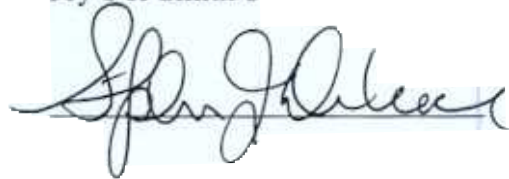


It is hereby agreed by and between Fry's Food & Drug / Smith's Food & Drug Centers (the Company) and United Food and Commercial Workers Local 99 (the Union) that the current "Food & Marketplace" Collective Bargaining Agreement(s) between them for the period from October 26, 2003 through October 25, 2008 (the Agreement), including any addenda and/or letters of understanding between them relating to the Agreement, shall be extended until midnight November 30, 2008.

It is further agreed that if the parties reach a new successor collective bargaining agreement prior to the expiration of this Extension Agreement (midnight November 30, 2008) without a labor dispute or any other negative activity directed at the Company, such as boycotts, leafleting, customer petitions or other activity by the Union intended to cause customers to stop shopping at the Company or publicly reflect negatively on the Company, and such successor collective bargaining agreement provides for an increase in the straight-time hourly wage rates to be effective from the first date of the new successor agreement, then such increase would be effective retroactive to October 26, 2008.

It is agreed and understood that his Extension Agreement including the agreement on retroactivity as defined and delimited above expires on mid-night November 30, 2008.

Fry's & Smith's



For UFCW Local 99

