving action in official capacity.

Section 33-772 of the CTBCA provides that a corporation shall indemnify a director of the oration who was wholly successful, on the merits or otherwise, in the defense of any eeding to which he was a party because he was a director of the corporation, against onable expenses incurred by him in connection with the proceeding. Subsection (a) of ion 33-776 of the CTBCA provides that a corporation may indemnify an officer of the oration who is a party to a proceeding because he is an officer of the corporation (1) to the e extent as a director, and (2) if he is an officer but not a director, to such further extent, istent with public policy, as may be provided by contract, the certificate of incorporation, bylaws or a resolution of the board of directors. Subsection (c) of Section 33-776 of the CA provides that an officer of the corporation who is not a director is entitled to datory indemnification under Section 33-772 to the same extent to which a director may be led to indemnification.

Rite Aid of Connecticut, Inc.

Certificate of Incorporation. Article Sixth of the Certificate of Incorporation of Rite Aid onnecticut, Inc. provides that the corporation shall indemnify all persons whom it shall the power to indemnify to the fullest extent permitted by Section 33-320 of the Stock oration Act.

Florida Corporations

Florida Business Corporation Act. Section 607.0850 of the Florida Business oration Act ("*FLBCA*") permits, in general, a Florida corporation to indemnify any person was or is a party to any proceeding (other than an action by, or in the right of, the oration) by reason of the fact that he or she is or was a director or officer of the oration, or served another entity in any capacity at the request of the corporation, against lity incurred in connection with such proceeding, including any appeal thereof, if such on acted in good faith and in a manner he or she reasonably believed to be in, or not osed to, the best interest of the corporation and, in criminal actions or proceedings, tionally had no reasonable cause to believe that his or her conduct was unlawful. In actions ght by or in the right of the corporation, a corporation may indemnify such person against enses and amounts paid in settlement not exceeding, in the judgment of the board of ctors, the estimated expense of litigating the proceeding to conclusion, actually and onably incurred by such person in connection with the defense or settlement of such eeding, including any appeal thereof, if such person acted in good faith and in a manner person reasonably believed to be in or not opposed to the best interests of the corporation, pt that no indemnification may be made in respect of any claim, issue or matter as to which person shall have been adjudged to be liable to the corporation unless and only to the nt that the court in which such action or suit was brought shall determine upon application despite the adjudication of liability but in view of all circumstances of the case, such on in fairly and reasonably entitled to indemnification for such expenses which the court deem proper. Section 607.0850(6) of the FLBCA permits the corporation to pay such s or expenses in advance of a final disposition of such action or proceeding upon receipt of ndertaking by or on behalf of the director or officer to repay such amount if he or she is mately found not to be entitled to indemnification under the FLBCA. Section 607.0850 of FLBCA provides that the indemnification and advancement of expense provisions ained in the FLBCA shall not be deemed exclusive of any rights to which a director or er seeking indemnification or advancement of expenses may be entitled.

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Patton Drive and Navy Boulevard Property Corporation; Rite Aid of Florida, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporations contain provisions regarding the indemnification of fficers.

Georgia Corporation

Georgia Business Corporation Code. Subsection (a) of Section 14-2-851 of the Georgia ness Corporation Code ("*GABCC*") provides that a corporation may indemnify an vidual made a party to a proceeding because he or she is or was a director against liability rred in the proceeding if: (1) such individual conducted himself or herself in good faith; (2) such individual reasonably believed: (A) in the case of conduct in his or her official city, that such conduct was in the best interests of the corporation; (B) in all other cases, such conduct was at least not opposed to the best interests of the corporation; and (C) in the of any criminal proceeding, that the individual had no reasonable cause to believe such duct was unlawful. Subsection (d) of Section 14-2-851 of the GABCC provides that a oration may not indemnify a director: (1) in connection with a proceeding by or in the right e corporation, except for reasonable expenses incurred in connection with the proceeding if determined that the director has met the relevant standard of conduct; or (2) or in nection with any proceeding with respect to conduct for which he or she was adjudged e on the basis that personal benefit was improperly received by him or her, whether or not lving action in his or her official capacity. Notwithstanding the foregoing, pursuant to ion 14-2-854, a court shall order a corporation to indemnify or give an advance for enses to a director if such court determines the director is entitled to indemnification under ion 14-2-854 or if it determines that in view of all relevant circumstances, it is fair and onable, even if the director has not met the standard of conduct set forth in subsections (a) (b) of Section 14-2-851 of the GABCC or was adjudged liable in a proceeding referred to ubsection (d) of Section 14-2-851 of the GABCC, but if the director was adjudged so liable, ndemnification shall be limited to reasonable expenses incurred by the director in nection with the proceeding.

Section 14-2-852 of the GABCC provides that a corporation shall indemnify a director was wholly successful, on the merits or otherwise, in the defense of any proceeding to ch the director was a party because he or she was a director of the corporation against onable expenses incurred by the director in connection with the proceeding. Subsection (c) ection 14-2-857 of the GABCC provides that an officer of the corporation who is not a ctor is entitled to mandatory indemnification under Section 14-2-852 and may apply to a t under Section 14-2-854 for indemnification or advances for expenses, in each case to the e extent to which a director may be entitled to indemnification or advances for expenses er those provisions. In addition, subsection (d) of Section 14-2-857 provides that a oration may also indemnify and advance expenses to an employee or agent who is not a ctor to the extent, consistent with public policy, that may be provided by its articles of rporation, bylaws, action of its board of directors or contract.

Rite Aid of Georgia, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of Georgia, Inc. contain provisions regarding the indemnification of ctors or officers.

Illinois Corporation

Illinois Business Corporation Act. Under Section 8.75 of the Illinois Business poration Act of 1983, ("*ILBCA*"), a corporation may indemnify any person who was or is a y or is threatened to be made a party to any threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative or investigative (other than an action by or

e right of the corporation) by reason of the fact that he or she is or was a director, officer, loyee or agent of the corporation, or

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was serving at the request of the corporation as a director, officer, employee or agent of her corporation, partnership, joint venture, trust or other enterprise, against expenses uding attorneys' fees), judgments, fines and amounts paid in settlement actually and onably incurred by such person in connection with such action, suit or proceeding (i) if person acted in good faith and in a manner that person reasonably believed to be in or not osed to the best interests of the corporation and (ii) with respect to any criminal action or eeding, if he or she had no reasonable cause to believe such conduct was unlawful. In ons brought by or in the right of the corporation, a corporation may indemnify such person nst expenses (including attorneys' fees) actually and reasonably incurred by such person in nection with the defense or settlement of such action or suit if such person acted in good and in a manner that person reasonably believed to be in or not opposed to the best rests of the corporation, except that no indemnification may be made in respect of any n, issue or matter as to which that person shall have been adjudged to be liable to the oration unless and only to the extent that the court in which such action or suit was brought determine upon application that, despite the adjudication of liability but in view of all umstances of the case, such person is fairly and reasonably entitled to indemnification for expenses which the court shall deem proper. To the extent that such person has been essful on the merits or otherwise in defending any such action, suit or proceeding referred bove or any claim, issue or matter therein, he or she is entitled to indemnification for enses (including attorneys' fees) actually and reasonably incurred by such person in nection therewith, if such person acted in good faith and in a manner that person reasonably eved to be in or not opposed to the best interests of the corporation. Section 8.75(f) of the CA further provides that the indemnification and advancement of expenses provided by or ted under Section 8.75 shall not be deemed exclusive of any other rights to which those ing indemnification or advancement of expenses may be entitled under any bylaw, ement, vote of stockholders or disinterested directors, or otherwise, both as to action in his er official capacity and as to action in another capacity while holding such office.

Rite Aid of Illinois, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of Illinois, Inc. contain provisions regarding the indemnification of ctors or officers.

Indiana Corporation

Indiana Corporation Law. Chapter 37 of the Indiana Corporation Law ("*INCL*") states a corporation may indemnify an individual made a party to a proceeding because the vidual is or was a director against liability incurred in the proceeding if the individual's duct was in good faith, the individual reasonably believed, in the case of conduct in the vidual's official capacity with the corporation, that the individual's conduct was in its best rests, and, in the case of any criminal proceeding, the individual either had reasonable cause elieve the individual's conduct was lawful or had no reasonable cause to believe the vidual's conduct was unlawful. Unless limited by its articles of incorporation, a corporation t indemnify a director who was wholly successful, on the merits or otherwise, in the nse of any proceeding to which the director was a party because the director is or was a ctor of the corporation against reasonable expenses incurred by the director in connection the proceeding. A corporation may pay for or reimburse the reasonable expenses incurred director who is a party to a proceeding in advance of final disposition of the proceeding if director furnishes the corporation a written affirmation of the director's good faith belief the director has met the standard of conduct described in the INCL, the director furnishes corporation a written undertaking, executed personally or on the director's behalf, to repay advance if it is ultimately determined that the director did not meet the standard of conduct a determination is made that the facts then known to those making the determination would preclude indemnification under the law. A corporation may not indemnify a director unless orized in the specific case after a determination has been made that indemnification of the ctor is permissible in the circumstances

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use the director has met the standard of conduct set forth under the law. The determination be made by the board of directors by majority vote of a quorum consisting of directors not e time parties to the proceeding, or by the other methods specified in Chapter 37 of the L.

A corporation may purchase and maintain insurance on behalf of an individual who is or a director, officer, employee, or agent of the corporation, or who, while a director, officer, loyee, or agent of the corporation, is or was serving at the request of the corporation as a ctor, officer, partner, member, manager, trustee, employee, or agent of another foreign or estic corporation, partnership, limited liability company, joint venture, trust, employee fit plan, or other enterprise, against liability asserted against or incurred by the individual at capacity or arising from the individual's status as a director, officer, member, manager, loyee, or agent. The indemnification and advance for expenses provided for or authorized he INCL does not exclude any other rights to indemnification and advance for expenses that rson may have under a corporation's articles of incorporation, bylaws or certain other duly orized agreements.

Rite Aid of Indiana, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of Indiana, Inc. contain provisions regarding the indemnification of ctors or officers.

Kentucky Corporation

Kentucky Business Corporations Law. Section 271B.8-510 of the Kentucky Revised utes ("*KRS*") permits a Kentucky corporation to indemnify an individual who was, is or is atened to be made a party to a threatened, pending or completed action, suit or proceeding, ther civil, criminal, administrative or investigative, and whether formal or informal, use he is or was a director against liability incurred in the proceeding if: (i) he conducted self in good faith; (ii) he reasonably believed, in the case of conduct in his official capacity the corporation, that his conduct was in its best interests and, in all other cases, that his duct was at least not opposed to its best interests; and (iii) in the case of any criminal eeding, he had no reasonable cause to believe his conduct was unlawful. Indemnification be made against the obligation to pay a judgment, settlement, penalty, fine or reasonable nses (including counsel fees) incurred with respect to a proceeding, except that if the eeding was by or in the right of the corporation, indemnification may be made only against onable expenses. Pursuant to Section 271B.8530, a corporation may pay for or reimburse easonable expenses incurred by a director in advance of final disposition of the proceeding the director affirms to the corporation in writing his good faith belief that he has met the dard of conduct required for indemnification; (ii) the director undertakes the personal gation to repay such advance upon an ultimate determination that he failed to meet such dard of conduct; and (iii) a determination is made in the manner specified in KRS ion 271B.8-550 that the facts then known to those making the determination would not lude indemnification.

A corporation may not indemnify a director under KRS Section 271B.8-510 in connection a proceeding by or in the right of the corporation in which the director was adjudged liable e corporation or in connection with any other proceeding charging improper personal fit to him, whether or not involving action in his official capacity, in which he was dged liable on the basis that personal benefit was improperly received by him. Unless ted by the articles of incorporation, a director who has been wholly successful, on the ts or otherwise, in the defense of any proceeding to which he was a party because he is or a director of the corporation is entitled to indemnification against reasonable expenses rred by him in connection with the proceeding. Unless limited by its articles of rporation, a Kentucky corporation may indemnify and advance expenses to an officer, loyee or agent of the corporation to the same extent that it may indemnify and advance nses to directors. The indemnification and advancement of expenses provided by or ted pursuant to KRS 271B.8-500-271B.8-580 is not exclusive of any rights to which those

ing indemnification may

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rwise be entitled. KRS 271B.8-570 empowers a Kentucky corporation to purchase and ntain insurance on behalf of its directors, officers, employees or agents of the corporation, ther or not the corporation would have the power under KRS 271B.8-510 or KRS B.8-520 to indemnify them against such liability.

Rite Aid of Kentucky, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of Kentucky, Inc. contain provisions regarding the indemnification of ctors or officers.

Louisiana Corporations

Louisiana Business Corporation Law. Section 83A(1) of the Louisiana Business poration Law ("*LBCL*") permits corporations to indemnify any person who was or is a party threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, inistrative, or investigative, including any action by or in the right of the corporation, by on of the fact that he is or was a director, officer, employee, or agent of the corporation, or was serving at the request of the corporation as a director, officer, employee, or agent of her business, foreign or nonprofit corporation, partnership, joint venture, or other rprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in ement actually and reasonably incurred by him in connection with such action, suit, or eeding, if he acted in good faith and in a manner he reasonably believed to be in, or not osed to, the best interests of the corporation, and, with respect to any criminal action or eeding, had no reasonable cause to believe his conduct was unlawful. Section 83A(2) of LBCL provides that, in case of actions by or in the right of the corporation, the indemnity be limited to expenses, including attorney's fees and amounts paid in settlement not eeding, in the judgment of the board of directors, the estimated expense of litigating the on to conclusion, actually and reasonably incurred in connection with the defense or ement of such action, and that no indemnification shall be made in respect of any claim, e, or matter as to which such person shall have been adjudged by a court of competent diction, after exhaustion of all appeals therefrom, to be liable for willful or intentional conduct in the performance of his duty to the corporation, unless, and only to the extent that court shall determine upon application that, despite the adjudication of liability but in view l the circumstances of the case, he is fairly and reasonably entitled to indemnity for such enses which the court shall deem proper. Section 83(B) of the LBCL provides that to the nt that a director, officer, employee or agent of a corporation has been successful on the ts or otherwise in defense of any such action, suit or proceeding, or in defense of any n, issue or matter therein, he shall be indemnified against expenses (including attorneys') actually and reasonably incurred by him in connection therewith. Any indemnification er Section 83A of the LBCL, unless ordered by the court, shall be made by the corporation as authorized in a specific case upon a determination that the applicable standard of duct has been met, and such determination shall be made: (i) by the board of directors by a rity vote of a quorum consisting of directors who were not parties to such action, suit, or eeding, or (ii) if such a quorum is not obtainable and the board of directors so directs, by pendent legal counsel, or (iii) by the stockholders.

The indemnification provided for by Section 83 of the LBCL shall not be deemed usive of any other rights to which the person indemnified is entitled under any bylaw, ement, authorization of stockholders or directors, regardless of whether directors orizing such indemnification are beneficiaries thereof, or otherwise, both as to action in his cial capacity and as to action in another capacity while holding such office, and shall inue as to a person who has ceased to be a director, officer, employee, or agent and shall e to the benefit of his heirs and legal representative; however, no such other mnification measure shall permit indemnification of any person for the results of such on's willful or intentional misconduct.

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K&B Louisiana Corporation

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporation contain provisions regarding the indemnification of directors fficers.

K&B Services, Incorporated

Articles of Certification. Article X of the Articles of Incorporation provides that the onal liability of a director or officer to the corporation or the shareholders for monetary ages for breach of fiduciary duty is eliminated to the fullest extent possible under Louisiana sed Statutes 12:24 (C)(4).

Maine Corporations

Maine Business Corporation Act. Subchapter 5 of Chapter 8 of the Maine Business poration Act ("*MEBCA*") provides that a corporation may indemnify any person who was, is threatened to be made a defendant or respondent to any threatened, pending or pleted action, suit or proceeding, whether civil, criminal, administrative, arbitrative or stigative, and whether formal or informal, because that person is or was a director or er, or while a director or officer of the corporation is or was serving at the request of the oration as a director, officer, partner, trustee, employee or agent of another corporation, nership, joint venture, trust, employee benefit plan or other entity, against any obligation to a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an loyee benefit plan, or reasonable expenses incurred in the proceeding if: (A) (i) he ucted himself in good faith, (ii) he reasonably believed, in the case of conduct in his ial capacity with the corporation, that his conduct was in its best interests and, in all other s, that his conduct was at least not opposed to its best interests, and (iii) in the case of any inal proceeding, he had no reasonable cause to believe his conduct was unlawful; or (B) he ged in conduct for which broader indemnification has been made permissible or obligatory er a provision of the corporation's articles of incorporation.

In addition, unless ordered by a court, a corporation may not indemnify one of the oration's officers or directors in connection with an action, suit or proceeding (i) by or in ight of the corporation, except for reasonable expenses incurred in connection with the n, suit or proceeding if it is determined that the officer or director acted in accordance with standard above, or (ii) with respect to conduct for which the director or officer was dged liable on the basis that the director or officer received a financial benefit to which the ctor was not entitled, whether or not involving action in the director's official capacity.

Under the MEBCA, a corporation may indemnify an officer of the corporation to the same nt as a director and, if the officer is an officer but not a director, to such further extent as be provided in the corporation's articles of incorporation, bylaws, a resolution of the oration's board of directors or a contract except for (i) liability in connection with an n, suit or proceeding by or in the right of the corporation other than reasonable expenses rred in connection with the action, suit or proceeding, or (ii) liability arising out of conduct constitutes receipt by the officer of a financial benefit to which the officer is not entitled, ntentional infliction of harm on the corporation or its shareholders or an intentional ation of criminal law.

Rite Aid of Maine, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the Rite Aid of Maine, Inc. contain provisions regarding the indemnification of ctors or officers.

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Maryland Corporations

Maryland General Corporation Law. Under Section 2-418 of the Maryland General poration Law ("*MDGCL*"), a Maryland corporation may indemnify any director who was or party or is threatened to be made a party to any threatened, pending, or completed action, or proceeding, whether civil, criminal, administrative or investigative by reason of the fact he is a present or former director of the corporation and any person who, while a director of corporation, is or was serving at the request of the corporation as a director, officer, partner, ee, employee, or agent of another corporation, partnership, joint venture, trust, other rprise, or employee benefit plan. Such indemnification may be against judgments, lties, fines, settlements and reasonable expenses actually incurred by him in connection the proceeding unless it is proven that (a) the act or omission of the director was material e matter giving rise to the proceeding and (i) was committed in bad faith, or (ii) was the lt of active and deliberate dishonesty; or (b) the director actually received an improper onal benefit in money, property, or services; or (c) in the case of any criminal proceeding, director had reasonable cause to believe his act or omission was unlawful. However, the oration may not indemnify any director in connection with a proceeding by or in the right e corporation if the director has been adjudged to be liable to the corporation. A director has been successful in the defense of any proceeding described above shall be indemnified nst reasonable expenses incurred in connection with the proceeding. The corporation may ndemnify a director in respect of any proceeding charging improper personal benefits to director in which the director was adjudged to be liable on the basis that personal benefit improperly received. The corporation may not indemnify a director or advance expenses proceeding brought by the director against the corporation except if the proceeding is ght to enforce indemnification by the corporation or if the corporation's charter or by-laws, ard resolution or contract provides otherwise. Notwithstanding the above provisions, a t of appropriate jurisdiction, upon application of the director, may order indemnification if termines that in view of all the relevant circumstances, the director is fairly and reasonably led to indemnification; however, indemnification with respect to any proceeding by or in ight of the corporation or in which liability was adjudged on the basis that personal benefit improperly received shall be limited to expenses. A corporation may advance reasonable nses to a director under certain circumstances, including a written undertaking by or on lf of such director to repay the amount if it shall ultimately be determined that the standard onduct necessary for indemnification by the corporation has not been met.

A corporation may indemnify and advance expenses to an officer of the corporation to the e extent that it may indemnify directors under Section 2-418 of the MDGCL.

The indemnification and advancement of expenses provided by statute is not exclusive of other rights, by indemnification or otherwise, to which a director or officer may be entitled er the charter, by-laws, a resolution of shareholders or directors, an agreement or otherwise.

A corporation may purchase and maintain insurance on behalf of any person who is or was ector or officer, whether or not the corporation would have the power to indemnify a tor or officer against liability under the provision of Section 2-418 of the MDGCL. her, a corporation may provide similar protection, including a trust fund, letter of credit or ty bond, not inconsistent with the statute.

GDF, Inc.

Articles of Incorporation. Article Eighth of the Articles of Incorporation of GDF, Inc. ides that the corporation shall indemnify its directors and officers to the full extent possible r the General Laws of the State of Maryland.

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READ's Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporation contains provisions regarding the indemnification of directors fficers.

Rite Aid of Maryland, Inc.

Articles of Incorporation. Article Sixth of the Articles of Incorporation of Rite Aid of yland, Inc. provide that the corporation shall, to the fullest extent permitted by Section 64 e MDGCL, indemnify all persons whom it shall have power to indemnify under such law.

Massachusetts Corporations

Massachusetts Business Corporation Act. Section 8.51 of Chapter 156D of the sachusetts General Laws provides that a corporation may indemnify a director against lity if (1) (i) he conducted himself in good faith; and (ii) he reasonably believed that his duct was in the best interest of the corporation or that his conduct was at least not opposed e best interests of the corporation; and (iii) in the case of any criminal proceeding, he had easonable cause to believe his conduct was unlawful; or (2) he engaged in conduct for ch he shall not be liable under a provision of the corporation's articles of organization orized by Section 2.02(b)(4) of Chapter 156D of the Massachusetts General Laws. ion 8.52 of Chapter 156D of the Massachusetts General Laws provides that a corporation indemnify a director who was wholly successful, on the merits or otherwise, in the nse of any proceeding to which he was a party because he was a director of the corporation nst reasonable expenses incurred by him in connection with the proceeding.

Section 8.56 of Chapter 156D of the Massachusetts General Laws provides that a oration may indemnify and advance expenses to an officer of the corporation who is a y to a proceeding because he is an officer of the corporation (1) to the same extent as a ctor; and (2) if he is an officer but not a director, to such further extent as may be provided he articles of organization, the bylaws, a resolution of the board of directors, or contract pt for liability arising out of acts or omissions not in good faith or which involve ntional misconduct or a knowing violation of law. Section 8.56 also provides that an officer corporation who is not a director is entitled to mandatory indemnification under ion 8.52, and that the officer may apply to a court for indemnification or an advance for enses, in each case to the same extent to which a director may be entitled to indemnification dvance under those provisions. Section 8.57 of the Massachusetts General Laws also rds a Massachusetts corporation the power to obtain insurance on behalf of its directors and cers against liabilities incurred by them in these capacities.

PJC of Massachusetts, Inc.

Articles of Organization and Bylaws. Article VI of the Articles of Organization and cle X of the Bylaws of PJC of Massachusetts, Inc. provide that the corporation shall have power to indemnify directors and officers in accordance with Massachusetts law.

PJC Realty MA, Inc.

Articles of Organization. Article VI of the Articles of Organization of PJC of Realty Inc. provides that no director shall be personally liable, notwithstanding any law imposing liability. However, to the extent provided by applicable law, this provision shall eliminate mit the liability of a director (i) for any breach of the director's duty of loyalty, (ii) for acts missions not in good faith or which involve intentional misconduct or a knowing violation w, (iii) pursuant to Sections 60, 62, or 64 of the MBCL, or (iv) for any transaction in nection with which such director derived an improper personal benefit.

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Bylaws. Article V of the Bylaws of PJC Realty MA, Inc. provides that directors and ers shall be indemnified to the extent permitted by Massachusetts law. However, the oration shall not indemnify any such person if such person shall be finally adjudged not to e acted in the best interests of corporation.

Rite Aid of Massachusetts, Inc.

Articles of Incorporation. Article 6A of the Articles of Incorporation of Rite Aid of sachusetts, Inc. provides that each director and officer of the corporation may be mnified against all costs and expenses, however, the corporation shall not indemnify any person with respect to any matter that he or she has been adjudicated in any proceeding o have acting in good faith.

Michigan Corporations

Michigan Business Corporation Act. Under Section 561 of the Michigan Business oration Act ("*MIBCA*"), a Michigan corporation may indemnify a person who was or is a or is threatened to be made a party to a threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative or investigative and whether formal or rmal, other than an action by or in the right of the corporation, by reason of the fact that person is or was a director, officer, employee or agent of the corporation, or is or was ing at the request of the corporation as a director, officer, partner, trustee, employee or t of another enterprise, against expenses, including attorney's fees, judgments, penalties, s and amounts paid in settlement actually and reasonably incurred in connection therewith e person acted in good faith and in a manner reasonably believed to be in or not opposed to best interests of the corporation or its shareholders and, with respect to a criminal action or eeding, if the person had no reasonable cause to believe his or her conduct was unlawful.

Under Section 562 of the MIBCA, a Michigan corporation may also provide similar mnity to such a person for expenses, including attorney's fees, and amounts paid in ement actually and reasonably incurred by the person in connection with actions or suits by the right of the corporation if the person acted in good faith and in a manner the person onably believed to be in or not opposed to the interests of the corporation or its eholders, except in respect of any claim, issue or matter in which the person has been found e to the corporation, unless the court determines that the person is fairly and reasonably led to indemnification in view of all relevant circumstances, in which case indemnification mited to reasonable expenses incurred. To the extent that such person has been successful he merits or otherwise in defending any such action, suit or proceeding referred to above or claim, issue or matter therein, he or she is entitled to indemnification for expenses luding attorneys' fees) actually and reasonably incurred by such person in connection ewith.

The MIBCA also permits a Michigan corporation to purchase and maintain on behalf of a person insurance against liabilities incurred in such capacities.

Apex Drug Stores, Inc.; Perry Distributors, Inc.; Ram-Utica, Inc.; RDS Detroit, Inc.; Rite Aid of Michigan, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporations contain provisions regarding the indemnification of directors fficers.

PDS-1 Michigan, Inc.

Articles of Incorporation. Article VIII of the Articles of Incorporation of PDS-1 higan, Inc. provides that directors shall not be personally liable for monetary damages to corporation or its

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eholders provided except for 1) a breach of the director's duty of loyalty to the corporation s shareholders; 2) acts or omissions not in good faith that involve intentional misconduct or owing violation of the law; 3) a violation of Section 551(1) of the MIBCA; or 4) a saction from which the director derived an improper personal benefit. Article VIII further ides that if the MIBCA is amended to authorize further elimination of liability of directors, the liability of directors shall be limited to the fullest extent permitted by the amended CA.

Perry Drug Stores, Inc.

Articles of Incorporation. Article X of the Articles of Incorporation of Perry Drug es, Inc. provides that directors shall not be personally liable for monetary damages to the oration or its shareholders provided except for (A) a breach of the director's duty of loyalty e corporation or its shareholders; (B) acts or omissions not in good faith that involve ntional misconduct or a knowing violation of the law; (C) a violation of Section 551(1) of MIBCA; (D) a transaction from which the director derived an improper personal benefit; or n act or omission occurring before the date Article X became effect. Article X further ides that if the MIBCA is amended to authorize further elimination of liability of directors, the liability of directors shall be limited to the fullest extent permitted by the amended CA.

Michigan Limited Liability Companies

Michigan Limited Liability Company Act. Section 408 of the Michigan Limited Liability pany Act ("*MLLCA*") permits the limited liability company to indemnify and hold nless any manager from and against any and all claims and demands sustained by reason of acts or omissions as a manager, as provided in a contract with the manager or to the fullest nt provided by agency law, subject to certain exceptions. Section 408 further permits a ed liability company to purchase and maintain insurance on behalf of a manager against liability or expense asserted against or incurred by him or her in any such capacity or ng out of his or her status as such whether or not the company could indemnify him or her nst liability.

1740 Associates, LLC; Northline & Dix-Toledo-Southgate, LLC; Seven Mile and Evergreen-Detroit, LLC

Operating Agreement. Section 3.11 of Article III of the Operating Agreements of limited lity companies above provides that managers who perform the duties of the managers shall be personally liable to the company or to any member for any loss or damage sustained by company or any member, unless (i) the manager has breached or failed to perform the es of its position under the MLLCA, the Certificate of Formation or the Operating eement and (ii) the failure to perform constitutes self-dealing, willful misconduct or lessness by the manager. Article VI of the Operating Agreement provides that the company indemnify indemnified representatives against liability incurred in connection with any eeding in which the indemnified representative is involved as a party, except: (1) where indemnification is expressly prohibited by applicable law; (2) where the conduct of the mnified representative has been finally determined (i) to constitute willful misconduct or lessness sufficient in the circumstances to bar indemnification against liabilities arising the conduct; or (ii) to be based upon or attributable to the receipt by the indemnified esentative by the company of a personal benefit to which the indemnified representative is egally entitled; or (3) to the extent such indemnification has been finally determined in a adjudication to be otherwise unlawful.

Mississippi Corporation

Mississippi Business Corporation Act. The Mississippi Business Corporation Act *SBCA*") empowers a corporation to indemnify an individual who is a party to a proceeding use he is a

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ctor against liability incurred in the proceeding if (i) he conducted himself in good faith; he reasonably believed, in the case of conduct in his official capacity, that his conduct was e best interests of the corporation, and in all other cases, that his conduct was at least not osed to the best interests of the corporation; and (iii) in the case of any criminal proceeding, ad no reasonable cause to believe his conduct was unlawful. A corporation may also mnify an individual who engaged in conduct for which broader indemnification has been e permissible or obligatory under a provision of the articles of incorporation as authorized ection 79-42.02(b)(5) of the MSBCA. The termination of a proceeding by judgment, order, ement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, rminative that the director did not meet the relevant standard of conduct.

Unless ordered by a court, under Section 79-4-8.54(a)(3) of the MSBCA, a corporation not indemnify a director (i) in connection with a proceeding by or in the right of the oration, except for reasonable expenses incurred in connection with the proceeding if it is rmined that the director has met the relevant standard of conduct under the MSBCA; or n connection with any proceeding with respect to conduct for which he was adjudged liable he basis that he received a financial benefit to which he was not entitled, whether or not lving action in his official capacity. The MSBCA further provides that a corporation shall mnify a director who was wholly successful, on the merits or otherwise, in the defense of proceeding to which he was a party because he was a director of the corporation against onable expenses incurred by him in connection with the proceeding. Also, a corporation , before final disposition of a proceeding, advance funds to pay for or reimburse the onable expenses incurred by a director who is a party to a proceeding because he is a ctor. The director must deliver to the corporation: (1) a written affirmation of his good faith ef that he has met the relevant standard of conduct described in the MSBCA or that the eeding involves conduct for which liability has been eliminated under a provision of the les of incorporation as authorized by the MSBCA; and (2) his written undertaking to repay funds advanced if he is not entitled to mandatory indemnification under the MSBCA and it timately determined under the MSBCA that he has not met the relevant standard of conduct ribed in the MSBCA. The undertaking required must be an unlimited general obligation of director. It need not be secured and may be accepted without reference to the financial ty of the director to make repayment.

A corporation may not indemnify a director as described above unless authorized by (i) if e are two or more disinterested directors, by a majority vote of all the disinterested directors ajority of whom shall for such purpose constitute a quorum) or by a majority of the nbers of a committee of two or more disinterested directors appointed by such a vote; (ii) if e are fewer than two disinterested directors, by the vote necessary for action by the board in rdance with the MSBCA, in which authorization directors who do not qualify as nterested directors may participate or (iii) the shareholders, but shares owned by or voted er the control of a director who at the time does not qualify as a disinterested director may be voted on the authorization. A corporation may also indemnify and advance expenses to fficer of the corporation who is a party to a proceeding because he is an officer to the same nt as for a director.

K&B Mississippi Corporation

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporation contain provisions regarding the indemnification of directors fficers.

New Hampshire Corporation

New Hampshire Business Corporation Act. Section 293-A:8.51 of the New Hampshire ness Corporation Act ("*NHBCA*") provides that a corporation may indemnify an individual e a party to a proceeding because he is or was a director against liability incurred in the eeding if: (1) he

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ducted himself in good faith; and (2) he reasonably believed (i) in the case of conduct in his ial capacity with the corporation, that his conduct was in its best interests; and (ii) in all r cases, that his conduct was at least not opposed to its best interests; and (3) in the case of criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. er NHBCA Section 293-A:8.53, a New Hampshire corporation may pay for or reimburse easonable expenses incurred by a director who is a party to a proceeding in advance of the disposition of the proceeding if: (1) the director furnishes the corporation a written mation of his good faith belief that he has met the standard of conduct described in the eding sentence; and (2) the director furnishes the corporation an undertaking, executed onally or on his behalf, to repay the advance if it is ultimately determined that he did not t the standard of conduct; and (3) a determination is made that the facts then known to e making the determination would not preclude indemnification. Unless a corporation's les of incorporation provide otherwise, the corporation may indemnify and advance enses to an officer, employee or agent of the corporation who is not a director to the same nt as to a director. A corporation may not indemnify a director (x) in connection with a eeding by or in the right of the corporation in which the director was adjudged liable to the oration; or (y) in connection with any other proceeding charging improper personal benefit m, whether or not involving action in his official capacity, in which he was adjudged liable he basis that personal benefit was improperly received by him. Unless limited by its articles corporation, a New Hampshire corporation must indemnify a director or officer who was lly successful, on the merits or otherwise, in the defense of any proceeding to which he was rty because he is or was a director or officer of the corporation against reasonable expenses rred by him in connection with the proceeding. A New Hampshire corporation may also hase and maintain on behalf of a director or officer insurance against liabilities incurred in capacities, whether or not the corporation would have the power to indemnify him against same liability under NHBCA Sections 293-A:8.51 or 293-A:8.52.

Rite Aid of New Hampshire, Inc.

Articles of Agreement and Bylaws. Neither the Articles of Agreement nor the Bylaws of Aid of New Hampshire, Inc. contain provisions regarding the indemnification of directors fficers.

New Jersey Corporations

New Jersey Business Corporation Act. Section 14A:3-5 of the New Jersey Business oration Act ("*NJBCA*") empowers a corporation to indemnify any person who was or is a y or is threatened to be made a party to any threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative, arbitrative or investigative (other than an on by or in the right of the corporation) by reason of the fact that he is or was a corporate t (i.e., a director, officer, employee or agent of the corporation or a director, officer, ee, employee or agent of another related corporation or enterprise), against reasonable s (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement rred by such person in connection with such action, suit or proceeding if such person acted ood faith and in a manner he reasonably believed to be in or not opposed to the best rests of the corporation, and, with respect to any criminal proceedings, had no reasonable e to believe that such conduct was unlawful. Section 14A:3-5 of the NJBCA also owers a corporation to indemnify a corporate agent against reasonable costs (including rneys' fees) incurred by him in connection with any proceeding by or in the right of the oration to procure a judgment in its favor which involves such corporate agent by reason of fact that he is or was a corporate agent if he acted in good faith and in a manner reasonably eved to be in or not opposed to the best interests of the corporation, except that no mnification may be made in respect to any claim, issue or matter as to which such person have been adjudged to be liable to the corporation unless and only to the extent that the erior Court of New Jersey or the court in which

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action or suit was brought shall determine that despite the adjudication of liability, such on is fairly and reasonably entitled to indemnity for such expenses which the court shall n proper.

To the extent that a corporate agent has been successful in the defense of any action, suit roceeding referred to above, or in the defense of any claim, issue or matter therein, he shall ndemnified against expenses (including attorneys' fees) incurred by him in connection ewith. Section 14A:3-5 further provides that indemnification provided for by ion 14A:3-5 shall not be deemed exclusive of any rights to which the indemnified party be entitled. The NJBCA also empowers a corporation to purchase and maintain insurance ehalf of a director or officer of the corporation against any liability asserted against him or enses incurred by him in any such capacity or arising out of his status as such whether or he corporation would have the power to indemnify him against such liabilities and enses under NJBCA Section 14A:3-5.

657-659 Broad St. Corp.; Lakehurst and Broadway Corporation; Rite Aid of New Jersey, Inc.

Certificate of Incorporation and Bylaws. Neither the Certificates of Incorporation nor Bylaws of the above corporations contain provisions regarding the indemnification of ctors or officers.

New York Corporations

New York Business Corporation Law. Section 722(a) of the New York Business poration Law ("*NYBCL*") provides that a corporation may indemnify any officer or director, e or threatened to be made, a party to an action or proceeding, other than one by or in the t of the corporation, including an action by or in the right of any other corporation or other rprise, which any director or officer of the corporation served in any capacity at the request e corporation, because he was a director or officer of the corporation, or served such other oration or other enterprise in any capacity, against judgments, fines, amounts paid in ement and reasonable expenses, including attorneys' fees actually and necessarily incurred result of such action or proceeding, or any appeal therein, if such director or officer acted, ood faith, for a purpose which he reasonably believed to be in, or in the case of service for other corporation or other enterprise, not opposed to, the best interests of the corporation in criminal actions or proceedings, had no reasonable cause to believe that his conduct was wful.

Section 722(c) of the NYBCL provides that a corporation may indemnify any officer or ctor made, or threatened to be made, a party to an action by or in the right of the oration by reason of the fact that he is or was a director or officer of the corporation, or is as serving at the request of the corporation as a director or officer of any other corporation ny type or kind, or other enterprise, against amounts paid in settlement and reasonable enses, including attorneys' fees, actually and necessarily incurred by him in connection with defense or settlement of such action, or in connection with an appeal therein, if such ctor or officer acted, in good faith, for a purpose which he reasonably believed to be in, or, e case of service for another corporation or other enterprise, not opposed to, the best rests of the corporation. The corporation may not, however, indemnify any officer or ctor pursuant to Section 722(c) in respect of (1) a threatened action, or a pending action ch is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such on shall have been adjudged to be liable to the corporation, unless and only to the extent the court in which the action was brought or, if no action was brought, any court of petent jurisdiction, determines upon application, that the person is fairly and reasonably led to indemnity for such portion of the settlement and expenses as the court deems proper.

Section 723 of the NYBCL provides that an officer or director who has been successful, he merits or otherwise, in the defense of a civil or criminal action of the character set forth ection 722 is entitled to indemnification as permitted in such section. Section 724 of the

BCL permits a court to award the indemnification required by Section 722.

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Rite Aid of New York, Inc.; Rite Aid Rome Distribution Center, Inc.

Certificate of Incorporation. Article Seventh of the Certificates of Incorporation of the e corporations provide that nothing in the Articles of Incorporation should be construed to , prohibit, deny, or abrogate the powers granted by the NYBCL including, in particular, the er of the corporation to furnish indemnification to directors and officers as described in the BCL.

North Carolina Corporation

North Carolina Business Corporation Act. Section 55-8-51 of the North Carolina ness Corporation Act ("*NCBCA*") provides that a corporation may indemnify an individual e a party to a proceeding because he is or was a director against liability incurred in the eeding if: (1) he conducted himself in good faith; and (2) he reasonably believed (i) in the of conduct in his official capacity with the corporation, that his conduct was in its best ests; and (ii) in all other cases, that his conduct was at least not opposed to its best ests; and (3) in the case of any criminal proceeding, he had no reasonable cause to believe conduct was unlawful. A corporation may not indemnify a director (i) in connection with a eeding by or in the right of the corporation in which the director was adjudged liable to the oration; or (ii) in connection with any proceeding charging improper benefit to him, ther or not involving action in his official capacity, in which he was adjudged liable on the s that personal benefit was improperly received by him.

Section 55-8-57 of the NCBCA permits a corporation, in its articles of incorporation or ws or by contract or resolution, to indemnify, or agree to indemnify, its directors, officers, loyees or agents against liability and expenses (including attorneys' fees) in any proceeding uding proceedings brought by or on behalf of the corporation) arising out of their status as or their activities in such capacities, except for any liabilities or expenses incurred on unt of activities that were, at the time taken, known or believed by the person to be clearly onflict with the best interests of the corporation. Sections 55-8-52 and 55-8-56 of the BCA require a corporation, unless its articles of incorporation provide otherwise, to mnify a director or officer who has been wholly successful, on the merits or otherwise, in defense of any proceeding to which such director or officer was made a party because he or is a director or officer of the corporation against reasonable expenses actually incurred he director or officer in connection with the proceeding. Section 55-8-57 of the NCBCA orizes a corporation to purchase and maintain insurance on behalf of an individual who was a director, officer, employee or agent of the corporation against certain liabilities incurred uch a person, whether or not the corporation is otherwise authorized by the NCBCA to mnify that person.

Rite Aid of North Carolina, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporation contain provisions regarding the indemnification of directors fficers.

EDC Drug Stores, Inc.

Articles of Incorporation. Article Six of the Articles of Incorporation of EDC Drug es, Inc. provides that a director of the corporation shall not be personally liable for etary damages for breach of any duty as a director except and only to the extent applicable restricts the effectiveness of this provision.

Bylaws. Article X of the Bylaws of EDC Drug Stores, Inc. provides that directors and ers of the corporation shall have the right to be indemnified by the corporation to the st extent permitted by law.

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Ohio Corporations

Ohio General Corporation Law. Pursuant to Section 1701.13(E) of the Ohio Revised e, a corporation may indemnify any person who was or is a party or is threatened to be e a party to any threatened, pending or completed action, suit or proceeding, whether civil, inal, administrative or investigative (other than an action by or in the right of the oration) by reason of the fact that he or she is or was a director, officer, employee or agent e corporation, or is or was serving at the request of the corporation as a director, officer, loyee or agent of another corporation, partnership, joint venture, trust or other enterprise, nst expenses (including attorneys' fees), judgments, fines and amounts paid in settlement ally and reasonably incurred by such person in connection with such action, suit or eeding (i) if such person acted in good faith and in a manner that person reasonably eved to be in or not opposed to the best interests of the corporation and (ii) with respect to criminal action or proceeding, if he or she had no reasonable cause to believe such conduct unlawful. In actions brought by or in the right of the corporation, a corporation may mnify such person against expenses (including attorneys' fees) actually and reasonably rred by such person in connection with the defense or settlement of such action or suit if person acted in good faith and in a manner that person reasonably believed to be in or not osed to the best interests of the corporation, except that no indemnification may be made in ect of (i) any claim, issue or matter as to which that person shall have been adjudged to be e for negligence or misconduct in performance of his duty to the corporation unless, and to the extent that, the court of common pleas or the court in which such action or suit was ght shall determine upon application that, despite the adjudication of liability but in view l circumstances of the case, such person in fairly and reasonably entitled to indemnification uch expenses which the court of common pleas or such other court shall deem proper; or ny action or suit in which the only liability asserted against a director is pursuant to on 1701.95 of the Ohio Revised Code. An Ohio corporation is required to indemnify a ctor or officer against expenses actually and reasonably incurred to the extent that the ctor or officer is successful in defending a lawsuit brought against him or her by reason of fact that the director or officer is or was a director or officer of the corporation.

The indemnification provided for in Section 1701.13(E) of the Ohio Revised Code is not usive of any other rights of indemnification to which those seeking indemnification may be led, and a corporation may purchase and maintain insurance against liabilities asserted nst any former or current, director, officer, employee or agent of the corporation, or a on who is or was serving at the request of the corporation as a director, officer, employee or t of another corporation, partnership, joint venture, trust or other enterprise, whether or not power to indemnify is provided by the statute.

4042 Warrensville Center Road-Warrensville Ohio, Inc.; 5600 Superior Properties, Inc.; Broadview and Wallings-Broadview Heights Ohio, Inc.; Rite Aid of Ohio, Inc.; The Lane Drug Company

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporations contain provisions regarding the indemnification of directors fficers.

Ohio Limited Liability Companies

Ohio Limited Liability Companies Law. Pursuant to Section 1705.32(A) of the Ohio sed Code, a limited liability company may indemnify any person who was or is a party or reatened to be made a party to any threatened, pending or completed action, suit or eeding, whether civil, criminal, administrative or investigative (other than an action by or e right of the limited liability company) by reason of the fact that he or she is or was a ager, member, employee or agent of the limited liability company, or is or was serving at equest of the limited liability company as a

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ager, officer, employee or agent of another company, partnership, joint venture, trust or r enterprise, against expenses (including attorneys' fees), judgments, fines and amounts in settlement actually and reasonably incurred by such person in connection with such on, suit or proceeding (i) if such person acted in good faith and in a manner that person onably believed to be in or not opposed to the best interests of the company and (ii) with ect to any criminal action or proceeding, if he or she had no reasonable cause to believe conduct was unlawful. In actions brought by or in the right of the company, a limited lity company may indemnify such person against expenses (including attorneys' fees) ally and reasonably incurred by such person in connection with the defense or settlement of action or suit if such person acted in good faith and in a manner that person reasonably eved to be in or not opposed to the best interests of the company, except that no mnification may be made in respect of any claim, issue or matter as to which that person have been adjudged to be liable for negligence or misconduct in performance of his duty e company unless, and only to the extent that, the court of common pleas or the court in ch such action or suit was brought shall determine upon application that, despite the dication of liability but in view of all circumstances of the case, such person in fairly and onably entitled to indemnification for such expenses which the court of common pleas or other court shall deem proper. An Ohio limited liability company is required to indemnify nager or officer against expenses actually and reasonably incurred to the extent that the ager or officer is successful in defending a lawsuit brought against him or her by reason of fact that the manager or officer is or was a manager or officer of the company.

The statutory right of indemnification is not exclusive in Ohio, and a limited liability pany may, among other things, grant rights to indemnification under the limited liability pany's operating agreement or other agreements. Ohio limited liability companies are also ifically authorized to procure insurance against any liability that may be asserted against agers and officers, whether or not the limited liability company would have the power to mnify such persons.

764 South Broadway-Geneva, Ohio, LLC; Gettysburg and Hoover-Dayton, Ohio, LLC; Mayfield & Chillicothe Roads-Chesterland, LLC

Operating Agreement. Section 3.11 of Article III of the Operating Agreement of limited lity company above provides that managers who perform the duties of the managers shall be personally liable to the company or to any member for any loss or damage sustained by company or any member, unless (i) the manager has breached or failed to perform the es of its position under the Ohio Limited Liability Company Act, the Certificate of nation or the Operating Agreement and (ii) the failure to perform constitutes self-dealing, ful misconduct or recklessness by the manager. Article VI of the Operating Agreement ides that the company shall indemnify indemnified representatives against liability rred in connection with any proceeding in which the indemnified representative is involved party, except: (1) where such indemnification is expressly prohibited by applicable law; where the conduct of the indemnified representative has been finally determined (i) to titute willful misconduct or recklessness sufficient in the circumstances to bar mnification against liabilities arising from the conduct; or (ii) to be based upon or putable to the receipt by the indemnified representative by the company of a personal fit to which the indemnified representative is not legally entitled; or (3) to the extent such mnification has been finally determined in a final adjudication to be otherwise unlawful.

Pennsylvania Corporations

Pennsylvania Business Corporation Law. Pursuant to Sections 1741-1743 of the nsylvania Business Corporation Law ("*PABCL*"), a corporation may indemnify any person was or is a party or is threatened to be made a party to any threatened, pending or pleted action, suit or proceeding, whether civil, criminal, administrative or investigative er than an action by or in the right of the corporation) by reason of the fact that he or she is as a director, officer, employee or agent of the

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oration, or is or was serving at the request of the corporation as a director, officer, loyee or agent of another corporation, partnership, joint venture, trust or other enterprise, nst expenses (including attorneys' fees), judgments, fines and amounts paid in settlement ally and reasonably incurred by such person in connection with such action, suit or eeding (i) if such person acted in good faith and in a manner that person reasonably eved to be in or not opposed to the best interests of the corporation and (ii) with respect to criminal action or proceeding, if he or she had no reasonable cause to believe such conduct unlawful. In actions brought by or in the right of the corporation, a corporation may mnify such person against expenses (including attorneys' fees) actually and reasonably rred by such person in connection with the defense or settlement of such action or suit if person acted in good faith and in a manner that person reasonably believed to be in or not osed to the best interests of the corporation, except that no indemnification may be made in ect of any claim, issue or matter as to which that person shall have been adjudged to be e for negligence or misconduct in performance of his duty to the corporation unless, and to the extent that, the court of common pleas or the court in which such action or suit was ght shall determine upon application that, despite the adjudication of liability but in view l circumstances of the case, such person in fairly and reasonably entitled to indemnification uch expenses which the court of common pleas or such other court shall deem proper. A nsylvania corporation is required to indemnify a director or officer against expenses ally and reasonably incurred to the extent that the director or officer is successful in nding a lawsuit brought against him or her by reason of the fact that the director or officer was a director or officer of the corporation.

Section 1746 of the PABCL provides that the foregoing provisions shall not be deemed usive of any other rights to which a person seeking indemnification may be entitled under, ng other things, any by-law provision, provided that no indemnification may be made in case where the act or failure to act giving rise to the claim for indemnification is rmined by a court to have constituted willful misconduct or recklessness.

Keystone Centers, Inc.; Rite Aid of Pennsylvania, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporations contain provisions regarding the indemnification of directors fficers.

Rhode Island Corporations

Rhode Island Business Corporation Act. The Rhode Island Business Corporation Act "*RIBCA*") generally permits a corporation to indemnify a director or officer for expenses rred by them by reason of their position with the corporation if the person has acted in good and with the reasonable belief (i) in the case of conduct in his or her official capacity that or her conduct was in the best interests of the corporation and, (ii) in all other cases, that his er conduct was at least not opposed to the best interests of the corporation, and with respect ny criminal action or proceeding, he or she had no reasonable cause to believe his or her duct was unlawful. Unless limited by the corporation's charter, the RIBCA also permits mnification if a court of appropriate jurisdiction, upon application of a director or officer such notice as the court shall require, determines that the individual is fairly and reasonably led to indemnification in view of all the relevant circumstances, whether or not he or she met the standard of conduct referred to above. However, the RIBCA does not permit a oration to indemnify persons (1) in actions brought by or in the right of the corporation if person is adjudged to be liable to the corporation, or (2) in actions in which the director is dged to be liable on the basis that personal benefit was improperly received by him or her, ough, in both cases, it does permit indemnification, but only of expenses, if, and only to the nt, approved by a court of appropriate jurisdiction. The RIBCA permits the right to mnification to include the right to be paid by the corporation for expenses the indemnified on incurs in defending the proceeding in advance of its final disposition; provided, that the mnified

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y deliver to the corporation a written affirmation of a good faith belief that he or she has the applicable standards of conduct and that he or she undertakes to repay all amounts anced if it is ultimately determined that he or she is not entitled to be indemnified under the ter or otherwise. However, under the RIBCA, except where indemnification is ordered by a t of appropriate jurisdiction upon application of any director, officer, employee or agent, no mnification will be made unless authorized in the specific case after a determination has n made, by the board of directors, special legal counsel or the shareholders that mnification is permissible in the circumstances because the director, officer, employee or t has met the standard of conduct for indemnification described above.

PJC of Rhode Island, Inc.

Bylaws. Article IX of the Bylaws of the above corporations provides that the corporation have the power to indemnify and reimburse directors and officers as provided for in ion 7-1.1-4.1 of the Business Corporation Act of the State of Rhode Island, including any ndment or substitutions for such Section which may be made from time to time.

South Carolina Corporation

South Carolina Business Corporation Act. The South Carolina Business Corporation Act 988 ("*SCBCA*") provides that a corporation may indemnify an individual made a party to a eeding because he is or was a director against liability incurred in the proceeding if: (1) he ducted himself in good faith; and (2) he reasonably believed (i) in the case of conduct in his ial capacity with the corporation, that his conduct was in its best interests; and (ii) in all r cases, that his conduct was at least not opposed to its best interests; and (3) in the case of criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. er the SCBCA, a South Carolina corporation may pay for or reimburse the reasonable enses incurred by a director who is a party to a proceeding in advance of the final osition of the proceeding if: (1) the director furnishes the corporation a written affirmation s good faith belief that he has met the standard of conduct described in the preceding ence; and (2) the director furnishes the corporation an undertaking, executed personally or is behalf, to repay the advance if it is ultimately determined that he did not meet the dard of conduct; and (3) a determination is made that the facts then known to those making determination would not preclude indemnification. Unless a corporation's articles of rporation provide otherwise, the corporation may indemnify and advance expenses to an er, employee or agent of the corporation who is not a director to the same extent as to a ctor. A corporation may not indemnify a director (x) in connection with a proceeding by or e right of the corporation in which the director was adjudged liable to the corporation; or n connection with any other proceeding charging improper personal benefit to him, ther or not involving action in his official capacity, in which he was adjudged liable on the s that personal benefit was improperly received by him. Unless limited by its articles of rporation, a corporation must indemnify a director or officer who was wholly successful, he merits or otherwise, in the defense of any proceeding to which he was a party because he was a director or officer of the corporation against reasonable expenses incurred by him in nection with the proceeding. A corporation may also purchase and maintain on behalf of a ctor or officer insurance against liabilities incurred in such capacities, whether or not the oration would have the power to indemnify him against the same liability under the statute.

Rite Aid of South Carolina, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of South Carolina, Inc. contain provisions regarding the indemnification of ctors or officers.

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Tennessee Corporations

Tennessee Business Corporation Act. The Tennessee Business Corporation Act */BCA*") provides that a corporation may indemnify an individual made a party to a eeding because he is or was a director against liability incurred in the proceeding if: (1) he ducted himself in good faith; and (2) he reasonably believed (i) in the case of conduct in his ial capacity with the corporation, that his conduct was in its best interests; and (ii) in all r cases, that his conduct was at least not opposed to its best interests; and (3) in the case of criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. er the TNBCA, a corporation may pay for or reimburse the reasonable expenses incurred director who is a party to a proceeding in advance of the final disposition of the eeding if: (1) the director furnishes the corporation a written affirmation of his good faith ef that he has met the standard of conduct described in the preceding sentence; and (2) the ctor furnishes the corporation an undertaking, executed personally or on his behalf, to repay dvance if it is ultimately determined that he did not meet the standard of conduct; and (3) a rmination is made that the facts then known to those making the determination would not lude indemnification. Unless a corporation's articles of incorporation provide otherwise, the oration may indemnify and advance expenses to an officer, employee or agent of the oration who is not a director to the same extent as to a director. A corporation may not mnify a director (x) in connection with a proceeding by or in the right of the corporation in ch the director was adjudged liable to the corporation; or (y) in connection with any other eeding charging improper personal benefit to him, whether or not involving action in his ial capacity, in which he was adjudged liable on the basis that personal benefit was roperly received by him. Unless limited by its articles of incorporation, a corporation must mnify a director or officer who was wholly successful, on the merits or otherwise, in the nse of any proceeding to which he was a party because he is or was a director or officer of corporation against reasonable expenses incurred by him in connection with the proceeding. rporation may also purchase and maintain on behalf of a director or officer insurance nst liabilities incurred in such capacities, whether or not the corporation would have the er to indemnify him against the same liability under the statute.

K&B Tennessee Corporation

Articles of Incorporation. Article 8 of the Articles of Incorporation of K&B Tennessee poration provides that except as specifically limited in Section 48-18-502 of the TNBCA, corporation shall indemnify liability incurred by a director or officer if such person ducted himself or herself in good faith and believed that their conduct was in the oration's best interest or at least not opposed to the corporation's best interest.

Rite Aid of Tennessee, Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of Rite Aid of Tennessee, Inc. contain provisions regarding the indemnification of ctors or officers.

Texas Corporation

Texas Business Corporation Act. Article 2.02-1 of the Texas Business Corporation Act *XBCA*") authorizes a Texas corporation to indemnify a person who was, is, or is threatened e made a named defendant or respondent in a proceeding, including any threatened, ding or completed action, suit or proceeding, whether civil, criminal, administrative, trative, or investigative because the person is or was a director. The TXBCA provides that ss a court of competent jurisdiction determines otherwise, indemnification is permitted if it is determined that the person (1) conducted himself in good faith; (2) reasonably eved (a) in the case of conduct in his official capacity as a director of the corporation, that conduct was in the corporation's best interests; and (b) in all other cases, that his conduct at least not opposed to the corporation's best interests; and (3) in the case of any criminal

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eeding, had no reasonable cause to believe his conduct was unlawful. A person may be mnified under Article 2.02-1 of the TXBCA against judgments, penalties (including excise similar taxes), fines, settlements, and reasonable expenses actually incurred by the person uding court costs and attorneys' fees), but if the person is found liable to the corporation or und liable on the basis that personal benefit was improperly received by him, the mnification is limited to reasonable expenses actually incurred and shall not be made in ect of any proceeding in which the person has been found liable for willful or intentional conduct in the performance of his duty to the corporation. A corporation is obligated under cle 2.02-1 of the TXBCA to indemnify a director or officer against reasonable expenses rred by him in connection with a proceeding in which he is named defendant or respondent use he is or was director or officer if he has been wholly successful, on the merits or rwise, in the defense of the proceeding. Under Article 2.02-1 of the TXBCA a corporation (1) indemnify and advance expenses to an officer, employee, agent or other persons who or were serving at the request of the corporation as a director, officer, partner, venturer, rietor, trustee, employee, agent or similar functionary of another entity to the same extent it may indemnify and advance expenses to its directors, (2) indemnify and advance enses to directors and such other persons identified in (1) to such further extent, consistent law, as may be provided in the corporation's articles of incorporation, bylaws, action of its d of directors, or contract or as permitted by common law and (3) purchase and maintain rance or another arrangement on behalf of directors and such other persons identified in against any liability asserted against him and incurred by him in such a capacity or arising of his status as such a person.

K&B Texas Corporation

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of K&B Texas Corporation contain provisions regarding the indemnification of ctors or officers.

Vermont Corporation

Vermont Business Corporation Act. The Vermont Business Corporation Act ("*VTBCA*") erally empowers a corporation to indemnify an individual made a party to a proceeding use he is or was a director against liability incurred in the proceeding if: (1) he conducted self in good faith; and (2) he reasonably believed (i) in the case of conduct in his official city with the corporation, that his conduct was in its best interests; and (ii) in all other s, that his conduct was at least not opposed to its best interests; and (3) in the case of any eeding brought by a governmental entity, he had no reasonable cause to believe his conduct unlawful and he is not finally found to have engaged in a reckless or intentional unlawful A corporation may not indemnify a director (x) in connection with a proceeding by or in ight of the corporation in which the director was adjudged liable to the corporation; or n connection with any other proceeding charging improper personal benefit to him, ther or not involving action in his official capacity, in which he was adjudged liable on the s that personal benefit was improperly received by him. Unless limited by its articles of rporation, a corporation must indemnify a director or officer who was wholly successful, he merits or otherwise, in the defense of any proceeding to which he was a party because he was a director or officer of the corporation against reasonable expenses incurred by him in nection with the proceeding. Under the VTBCA, a corporation may pay for or reimburse the onable expenses incurred by a director who is a party to a proceeding in advance of the disposition of the proceeding if: (1) the director furnishes the corporation a written mation of his good faith belief that he has met the standard of conduct described in ion 8.51 of the VTBCA; (2) the director furnishes the corporation an undertaking, executed onally or on his behalf, to repay the advance if it is ultimately determined that he did not t the standard of conduct; and (3) a determination is made that the facts then known to e making the determination would not preclude indemnification. Unless a corporation's les of incorporation provide otherwise, the corporation may indemnify and advance enses to an officer, employee or agent of the corporation who is not a director to the same

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nt as to a director. A corporation may also purchase and maintain on behalf of a director or er insurance against liabilities incurred in such capacities, whether or not the corporation ld have the power to indemnify him against the same liability under the statute.

Maxi Green Inc.; PJC of Vermont

Articles of Incorporation. Article VIII of the Articles of Incorporation of the above orations provides that, to the extent permitted by Section 2.02(b)(4) of the VTBCA, as the e may be supplemented and amended, no director of the corporation shall be personally e to the corporation or its shareholders for money damages for any action taken, or any re to take any action, solely as a director, based on a failure to discharge his or her own es in accordance with Section 8.30 of the Vermont Business Corporation Act, as the same be supplemented and amended.

Bylaws. Article V of the Bylaws of the above corporations provides that the corporation indemnify all persons whom it shall have the power to indemnify under the VTBCA, but if the corporation authorized the payment and made a determination of the director's duct in accordance with the VTBCA.

Rite Aid of Vermont, Inc.

Articles of Association. Article Sixth of the Articles of Association of Rite Aid of mont, Inc. provides that the corporation shall indemnify all persons whom it shall have the er to indemnify under the VTBCA to the fullest extent permitted by the VTBCA.

Virginia Corporations

Virginia Stock Corporation Act. The Virginia Stock Corporation Act ("*VASCA*") owers a corporation to indemnify an individual made a party to a proceeding because he is as a director against liability incurred in the proceeding if: (1) he conducted himself in d faith; and (2) he reasonably believed (i) in the case of conduct in his official capacity with corporation, that his conduct was in its best interests; and (ii) in all other cases, that his duct was at least not opposed to its best interests; and (3) in the case of any criminal eeding, he had no reasonable cause to believe his conduct was unlawful. A corporation not indemnify a director (1) in connection with a proceeding by or in the right of the oration except for reasonable expenses incurred in connection with the proceeding if it is rmined that the director has met the relevant standard in the preceding sentence; or (2) in nection with any other proceeding charging improper personal benefit to the director, ther or not involving action in his official capacity, in which he was adjudged liable on the s that personal benefit was improperly received by him. Unless limited by its articles of rporation, a corporation must indemnify a director who entirely prevails in the defense of proceeding to which he was a party because he is or was a director of the corporation nst reasonable expenses incurred by him in connection with the proceeding. Under the SCA, a corporation may pay for or reimburse the reasonable expenses incurred by a director is a party to a proceeding in advance of the final disposition of the proceeding if: (1) the ctor furnishes the corporation a written affirmation of his good faith belief that he has met standard of conduct described in Section 13.1-697 of the VASCA; and (2) the director ishes the corporation an undertaking, executed personally or on his behalf, to repay the nce if the director is not entitled to mandatory indemnification under Section 13.1-698 of VASCA and it is ultimately determined that he did not meet the relevant standard of duct. Unless a corporation's articles of incorporation provide otherwise, the corporation may mnify and advance expenses to an officer of the corporation to the same extent as to a ctor. A corporation may also purchase and maintain on behalf of a director or officer rance against liabilities incurred in such capacities, whether or not the corporation would the power to indemnify him against the same liability under the VASCA.

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England Street-Asheland Corporation; Rite Aid of Virginia, Inc.;

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the ws of the above corporations contain provisions regarding the indemnification of directors fficers.

Virginia Limited Liability Companies

Virginia Limited Liability Company Act. Section 13.1-1009 of the Virginia Limited bility Company Act ("*VALLCA*") permits a Virginia limited liability company, subject to the dards and restrictions set forth in its articles of organization or operating agreement, to mnify and hold harmless any member, manager or other person from and against any and laims and demands whatsoever, and to pay for or reimburse any member, manager or other on for reasonable expenses incurred by such a person who is party to a proceeding in nce of final disposition of the proceeding.

112 Burleigh Avenue Norfolk, LLC

Operating Agreement. Section 3.11 of Article III of the Operating Agreement of limited lity company above provides that managers who perform the duties of the managers shall e personally liable to the company or to any member for any loss or damage sustained by company or any member, unless (i) the manager has breached or failed to perform the es of its position under the DLLCA, the Certificate of Formation or the Operating eement and (ii) the failure to perform constitutes self-dealing, willful misconduct or lessness by the manager. Article VI of the Operating Agreement provides that the company indemnify indemnified representatives against liability incurred in connection with any eeding in which the indemnified representative is involved as a party, except: (1) where indemnification is expressly prohibited by applicable law; (2) where the conduct of the mnified representative has been finally determined (i) to constitute willful misconduct or lessness sufficient in the circumstances to bar indemnification against liabilities arising the conduct; or (ii) to be based upon or attributable to the receipt by the indemnified esentative by the company of a personal benefit to which the indemnified representative is egally entitled; or (3) to the extent such indemnification has been finally determined in a adjudication to be otherwise unlawful.

Fairground, LLC

Operating Agreement. Section 3.14 of Article III of the Operating Agreement of ground, LLC provides that managers and members shall be indemnified to the maximum nt permitted under Section 13.1-1025 of the VALLCA.

Washington Corporation

Washington Business Corporation Act. The Washington Business Corporation Act *ABCA*") empowers a corporation to indemnify an individual made a party to a proceeding use he is or was a director against liability incurred in the proceeding if: (1) he conducted self in good faith; and (2) he reasonably believed (i) in the case of conduct in his official city with the corporation, that his conduct was in its best interests; and (ii) in all other s, that his conduct was at least not opposed to its best interests; and (3) in the case of any inal proceeding, he had no reasonable cause to believe his conduct was unlawful. A oration may not indemnify a director (1) in connection with a proceeding by or in the right e corporation, except for reasonable expenses incurred in connection with the proceeding; 2) in connection with any other proceeding charging improper personal benefit to the ctor, whether or not involving action in his official capacity, in which he was adjudged e on the basis that personal benefit was improperly received by him. Unless limited by its les of incorporation, a corporation must indemnify a director who was wholly

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essful, on the merits or otherwise, in the defense of any proceeding to which he was a party use he is or was a director of the corporation against reasonable expenses incurred by him onnection with the proceeding. Under the WABCA, a corporation may pay for or reimburse easonable expenses incurred by a director who is a party to a proceeding in advance of the disposition of the proceeding if: (1) the director furnishes the corporation a written mation of his good faith belief that he has met the standard of conduct described in ion 23B.08.510 of the WABCA; and (2) the director furnishes the corporation an rtaking, executed personally or on his behalf, to repay the advance if it is ultimately rmined that he did not meet the relevant standard of conduct. Unless a corporation's articles corporation provide otherwise, the corporation may indemnify and advance expenses to an er, employee or agent of the corporation to the same extent as to a director. A corporation also purchase and maintain on behalf of a director, officer, employee or agent of the oration insurance against liabilities incurred in such capacities, whether or not the oration would have the power to indemnify him against the same liability under the BCA.

5277 Associates, Inc.

Certificate of Incorporation. Article VI of the Certificate of Incorporation of 5227 ociates, Inc. provides that no director shall be personally liable to the corporation or any of tockholders for monetary damages for his or her conduct as a director, except for (i) acts or ssions not in good faith or which involve intentional misconduct or a knowing violation of aw, (ii) conduct violating WABCA 23B.08.310, or (iii) any transaction from which the ctor will personally receive a benefit to which the director is not legally entitled. If the BCA is amended to further eliminate personal liability of directors, then the liability of ctors of the corporation shall be deemed to be eliminated to the fullest extent of the law.

Washington, D.C. Corporation

District of Columbia Business Corporation Act. The District of Columbia Business poration Act provides that a corporation organized under the laws of the District of mbia has the right to indemnify any and all directors or officers or former directors or ers or any person who may have served at its request as a director or officer of another oration in which it owns shares of capital stock or of which it is a creditor against expenses ally and necessarily incurred by them in connection with the defense of any action, suit, or eeding in which they, or any of them, are made parties, or a party, by reason of being or ng been directors or officers or a director or officer of the corporation or of such other oration, except in relation to matters as to which any such director or officer or former ctor or person shall be adjudged in such action, suit, or proceeding to be liable for igence or misconduct in the performance of duty. Such indemnification is not exclusive of other rights to which those indemnified may be untitled under any bylaw, agreement or rwise.

Rite Aid of Washington, D.C., Inc.

Articles of Incorporation and Bylaws. Neither the Articles of Incorporation nor the aws of Rite Aid of Washington, D.C., Inc. contain provisions regarding the indemnification irectors or officers.

West Virginia Corporation

West Virginia Business Corporation Act. The West Virginia Business Corporation Act *VBCA*") empowers a corporation to indemnify an individual made a party to a proceeding use he is or was a director against liability incurred in the proceeding if: (1)(A) he ducted himself in good faith; and (B) he reasonably believed (i) in the case of conduct in his ial capacity with the corporation, that his conduct was in its best interests; and (ii) in all r cases, that his conduct was at least not opposed to its best interests; and (C) in the case of criminal proceeding, he had no reasonable

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e to believe his conduct was unlawful; or (2) he engaged in conduct for which broader mnification has been made permissible or obligatory under a provision of the articles of rporation. A corporation may not indemnify a director (1) in connection with a proceeding r in the right of the corporation, except for reasonable expenses incurred in connection with proceeding; or (2) in connection with any other proceeding with respect to conduct for ch he was adjudged liable on the basis that he received financial benefit to which he was not led, whether or not involving action in his official capacity. A corporation must indemnify rector who was wholly successful, on the merits or otherwise, in the defense of any eeding to which he was a party because he is or was a director of the corporation against onable expenses incurred by him in connection with the proceeding. Under the WVBCA, a oration may pay for or reimburse the reasonable expenses incurred by a director who is a y to a proceeding in advance of the final disposition of the proceeding if: (1) the director ishes the corporation a written affirmation of his good faith belief that he has met the vant standard of conduct; and (2) the director furnishes the corporation a written ertaking to repay the advance if the director is not entitled to mandatory indemnification er the WVBCA and it is ultimately determined that he did not meet the relevant standard of duct. A corporation may indemnify and advance expenses to an officer of the corporation to same extent as to a director. A corporation may also purchase and maintain on behalf of a ctor or officer of the corporation insurance against liabilities incurred in such capacities, ther or not the corporation would have the power to indemnify him against the same lity under the WVBCA.

Rite Aid of West Virginia, Inc.

Certificate of Incorporation. Article III of the Certificate of Incorporation of Rite Aid of t Virginia, Inc. provides that directors and officers shall be indemnified by the corporation nst all expenses and liabilities except in such cases wherein the director or officer is dged liable for negligence or misconduct in the performance of his duties as a director or er.

m 21. Exhibits and Financial Statement Schedules.

ibits

Certain of the agreements included as exhibits to this prospectus contain representations warranties by each of the parties to the applicable agreement. These representations and ranties have been made solely for the benefit of the other parties to the applicable ement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of rs as of the date they were made or at any other time. The Company acknowledges that, withstanding the inclusion of the foregoing cautionary statements, it is responsible for idering whether additional specific disclosures of material information regarding material ractual provisions are required to make the statements in this registration statement not eading.

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hibit nbers	Description	Incorporation By Reference To
3.1	Restated Certificate of Incorporation, dated December 12, 1996	Exhibit 3(i) to Form 8-K, filed on November 2, 1999
3.2	Certificate of Amendment to the Restated Certificate of Incorporation, dated February 22, 1999	Exhibit 3(ii) to Form 8-K, filed on November 2, 1999
3.3	Certificate of Amendment to the Restated Certificate of Incorporation, dated June 27, 2001	Exhibit 3.4 to Registration Statement on Form S-1, File No. 333-64950, filed on July 12, 2001
3.4	Certificate of Amendment to the Restated Certificate of Incorporation, dated June 4, 2007	Exhibit 4.4 to Registration Statement on Form S-8, File No. 333-146531, filed on October 5, 2007
3.5	Certificate of Amendment to the Restated Certificate of Incorporation, dated June 25, 2009	Exhibit 3.5 to Form 10-Q, filed on July 8, 2009
3.6	7% Series G Cumulative Convertible Pay-in-Kind Preferred Stock Certificate of Designation dated January 28, 2005	Exhibit 3.2 to Form 8-K, filed on February 2, 2005
3.7	6% Series H Cumulative Convertible Pay-in-Kind Preferred Stock Certificate of Designation dated January 28, 2005	Exhibit 3.3 to Form 8-K, filed on February 2, 2005
3.8	Amended and Restated By-Laws	Exhibit 3.1 to Form 8-K, filed on January 27, 2010
4.1	Indenture, dated as of October 26, 2009, among Rite Aid Corporation, as issuer, the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, related to the Company's 10.25% Senior Secured Notes due 2019	Exhibit 4.1 to Form 8-K, filed on October 29, 2009
4.2	Indenture, dated as of August 16, 2010, among Rite Aid Corporation, as issuer, the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, related to the Company's 8.00% Senior Secured Notes due 2020	Exhibit 4.1 to Form 8-K, filed on August 19, 2010
4.3	Indenture, dated as of February 27, 2012, among Rite Aid Corporation, as issuer, the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, related to the Company's 9.25% Senior Notes due 2020	Exhibit 4.1 to Form 8-K, filed on February 27, 2012

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hibit nbers	Description	Incorporation By Reference To
4.4	First Supplemental Indenture, dated as of May 15, 2012, among Rite Aid Corporation, the subsidiaries named therein and The Bank of New York Mellon Trust Company, N.A. to the Indenture, dated as of February 27, 2012, among Rite Aid Corporation, the subsidiary guarantors named therein and The Bank of New York Trust Company, N.A., related to the Company's 9.25% Senior Notes due 2020	Exhibit 4.23 to the Registration Statement on Form S-4, File No. 181651, filed on May 24, 2012
4.5	Indenture, dated as of July 2, 2013, among Rite Aid Corporation, as issuer, the subsidiary guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, related to the Company's 6.75% Senior Notes due 2021	Exhibit 4.1 to Form 8-K, filed on July 2, 2013
4.6	Indenture, dated as of August 1, 1993, between Rite Aid Corporation, as issuer, and Morgan Guaranty Trust Company of New York, as trustee, related to the Company's 7.70% Notes due 2027	Exhibit 4A to Registration Statement on Form S-3, File No. 033-63794, filed on June 3, 1993
4.7	Supplemental Indenture, dated as of February 3, 2000, between Rite Aid Corporation and U.S. Bank Trust National Association (as successor trustee to Morgan Guaranty Trust Company of New York) to the Indenture dated as of August 1, 1993, between Rite Aid Corporation and Morgan Guaranty Trust Company of New York, relating to the Company's 7.70% Notes due 2027	Exhibit 4.1 to Form 8-K filed on February 7, 2000
4.8	Indenture, dated as of December 21, 1998, between Rite Aid Corporation, as issuer, and Harris Trust and Savings Bank, as trustee, related to the Company's 6.875% Notes due 2028	Exhibit 4.1 to Registration Statement on Form S-4, File No. 333-74751, filed on March 19, 1999
4.9	Supplemental Indenture, dated as of February 3, 2000, between Rite Aid Corporation and Harris Trust and Savings Bank to the Indenture, dated December 21, 1998, between Rite Aid Corporation and Harris Trust and Savings Bank, related to the Company's 6.875% Notes due 2028	Exhibit 4.4 to Form 8-K, filed on February 7, 2000

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hibit nbers	Description	Incorporation By Reference To
4.10	Indenture, dated as of May 29, 2008, between Rite Aid Corporation, as issuer, and The Bank of New York Trust Company, N.A., as trustee, related to the Company's Senior Debt Securities	Exhibit 4.1 to Form 8-K, filed on June 2, 2008
4.11	First Supplemental Indenture, dated as of May 29, 2008, among Rite Aid Corporation and The Bank of New York Trust Company, N.A. to the Indenture, dated as of May 29, 2008, between Rite Aid Corporation and The Bank of New York Trust Company, N.A., related to the Company's 8.5% Convertible Notes due 2015	Exhibit 4.2 to Form 8-K, filed on June 2, 2008
5	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP	Filed herewith
10.1	1999 Stock Option Plan*	Exhibit 10.1 to Form 10-K, filed on May 21, 2001
10.2	2000 Omnibus Equity Plan*	Included in Proxy Statement dated October 24, 2000
10.3	2001 Stock Option Plan*	Exhibit 10.3 to Form 10-K, filed on May 21, 2001
10.4	2004 Omnibus Equity Plan*	Exhibit 10.4 to Form 10-K, filed on April 28, 2005
10.5	2006 Omnibus Equity Plan*	Exhibit 10 to Form 8-K, filed on January 22, 2007
10.6	2010 Omnibus Equity Plan*	Exhibit 10.1 to Form 8-K, filed on June 25, 2010
10.7	Amendment No. 1, dated September 21, 2010, to the 2010 Omnibus Equity Plan*	Exhibit 10.7 to Form 10-Q, filed on October 7, 2010
10.8	Amendment No. 2, dated January 16, 2013, to the 2010 Omnibus Equity Plan*	Exhibit 10.8 to Form 10-K, filed on April 23, 2013
10.9	2012 Omnibus Equity Plan*	Exhibit 10.1 to Form 8-K, filed on June 25, 2012
10.10	Amendment No. 1, dated January 16, 2013, to the 2012 Omnibus Equity Plan*	Exhibit 10.10 to Form 10-K, filed on April 23, 2013
10.11	Form of Award Agreement*	Exhibit 10.2 to Form 8-K, filed on May 15, 2012

10.12	Supplemental Executive Retirement Plan*	Exhibit 10.6 to Form 10-K, filed on April 28, 2010
10.13	Executive Incentive Place for Officers of Rite Aid Corporation*	Exhibit 10.1 to Form 8-K, filed on February 24, 2012

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hibit nbers	Description	Incorporation By Reference To
10.14	Amended and Restated Employment Agreement by and between Rite Aid Corporation and John T. Standley, dated as of January 21, 2010*	Exhibit 10.7 to Form 10-K, filed on April 28, 2010
10.15	Employment Agreement by and between Rite Aid Corporation and Frank G. Vitrano, dated as of September 24, 2008*	Exhibit 10.3 to Form 10-Q, filed on October 8, 2008
10.16	Letter Agreement, dated July 27, 2010, to the Employment Agreement by and between Rite Aid Corporation and Frank G. Vitrano, dated as of September 24, 2008*	Exhibit 10.2 to Form 10-Q, filed on October 7, 2010
10.17	Employment Agreement by and between Rite Aid Corporation and Marc A. Strassler, dated as of March 9, 2009*	Exhibit 10.8 to form 10-K, filed on April 17, 2009
10.18	Letter Agreement, dated July 27, 2010, to the Employment Agreement by and between Rite Aid Corporation and Marc A. Strassler, dated as of March 9, 2009*	Exhibit 10.4 to Form 10-Q, filed on October 7, 2010
10.19	Employment Agreement by and between Rite Aid Corporation and Douglas E. Donley, dated as of August 1, 2000*	Exhibit 10.1 to Form 10-Q, filed on December 22, 2005
10.20	Amendment No. 1 to Employment Agreement by and between Rite Aid Corporation and Douglas E. Donley, dated as of December 18, 2008*	Exhibit 10.4 to Form 10-Q, filed on January 7, 2009
10.21	Rite Aid Corporation Special Executive Retirement Plan*	Exhibit 10.15 on Form 10-K, filed on April 26, 2004
10.22	Employment Agreement by and between Rite Aid Corporation and Ken Martindale, dated as of December 3, 2008*	Exhibit 107 to Form 10-Q, filed on January 7, 2009
10.23	Letter Agreement, dated July 27, 2010, to the Employment Agreement by and between Rite Aid Corporation and Ken Martindale, dated as of December 3, 2008*	Exhibit 106 to Form 10-Q, filed on October 7, 2010
10.24	Employment Agreement by and between Rite Aid Corporation and Robert I. Thompson, dated as of February 3, 2008*	Exhibit 10.5 to Form 10-Q, filed on January 6, 2010

10.25	Amendment No. 1 to Employment Agreement by and between Rite Aid Corporation and Robert I. Thompson, dated as of September 23, 2009*	Exhibit 10.6 to Form 10-Q, filed on January 6, 2010

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hibit nbers	Description	Incorporation By Reference To
10.26	Amended and Restated Employment Agreement, dated as of July 11, 2011, between Rite Aid Corporation and Robert K. Thompson*	Exhibit 10.2 to Form 10-Q, filed on October 5, 2011
10.27	Amended and Restated Employment Agreement, dated as of June 23, 2011, between Rite Aid Corporation and Enio A. Montini, Jr. *	Exhibit 10.1 to Form 10-Q, filed on October 5, 2011
10.28	Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of December 22, 2003**	Exhibit 10.25 to Form 10-K, filed on April 29, 2008
10.29	First Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of December 8, 2007**	Exhibit 10.26 to Form 10-K, filed on April 29, 2008
10.30	Second Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of November 7, 2008**	Exhibit 10.1 to Form 10-Q, filed on January 7, 2009
10.31	Third Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of February 1, 2009**	Exhibit 10.30 to Form 10-K, filed on April 17, 2009
10.32	Fourth Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of December 10, 2009**	Exhibit 10.4 to Form 10-Q, filed on January 6, 2010
10.33	Fifth Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of June 22, 2010	Exhibit 10.1 to Form 10-Q, filed on January 8, 2013
10.34	Sixth Amendment to Supply Agreement by and between Rite Aid Corporation and McKesson Corporation, dated as of October 1, 2012**	Exhibit 10.2 to Form 10-Q, filed on January 8, 2013
10.35	Management Services Agreement by and between Rite Aid Corporation and Leonard Green Partners, L.P., dated as of January 1, 2003	Exhibit 10.27 to form 10-K, filed on April 29, 2008
10.36	Fourth Amendment to Management Services Agreement by and between	Exhibit 10.28 to Form 10-K, filed on April 29, 2008

Rite Aid Corporation and Leonard Green & Partners, L.P., dated as of February 12, 2007

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hibit nbers	Description	Incorporation By Reference To
10.37	Amended and Restated Credit Agreement, dated as of June 27, 2001, as amended and restated on February 21, 2013, among Rite Aid Corporation, the lenders from time to time party thereto and Citicorp North America, Inc., as administrative agent and collateral agent	Exhibit 10.1 to Form 8-K, filed on February 21, 2013
10.38	Credit Agreement, dated as of February 21, 2013, among Rite Aid Corporation, the lenders from time to time party thereto and Citicorp North America, Inc., as administrative agent and collateral agent	Exhibit 10.2 to Form 8-K, filed on February 21, 2013
10.39	Credit Agreement, dated as of June 21, 2013, among the Company, the Lenders (as defined therein), Citicorp North America, Inc., as administrative agent and collateral agent, Bank of America, N.A., as syndication agent, and Wells Fargo Bank, N.A., General Electric Capital Corporation, Goldman Sachs Bank USA and Morgan Stanley Senior Funding, Inc., as co-documentation agents.	Exhibit 10.1 to Form 8-K, filed on June 21, 2013
10.40	Amended and Restated Collateral Trust and Intercreditor Agreement, including the related definitions annex, dated as of June 5, 2009, among Rite Aid Corporation, each subsidiary named therein or which becomes a party thereto, Wilmington Trust Company, as collateral trustee, Citicorp North America, Inc., as senior collateral processing agent, The Bank of New York Trust Company, N.A., as trustee under the 2016 10.375% Note Indenture (as defined therein), and each other Second Priority Representative and Senior Representative which becomes a party thereto	Exhibit 10.3 to Form 8-K, filed on June 11, 2009
10.41	Amended and Restated Senior Subsidiary Guarantee Agreement, dated as of June 5, 2009 among the subsidiary guarantors party thereto and Citicorp North America, Inc., as senior collateral agent	Exhibit 10.4 to Form 8-K, filed on June 11, 2009
10.42	Amended and Restated Senior Subsidiary Security Agreement, dated as of June 5, 2009, by the subsidiary guarantors party thereto in favor of the Citicorp North America, Inc., as senior	Exhibit 10.5 to Form 8-K, filed on June 11, 2009

collateral agent

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hibit nbers	Description	Incorporation By Reference To
10.43	Amended and Restated Senior Indemnity, Subrogation and Contribution Agreement, dated as of May 28, 2003, and supplemented as of September 27, 2004, among Rite Aid Corporation, the Subsidiary Guarantors, and Citicorp North America, Inc. and JPMorgan Chase Bank, N.A., as collateral processing co-agents	Exhibit 4.27 to Form 10-K, filed on April 29, 2008
10.44	Second Priority Subsidiary Guarantee Agreement, dated as of June 27, 2001, as amended and restated as of May 28, 2003, and as supplemented as of January 5, 2005, among the Subsidiary Guarantors and Wilmington Trust Company, as collateral agent	Exhibit 4.36 to Form 10-K, filed on April 17, 2009
10.45	Second Priority Subsidiary Security Agreement, dated as of June 27, 2001, as amended and restated as of May 28, 2003, as supplemented as of January 5, 2005, and as amended in the Reaffirmation Agreement and Amendment dates as of January 11, 2005, by the Subsidiary Guarantors in favor of Wilmington Trust Company, as collateral trustee	Exhibit 4.37 to Form 10-K, filed on April 17, 2009
10.46	Amended and Restated Second Priority Indemnity, Subrogation and Contribution Agreement, dated as of May 28, 2003, and as supplemented as of January 5, 2005, among the Subsidiary Guarantors and Wilmington Trust Company, as collateral agent	Exhibit 4.33 to Form 10-K, filed on April 29, 2008
10.47	Intercreditor Agreement, dated as of February 18, 2009, by and among Citicorp North America, Inc. and Citicorp North America, Inc., and acknowledged and agreed to by Rite Aid Funding II	Exhibit 10.2 to Form 8-K, filed on February 20, 2009

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hibit nbers	Description	Incorporation By Reference To
10.48	Senior Lien Intercreditor Agreement dated as of June 12, 2009, among Rite Aid Corporation, the subsidiary guarantors named therein, Citicorp North America, Inc., as senior collateral agent for the Senior Secured Parties (as defined therein), Citicorp North America, Inc., as senior representative for the Senior Loan Secured Parties (as defined therein), The Bank of New York Mellon Trust Company, N.A., as Senior Representative (as defined therein) for the Initial Additional Senior Debt Parties (as defined therein), and each additional Senior Representative from time to time party thereto	Exhibit 10.2 to Form 8-K, filed on June 16, 2009
10.49	Exchange and Registration Rights Agreement relating to the 6.75% Senior Notes due 2021, dated July 2, 2013, among Rite Aid Corporation, the subsidiary guarantors named therein and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. LLC, as the Initial Purchasers	Exhibit 10.1 to Form 8-K, filed on July 2, 2013
12	Statement regarding computation of ratio of earnings to fixed charges and combined fixed charges and preferred stock dividends	Filed herewith
21	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of Deloitte & Touche LLP	Filed herewith
23.2	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in exhibit 5)	Filed herewith
24	Powers of Attorney (included on the signature pages hereto)	Filed herewith
25	Form T-1 Statement of Eligibility of Trustee under the Trust Indenture Act of 1939, with respect to the Indenture, dated as of July 2, 2013, found at Exhibit 4.5 hereto	Filed herewith
99.1	Form of Letter of Transmittal	Filed herewith
99.2	Form of Letter to Clients	Filed herewith

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hibit nbers	Description	Incorporation By Reference To
99.3	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees	Filed herewith

Constitutes a compensatory plan or arrangement required to be filed with this prospectus.

Confidential portions of these exhibits were redacted and filed separately with the Securities and Exchange Commission pursuant to requests for confidential treatment.

m 22. Undertakings.

The undersigned registrants hereby undertake:

1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(b) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Company's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration

statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities

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(other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

6) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

7) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

8) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

9) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

RITE AID CORPORATION

By: /s/ JOHN T. STANDLEY

Name: John T. Standley
Title: *Chairman and Chief Executive Officer*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorney-in-fact and agent with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto luding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorney-in-fact and agent full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN T. STANDLEY John T. Standley	Chairman and Chief Executive Officer (Principal Executive Officer)	August 30, 2013
/s/ FRANK G. VITRANO Frank G. Vitrano	Senior Executive Vice President, Chief Financial Officer and Chief Administrative Officer (Principal Financial Officer)	August 30, 2013
s/ DOUGLAS E. DONLEY Douglas E. Donley	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	August 30, 2013
JOSEPH B. ANDERSON, JR. Joseph B. Anderson, Jr.	Director	August 30, 2013

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Signature	Title	Date
/s/ JOHN BAUMER John Baumer	Director	August 30, 2013
/s/ BRUCE G. BODAKEN Bruce G. Bodaken	Director	August 30, 2013
/s/ FRANÇOIS J. COUTU François J. Coutu	Director	August 30, 2013
/s/ DAVID R. JESSICK David R. Jessick	Director	August 30, 2013
/s/ MICHAEL N. REGAN Michael N. Regan	Director	August 30, 2013
/s/ MARCY SYMS Marcy Syms	Director	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

112 BURLEIGH AVENUE NORFOLK, LLC
1515 WEST STATE STREET BOISE,
IDAHO, LLC
3581 CARTER HILL ROAD MONTGOMERY
CORP.
4042 WARRENSVILLE CENTER
ROAD WARRENSVILLE OHIO, INC.
5277 ASSOCIATES, INC.
5600 SUPERIOR PROPERTIES, INC.
657 - 659 BROAD ST. CORP.
764 SOUTH BROADWAY GENEVA,
OHIO, LLC
ANN & GOVERNMENT STREETS MOBILE,
ALABAMA, LLC
BROADVIEW AND WALLINGS BROADVIEW
HEIGHTS OHIO, INC.
CENTRAL AVENUE & MAIN STREET
PETAL MS, LC
EAGLE MANAGED CARE CORP.
EIGHTH AND WATER
STREETS URICHSVILLE, OHIO, LLC
ENGLAND STREET ASHELAND
CORPORATION
FAIRGROUND, LLC
GDF, INC.
GETTYSBURG AND HOOVER DAYTON,
OHIO, LLC
K&B LOUISIANA CORPORATION
K&B MISSISSIPPI CORPORATION
K&B SERVICES, INCORPORATED
K&B TENNESSEE CORPORATION
K&B TEXAS CORPORATION
K&B, INCORPORATED
KEYSTONE CENTERS, INC.
LAKEHURST AND BROADWAY
CORPORATION
MAYFIELD & CHILLICOTHE
ROADS CHESTERLAND, LLC
MUNSON & ANDREWS, LLC
NAME RITE, LLC
PATTON DRIVE AND NAVY BOULEVARD
PROPERTY CORPORATION
P.J.C. DISTRIBUTION, INC.
P.J.C. REALTY CO., INC.
PJC DORCHESTER REALTY LLC

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PJC EAST LYME REALTY LLC
PJC HAVERHILL REALTY LLC
PJC HERMITAGE REALTY LLC
PJC HYDE PARK REALTY LLC
PJC LEASE HOLDINGS, INC.
PJC MANCHESTER REALTY LLC
PJC MANSFIELD REALTY LLC
PJC NEW LONDON REALTY LLC
PJC OF RHODE ISLAND, INC.
PJC PETERBOROUGH REALTY LLC
PJC PROVIDENCE REALTY LLC
PJC REALTY MA, INC.
PJC REALTY N.E. LLC
PJC REVERE REALTY LLC
PJC SPECIAL REALTY HOLDINGS, INC.
READ'S INC.
RITE AID HDQTRS. CORP.
RITE AID OF ALABAMA, INC.
RITE AID OF FLORIDA, INC.
RITE AID OF ILLINOIS, INC.
RITE AID OF MASSACHUSETTS, INC.
RITE AID PAYROLL MANAGEMENT INC.
RITE AID REALTY CORP.
RITE AID SERVICES, LLC
RITE AID TRANSPORT, INC.
RX CHOICE, INC.
SILVER SPRINGS ROAD BALTIMORE, MARYLAND/ONE, LLC
SILVER SPRINGS ROAD BALTIMORE, MARYLAND/TWO, LLC
STATE & FORTIFICATION
STREETS JACKSON, MISSISSIPPI, LLC
STATE STREET AND HILL ROAD GERARD, OHIO, LLC
TYLER AND SANDERS ROADS, BIRMINGHAM ALABAMA, LLC

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

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SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President, Secretary and Director	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President, Assistant Treasurer and Director	August 30, 2013
/s/ CHRISTOPHER HALL Christopher Hall	Director	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President	August 30, 2013

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Signature	Title	Date
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

PJC OF MASSACHUSETTS, INC.

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANGELO BATTAINI Angelo Battaini	Director	August 30, 2013
s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
s/ JAMES J. COMITALE James J. Comitale	Vice President, Assistant Secretary and Director	August 30, 2013

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Signature	Title	Date
/s/ DOUGLAS DONLEY Douglas Donley	Vice President and Assistant Treasurer	August 30, 2013
/s/ PETER HALLISEY Peter Hallisey	Director	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President	August 30, 2013
MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

1740 ASSOCIATES, LLC
APEX DRUG STORES, INC.
PDS-1 MICHIGAN, INC.
NORTHLINE &
DIX TOLEDO-SOUTHGATE, LLC
PAW PAW LAKE ROAD & PAW PAW
AVENUE COLOMA, MICHIGAN, LLC
PERRY DISTRIBUTORS, INC.
PERRY DRUG STORES, INC.
RAM UTICA, INC.
RDS DETROIT, INC.
RITE AID OF MICHIGAN, INC.
SEVEN MILE AND
EVERGREEN DETROIT, LLC
By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (î) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
s/ KENNETH C. BLACK		
Kenneth C. Black	President	August 30, 2013

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Signature	Title	Date
/s/ MICHAEL BROWN Michael Brown	Assistant Secretary	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President, Assistant Secretary and Director	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President, Assistant Treasurer and Director	August 30, 2013
s/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
s/ CHRISTOPHER HALL Christopher Hall	Director	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President	August 30, 2013
MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

JCG HOLDINGS (USA), INC.
JCG (PJC) USA, LLC
RITE FUND, INC.
RITE INVESTMENTS CORP.
RITE AID HDQTRS. FUNDING, INC.
THE JEAN COUTU GROUP (PJC) USA, INC.

By: /s/ BARRY A. CROZIER

Name: Barry A. Crozier
Title: *President and Director*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES J. COMITALE James J. Comitale	Vice President and Assistant Secretary	August 30, 2013
/s/ BARRY A. CROZIER Barry A. Crozier	President and Director	August 30, 2013
/s/ DARRELL K. LANE Darrell L. lane	Vice President, Secretary and Director	August 30, 2013

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Signature	Title	Date
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
/s/ KENNETH C. BLACK Kenneth C. Black	Director	August 30, 2013
/s/ ED DAILEY Ed Dailey	Director	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Director	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

THRIFTY PAYLESS, INC.

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President and Director	August 30, 2013
/s/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President, Assistant Secretary and Director	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President and Assistant Treasurer	August 30, 2013

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Signature	Title	Date
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President and Director	August 30, 2013
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

MAXI GREEN, INC.
RITE AID OF VERMONT, INC.

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/s/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President and Assistant Secretary	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President and Assistant Treasurer	August 30, 2013

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Signature	Title	Date
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President and Director	August 30, 2013
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President, Treasurer and Director	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

ECKERD CORPORATION
EDC DRUG STORES, INC.
GENOVESE DRUG STORES, INC.
HARCO, INC.
K&B ALABAMA CORPORATION
MAXI DRUG NORTH, INC.
MAXI DRUG SOUTH, L.P.
MAXI DRUG, INC.
RITE AID DRUG PALACE, INC.
RITE AID OF CONNECTICUT, INC.
RITE AID OF DELAWARE, INC.
RITE AID OF GEORGIA, INC.
RITE AID OF INDIANA, INC.
RITE AID OF KENTUCKY, INC.
RITE AID OF MAINE, INC.
RITE AID OF MARYLAND, INC.
RITE AID OF NEW HAMPSHIRE, INC..
RITE AID OF NEW JERSEY, INC.
RITE AID OF NEW YORK, INC.
RITE AID OF NORTH CAROLINA, INC.
RITE AID OF OHIO, INC.
RITE AID OF PENNSYLVANIA, INC.
RITE AID ROME DISTRIBUTION CENTER, INC.
RITE AID OF SOUTH CAROLINA, INC.
RITE AID OF TENNESSEE, INC.
RITE AID OF VIRGINIA, INC.
RITE AID OF WASHINGTON, D.C., INC.
RITE AID OF WEST VIRGINIA, INC.
RITE AID ONLINE STORE INC.
THE LANE DRUG COMPANY
THRIFT DRUG, INC.

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President and Director*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same,

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all exhibits thereto, and other documents in connection therewith, with the Securities and hange Commission, and hereby grants to such attorneys-in-fact and agents full power and ority to do and perform each and every act and thing requisite and necessary to be done, as to all intents and purposes as he or she might or could do in person, hereby ratifying and irming all that said attorneys-in-fact and agents or his substitute or substitutes may lawfully r cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/s/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President, Assistant Secretary and Director	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President, Assistant Treasurer and Director	August 30, 2013
/s/ CHRISTOPHER HALL Christopher Hall	Director	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President	August 30, 2013
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

PJC OF VERMONT, INC.

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President and Secretary	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President and Assistant Treasurer	August 30, 2013
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013

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Signature	Title	Date
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President and Director	August 30, 2013
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President, Treasurer and Director	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused Registration Statement to be signed on its behalf by the undersigned, thereunto duly orized, in the City of Camp Hill, State of Pennsylvania, on August 30, 2013.

RITE AID SPECIALTY PHARMACY, LLC
By: Rite Aid Hdqtrs Corp., its sole member

By: /s/ KENNETH C. BLACK

Name: Kenneth C. Black
Title: *President*

SIGNATURES AND POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Marc A. ssler, his true and lawful attorneys-in-fact and agents with full power of substitution and bstitution, for him and in his name, place and stead, in any and all capacities, to sign any all (1) amendments (including post-effective amendments) and additions to this istration Statement and (2) Registration Statements, and any and all amendments thereto uding post-effective amendments), relating to the offering contemplated pursuant to 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and r documents in connection therewith, with the Securities and Exchange Commission, and by grants to such attorneys-in-fact and agents full power and authority to do and perform and every act and thing requisite and necessary to be done, as fully to all intents and oses as he or she might or could do in person, hereby ratifying and confirming all that said rneys-in-fact and agents or his substitute or substitutes may lawfully do or cause to be done irtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ KENNETH C. BLACK Kenneth C. Black	President	August 30, 2013
/s/ GERALD CARDINALE Gerald Cardinale	Vice President and Secretary	August 30, 2013
/s/ JAMES J. COMITALE James J. Comitale	Vice President and Assistant Secretary	August 30, 2013
/s/ DOUGLAS DONLEY Douglas Donley	Vice President and Assistant Treasurer	August 30, 2013

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Signature	Title	Date
/s/ SUSAN LOWELL Susan Lowell	Vice President	August 30, 2013
/s/ JOSEPH NOTARIANNI Joseph Notarianni	Vice President and Assistant Secretary	August 30, 2013
MICHAEL A. PODGURSKI Michael A. Podgurski	Vice President	August 30, 2013
/ MATTHEW SCHROEDER Matthew Schroeder	Vice President and Treasurer	August 30, 2013
/s/ MARC A. STRASSLER Marc A. Strassler	Senior Vice President and Assistant Secretary	August 30, 2013