

**FINANCING STATEMENT -- FOLLOW INSTRUCTIONS CAREFULLY**

This Financing Statement is presented for filing pursuant to the Uniform Commercial Code and will remain effective, with certain exceptions, for 5 years from date of filing.

A. NAME & TEL. # OF CONTACT AT FILER (optional)	B. FILING OFFICE ACCT. # (optional)
C. RETURN COPY TO: (Name and Mailing Address)	
<p><i>Please Return to:</i>                  Intercounty Clearance Corporation                  440 Ninth Avenue                  New York, NY 10001-1686</p>	
#C1513244 NV, DOUGLAS 1911-L	

D. OPTIONAL DESIGNATION (if applicable):  LESSOR/LESSEE  CONSIGNOR/CONSIGNEE  NON-UCC FILING

1. DEBTORS'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b)

1a. ENTITY'S NAME <b>THRIFTY PAYLESS, INC.</b>					
OR	1b. INDIVIDUALS'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>30 HUNTER LANE</b>		CITY <b>CAMP HILL</b>	STATE <b>PA</b>	COUNTRY <b></b>	POSTAL CODE <b>17011</b>
1d. S.S. OR TAX I.D.# <b>95-4391249</b>	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	1e. TYPE OF ENTITY	1f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	1g. ENTITY'S ORGANIZATIONAL I.D.#, if any <input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only on debtor name (2a or 2b)

2a. ENTITY'S NAME					
OR	2b. INDIVIDUALS'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	COUNTRY	POSTAL CODE
2d. S.S. OR TAX I.D.#	OPTIONAL ADD'NL INFO RE ENTITY DEBTOR	2e. TYPE OF ENTITY	2f. ENTITY'S STATE OR COUNTRY OF ORGANIZATION	2g. ENTITY'S ORGANIZATIONAL I.D.#, if any <input type="checkbox"/> NONE	

3. SECURED PARTY'S (ORIGINAL S/P or ITS TOTAL ASSIGNEE) EXACT FULL LEGAL NAME - insert only one secured party name (3a or 3b)

3a. ENTITY'S NAME <b>CITICORP USA, INC., AS SENIOR COLLATERAL AGENT</b>				Tax ID: 13-3535517	
OR	3b. INDIVIDUALS'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>399 PARK AVENUE</b>		CITY <b>NEW YORK</b>	STATE <b>NY</b>	COUNTRY <b></b>	POSTAL CODE <b>10043</b>

4. This FINANCING STATEMENT covers the following types or items of property:

**ALL NOW OWNED OR HEREAFTER ACQUIRED ACCOUNTS, DOCUMENTS, INSTRUMENTS, GENERAL INTANGIBLES, CHATTEL PAPER, CASH MANAGEMENT ACCOUNTS AND THE CASH ON DEPOSIT THEREIN, CONTRACTS, INVENTORY, AND PRODUCTS AND PROCEEDS THEREOF, AS DESCRIBED ON ANNEX I ATTACHED HERETO AND INCORPORATED BY REFERENCE HEREIN.**

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5. CHECK <input type="checkbox"/> This FINANCING STATEMENT is signed by the Secured Party instead of the Debtor to perfect a security interest (a) in collateral already subject to a security interest in another jurisdiction when it was brought into this state, or when the debtor's location was changed to this state, or (b) in accordance with other statutory provisions (additional data may be required)	7. If filed in Florida (check one) <input type="checkbox"/> Documentary stamp tax paid <input type="checkbox"/> Documentary stamp tax not applicable
6. REQUIRED SIGNATURE(S) <b>THRIFTY PAYLESS, INC.</b> <i>[Signature]</i>	8. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable)
<b>CITICORP USA, INC., AS SENIOR COLLATERAL AGENT</b> <i>[Signature]</i>	9. Check to REQUEST SEARCH CERTIFICATE(S) on Debtor(s) (ADDITIONAL FEE) (optional) <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2

## ANNEX I

A. This Annex I, consisting of five (5) pages, is attached to and incorporated in a financing statement pertaining to (i) the Senior Subsidiary Security Agreement dated as of June 12, 2000 (as further amended, supplemented or otherwise modified from time to time, the "*Senior Subsidiary Security Agreement*"), made by each subsidiary of the Borrower (as defined below) listed on Schedule I thereto or which becomes a party thereto (each such subsidiary individually a "*Grantor*" and, collectively, the "*Grantors*") in favor of Citicorp USA, Inc., as collateral agent (in such capacity, the "*Senior Collateral Agent*") for the Senior Secured Parties (as defined therein), and (ii) the Senior Credit Agreement dated as of June 12, 2000 (as further amended, supplemented or otherwise modified from time to time, the "*Senior Credit Facility*"), among the Rite Aid Corporation, a Delaware corporation (the "*Borrower*"), the banks from time to time party thereto, the Issuing Banks, the Swingline Banks, Citicorp USA, Inc., as Senior Administrative Agent and as Senior Collateral Agent and Heller Financial Inc. and Fleet Retail Finance Inc., as syndication agents. The Financing Statement that this Annex I is attached to covers all of the following, whether now owned or hereafter acquired by the Debtor named in the Financing Statement to which this Annex I is attached (the "*Debtor*") or in which the Debtor now has or at any time in the future may acquire any right, title or interest in, to and under (collectively, the "*Collateral*"):

- (i) all Accounts Receivable and chattel paper;
- (ii) all Cash Management Accounts and cash on deposit therein;
- (iii) all Contracts;
- (iv) all Documents;
- (v) all General Intangibles;
- (vi) all Instruments;
- (vii) all Intellectual Property;
- (viii) all Inventory;
- (ix) all books and records pertaining to any and all of the foregoing and item (x) herein; and
- (x) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing.

B. As used herein, the following terms shall have the following meanings:

"*Accounts Receivable*" means all accounts receivable of the Debtor, including all right, title and interest of such Debtor to accounts receivable and all right, title and interest of such Debtor to payment for goods and services sold, leased or rendered, including any such right evidenced by chattel paper, whether due or to become due, whether or not it has been earned or performed, and all of its right, title and interest in any

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returned goods, together with all rights, titles, securities and guaranties with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary in each case whether due or become due, whether now or hereafter arising in the future and all chattel paper evidencing such accounts.

**"Agreement"** means this Senior Subsidiary Security Agreement, as the same may be amended, modified or otherwise supplemented from time to time.

**"Blocked Account"** means each of the specified deposit accounts referenced in the Senior Subsidiary Security Agreement established by the applicable Grantor at the applicable bank or financial institution pursuant to an agreement among the applicable Grantor, the Senior Collateral Agent and such bank or financial institution, and under the sole dominion and control of the Senior Collateral Agent, and initially including the following accounts:

<b>Bank</b>	<b>Account Numbers</b>
Bank of America, N.A.	3750909869
Bank of America, N.A.	1233625317
Bank of America, N.A.	1233829710
PNC Bank	8612489237
PNC Bank	8550419961
US Bank	153607068225
Bank One, NA	1134843
Fleet National Bank	9415842956
Union Bank of California, N.A.	1870024297
First Union National Bank	2000611234904
Harris Bank	3931276

**"Cash Management Accounts"** mean, collectively, (a) the Blocked Accounts, (b) the Deposit Accounts, (c) the Concentration Account and (d) the Citibank Concentration Accounts.

**"Citibank"** means Citibank N.A.

**"Citibank Concentration Account"** means each of the specified deposit accounts referenced in the Senior Subsidiary Security Agreement, and under sole dominion and control of the Senior Collateral Agent, and initially having Citibank Account No. 30429828.

**"Concentration Account"** means the specified deposit account referenced in the Senior Subsidiary Security Agreement established by the applicable Grantor at The Chase Manhattan Bank ("Chase") pursuant to an agreement among the applicable

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Grantor, the Senior Collateral Agent and Chase, and under the sole dominion and control of the Senior Collateral Agent, and initially having The Chase Manhattan Bank Account No. 9102750222.

**"Contracts"** means all contracts of such Debtor, including all rights of such Debtor under contracts and agreements to which such Debtor is a party or under which such Debtor has any right, title or interest or to which such Debtor or any property of such Debtor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of such Debtor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Debtor to damages arising out of, or for, breach or default in respect thereof and (c) all rights of such Debtor to exercise all remedies thereunder, in each case to the extent the grant by such Debtor of a security interest pursuant to this Agreement in its rights under such contract or agreement is not validly prohibited without the consent of any other person or entity, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from all such other persons or entities, in each case, to the extent that such contract relates to any Accounts Receivable, Inventory or Intercompany Advances.

**"Copyrights"** means all copyrights of such Debtor, including (a) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (b) the right to obtain all renewals thereof.

**"Copyright Licenses"** means all copyright licenses of such Debtor, any written agreement naming such Debtor as licensor or licensee, granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright, and all rights of such Debtor under any such agreement.

**"Deposit Account"** means, collectively, (a) the Lockbox Account and (b) the Government Lockbox Account.

**"Documents"** means all documents of such Debtor, including all Instruments, files, records, ledger sheets, and documents covering or relating to any of the Accounts Receivable, General Intangibles, Inventory or Proceeds.

**"General Intangibles"** means all general intangibles of such Debtor in each case to the extent that such general intangibles relate to the Accounts, Inventory or Intercompany Advances.

**"Government Lockbox Account"** means the specified deposit account and corresponding lockbox referenced in the Senior Subsidiary Security Agreement established by the applicable Grantor at Mellon Bank pursuant to an agreement among the applicable Grantor, the Senior Collateral Agent and Mellon Bank, and under sole dominion control of the Senior Collateral Agent, and initially having Mellon Bank Account No. 1037294.

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**"Instrument"** means all instruments of such Debtor insofar as such instruments evidence Intercompany Advances, Accounts Receivable or proceeds of Inventory.

**"Intellectual Property"** means all Intellectual Property of such Debtor, the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, inventions, designs, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**"Intercompany Advances"** means any advances or open accounts owing by the Borrower or any subsidiary of the Borrower to any Grantor.

**"Inventory"** means all Inventory of such Debtor, including all right, title and interest of such Debtor in and to goods intended for sale or lease by such Debtor, or consumed in such Debtor's business (including, without limitation, all operating parts and supplies), together with all raw materials and finished goods, whether now owned or hereafter acquired or arising.

**"Lockbox Account"** means the specified deposit account and corresponding lockbox referenced in the Senior Subsidiary Security Agreement established by the applicable Grantor at Mellon Bank pursuant to an agreement among the applicable Grantor, the Senior Collateral Agent and Mellon Bank, and under sole dominion and control of the Senior Collateral Agent, and initially having Mellon Bank Account No. 0693636.

**"Mellon Bank"** means Mellon Bank N.A.

**"Patents"** means all patents of such Debtor, including (a) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof and (c) all rights to obtain any reissues or extensions of the foregoing.

**"Patent License"** means all patent licenses of such Debtor, including all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

**"Proceeds"** means with respect to such Debtor, any consideration received from the sale, exchange, collection or other disposition of any asset or property which constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral, and shall include, without limitation, (a) all cash and negotiable instruments received or held on behalf of the Senior Collateral Agent, (b) any claim of such Grantor against a third party for (and the right to sue and

recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by such Debtor, or licensed under a Patent License, (ii) past, present or future infringement or dilution of any Trademark now or hereafter owned by such Debtor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor and (iii) past, present or future infringement of any Copyright now or hereafter owned by such Debtor or licensed under a Copyright License and (c) any and all amounts from time to time paid or payable under or in connection with any of the Collateral.

*"Trademarks"* means all trademarks of such Debtor, including (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto and (b) the right to obtain all renewals thereof.

*"Trademark License"* means all trademark licenses of such Debtor, including any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark.

REQUESTED BY  
*Intercounty Clearance Corp.*  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

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LINDA SLATER  
RECORDER

*PAID* DEPUTY

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