

EXHIBIT 10
T&K LICENSE

LICENSE AGREEMENT

(H.G. Hill Food Store™)

THIS AGREEMENT is made as of the 19th day of April, 1999 between FLEMING COMPANIES, INC., an Oklahoma corporation ("we" or "us"), and T & K FOODS, L.L.C., a Tennessee limited liability company ("you").

1. Grant of License.

(a) We grant you the right to use the trade name and trademark "H.G. Hill Food Store™" (the "Mark") in the operation of one H.G. Hill Food Store™ supermarket ("Store") at the following location:

1022 Columbia Avenue
Franklin, Tennessee 37064

(b) This license includes the right (i) to operate the Store using the H.G. Hill Food Store™ trade name and trademark, (ii) to install signs bearing the H.G. Hill Food Store™ name and trademark, (iii) to utilize our trade dress in the design and operation of the Store, including decorative non-functional components that provide a distinctive and memorable appearance, (iv) to sell authorized products identified by the H.G. Hill Food Store™ trademark, and (v) to engage in other activities using the H.G. Hill Food Store™ trade name and trademark as we may permit.

(c) This license does not give you any right or authority to sell products identified by or associated with the H.G. Hill Food Store™ trade name and trademark from other locations without our prior written permission, and we may withhold our permission for any reason or without a reason. This license does not grant you the right, option or preferential opportunity to open or operate any additional Stores.

2. No Protected Trade Area. We are not granting to you an exclusive trade area. We are not restricted from establishing other licenses, franchises or company-owned stores or other channels of distribution to sell similar products under the H.G. Hill Food Store™ trade name and trademark or under a different trade name and trademark in your trade area. You acknowledge that we will not have any obligation or implied duty to protect you and your Store and revenues from competition by other grocery stores and supermarkets, including other H.G. Hill Food Store™ stores located outside your trade area.

3. Use of the Mark.

(a) The name "H.G. Hill Food Store™" is a trade name and trademark that we are licensing to you. We own the trade name, service mark and trademark "H.G. Hill Food Store™" and

related names and marks (collectively, the "Mark"). Valuable goodwill is associated with the Mark. You must use the Mark only in the way we permit. You must use the Mark only in the form, colors, design and manner that we approve in writing. You may not use any abbreviation or variation of the name "H.G. Hill Food Store™". You may not change the Mark or use it in any other way without our advance written approval. You may operate the Store under the name "H.G. Hill Food Store™". You may use the Mark on signs and in advertising and promotion of the Store.

(b) All goodwill associated with the Mark, including any goodwill that might come from your activities, will belong to us. You acknowledge the validity of the Mark. Your interest in the Mark is solely that of a licensee, and you disclaim any ownership interest in the Mark.

(c) You may not use the words "H.G. Hill Food Store™" as part of your corporate or business name. You may not utilize the words "H.G. Hill Food Store™" as part of an Internet domain name, as a web site identification or for an e-mail address or similar use in electronic media. You may not register the Mark as your own. However, you may if required by law file an assumed name or fictitious name certificate to the effect that you are operating the Store under a trade name that includes the Mark.

(d) You must operate, advertise or promote the Store under the name "H.G. Hill Food Store™" without prefix or suffix, except as we otherwise approve in writing. Also, in operating the Store, you must comply with all of our quality standards.

(e) We must approve all signs that you use for the Store before you use them. You will identify yourself as an independent licensee-owner of the Store and place a notice on a fixed placard to that effect in a conspicuous location at the Store.

(f) You agree to use any additional trade names, trademarks, brand names, slogans, commercial symbols and logos that we develop and authorize. Also, you agree to discontinue using any name or mark that we determine is no longer appropriate or characteristic of the image we want to project for H.G. Hill Food Store™ stores.

(g) We may inspect your premises at reasonable times during regular business hours. We may watch the way you conduct business and may meet with your employees and customers to ensure that the Store meets our quality control standards.

(h) You may not permit or authorize others to use the Mark. You must notify us immediately of any unauthorized use of the Mark or any apparent infringement of the Mark (and any other trade name, trademark, brand name, slogan, commercial symbol and

logo used in operating H.G. Hill Food Store™ stores) or of any challenge to your use of the Mark. We will have the complete discretion to take any action that we consider appropriate, including the investigation of infringement claims. We will have the exclusive right to conduct and control any legal proceedings relating to the infringement or challenge and to settle any infringement claims.

(i) We believe that every detail of our store concept is important. To protect our concept, you and other H.G. Hill Food Store™ licensees are required to strictly comply with all of our requirements. We wish to maintain uniformity of the Stores. The provisions and requirements of this section are intended to enhance the reputation and goodwill of H.G. Hill Food Store™ stores.

4. Term and Renewal.

(a) This license for the Store will continue for a primary term of five (5) years, beginning on the date we sign this Agreement, unless it is terminated earlier due to breach or default or as otherwise provided in this Agreement.

(b) If at the end of the five-year primary term you are in full compliance with all of your obligations under this Agreement, you will have the option to renew the license for ten (10) additional periods of two (2) years each by (i) notifying us of your intention to renew, at least one hundred eighty (180) days before the scheduled expiration date of the primary term or any renewal term, (ii) renewing your Facility Standby Agreement with us, and (iii) signing and furnishing to us a general release on a form we prescribe, releasing us and our affiliates and each of our directors, officers and shareholders of any liability or claims you may have against each. If you do not satisfy any of these conditions, you will not be able to renew the license. If you do not qualify to renew or elect not to renew, the license will terminate, and you must comply with requirements relating to termination.

5. Operating Standards.

(a) Our system (including operating procedures, marketing concepts, business strategies, management techniques and other elements and components of the H.G. Hill Food Store™ system) and our trade secrets are proprietary, and they belong exclusively to us. To protect the reputation and goodwill associated with the Mark and to maintain our standards of operation, you must operate the Store in accordance with the H.G. Hill Food Store™ standards.

(b) A committee comprised of three H.G. Hill Food Store™ store owner/operators will be responsible for establishing and monitoring operating standards. This committee is called the

Standards Steering Committee. Representatives to the committee will be elected annually by H.G. Hill Food Store™ owners, with each owner having one vote per H.G. Hill Food Store™ store owned. Representatives may not serve more than two consecutive terms but are eligible to serve additional subsequent terms. We will have the right to have a representative present to make suggestions at meetings of the Standards Steering Committee, but we will not have a vote. Committee members will each have one vote, and decisions will be made by majority vote. In the event of a tie on a material vote (as determined by the Committee), the issue will be submitted to all H.G. Hill Food Store™ owners, with each owner having one vote per H.G. Hill Food Store™ store owned. Committee members absent at three or more meetings within a year shall automatically be removed. In the event of a vacancy on the Standards Steering Committee, we will call a special meeting of all H.G. Hill Food Store™ owners to elect a successor to the vacant office. The Committee may adopt bylaws which are not inconsistent with this Agreement.

(c) The Standards Steering Committee will have the right to set and modify store operating standards, including customer service standards, variety counts by department, minimum inventory levels by department, maintenance, cleanliness and sanitation, product dating and rotation, equipment requirements and other operational standards. The Committee may set standards relating to layout, decor, fixtures and equipment of the Store. The Committee shall not set any standards with respect to pricing or advertising. The Committee's standards may be incorporated into a confidential operating manual. The standards will be a part of this Agreement and will be binding on you. To protect the reputation and goodwill associated with the Mark, you must operate the Store in accordance with the standards adopted by the Standards Steering Committee. The Committee may add new and different products and withdraw products; redesign the equipment and fixture standards; and design merchandising displays or discontinue them as it considers appropriate. You must accept and use the changes as if they were part of this Agreement. If you deviate from the requirements of the Committee without our approval, we may terminate this Agreement. The version of the standards on file at our principal office will constitute the official version for purposes of resolving any question or dispute concerning the standards.

(d) We reserve the right to set and change standards relating to the Mark, trade dress, sales and marketing techniques. If you deviate from our standards without our approval, we may terminate this Agreement.

(e) If any changes or modifications involving new products or items would not require the installation of new fixtures or equipment, you may be instructed to begin offering the new products or items on a specified date. Likewise, if the withdrawal

of a product or item would not require the removal of fixtures or equipment, you may be directed to stop offering the product or item on a specified date. You agree to comply with these instructions and directions.

(f) If any changes or modifications involving new trademarks, concepts, products or items necessitate the addition or removal of fixtures, equipment, or signs, you may be instructed to adapt the Store to the change. A schedule will be established for you to implement the change, which will depend, among other factors, on the Store's size, age, location, and the amount you have spent in recent periods to refurbish or upgrade the Store.

(g) You must redecorate and/or refurbish the Store, including the inside, outside and signage, as required by the Standards Steering Committee in order to maintain the image and standards associated with the Mark. Any redecorating must conform to the Committee's requirements at the time.

(h) You must allow us and representatives of the Standards Steering Committee to inspect the Store to verify that you are complying with applicable standards. The Standards Steering Committee will monitor all H.G. Hill Food Store™ stores to ensure that they are operating within the standards set by the Committee. The Committee will advise us of deviations from the standards. You will receive a copy of any notice of deviation regarding the Store.

6. Advertising and Marketing.

(a) When you sign this Agreement, you must furnish us your marketing plan for the Store. It must satisfy our guidelines. We will keep the marketing plan confidential, and you must also do so.

(b) We will develop pricing and advertising standards and strategies for H.G. Hill Food Store™ stores. You must follow these standards and strategies. If you deviate from them without our approval, we may terminate this Agreement.

(c) You must send us copies of all advertisements and promotional materials that you plan to use in promoting the Store. These include specialty and novelty items, boxes and bags. We may require that you change the content or format of advertisements and promotional materials, based on our decisions relating to quality control, proper use of the Mark, tastefulness, appropriateness with respect to conformity with the changing image of our system, market projection (as we determine in our sole and absolute discretion), or compliance with this Agreement. If we do not disapprove your advertisements or promotional materials within thirty (30) days (excluding weekends and holidays) after we receive them, you may consider them to be approved. However, if you do not

comply with this Agreement, then our failure to take action or disapprove materials will not be interpreted as a waiver of any default. All of your advertising and promotional materials must be factual and true.

(d) We may develop and produce marketing and advertising materials for H.G. Hill Food Store™ to enhance and promote the goodwill of the Mark and system. We are not under any obligation to develop or produce marketing or advertising materials. If we produce them, we will make them available to you for purchase at prices that include our recoupment of costs, shipping and handling charges and, if we consider it appropriate, a reasonable profit, but you will not be required to purchase them. These may include creative materials, ads for media placement, special brochures, coupons, sweepstakes promotional materials, point-of-sale materials, and other items.

(e) You are responsible for making sure that any advertising materials you use comply with all consumer protection and other laws.

(f) You agree to participate in system-wide promotions that we originate. You also agree to participate in system-wide advertising campaigns that we create or approve.

(g) You may not advertise or use the Mark in advertising or any other form of promotion without appropriate registration marks or the designation "®" where applicable.

(h) You must lease from us the outside signs for the Store. We will own the signs. We will furnish the form of lease agreement that we use for leasing signs. The term of the lease will be the term of this Agreement. We may require that the signs be changed, at your expense, to comply with section 5 of this Agreement. In addition to the other amounts that you are obligated to pay, you must pay us for the lease of the signs. The lease amount will be the then-current charge that we establish for leasing similar signs to other H.G. Hill Food Store™ licensees. Further, you must pay for the delivery, installation and return of the signs, and the maintenance of the signs, including ad valorem taxes, insurance premiums and other costs. You must obtain and maintain all permits necessary for the installation and maintenance of the signs.

7. Reporting of Gross Retail Sales.

(a) Each Tuesday, you must report to us your Gross Retail Sales for the previous week (Sunday through Saturday). If we request, you must allow us to inspect your books and records so we can verify your Gross Retail Sales.

(b) "Gross Retail Sales" includes all sales of merchandise from the Store, less credits for returned merchandise, merchandise trade-ins and credits of a similar nature. "Gross Retail Sales" does not include sales, luxury, excise or other taxes collected at the Store from customers and charged separately; merchandise transfers from one Store to another; return of merchandise to a supplier; wholesale bakery or wholesale delicatessen sales; nor sales of money orders, lottery tickets or vending machine receipts.

8. Accounting and Records.

(a) To enable both you and us to best ascertain your costs and to maintain an economical method of operation, you agree to keep, during the term of this Agreement and for at least four (4) years after this Agreement terminates, complete and accurate books and accounts in accordance with generally accepted accounting principles and in the way we may prescribe.

(b) If we request, you agree to send us by the 20th day after the end of each accounting period of ours, in the form we approve, an income statement and balance sheet for the preceding four-week accounting period. Also, you must, at your expense, submit to us within ninety (90) days after the end of each calendar year during this Agreement an income statement for the calendar year and a balance sheet as of the end of the year just ended. These annual statements must be prepared and certified by an independent certified public accountant in accordance with generally accepted accounting principles applied on a consistent basis. We may waive the requirement that the statements for any year be certified.

9. Requirements.

(a) You must comply with all laws affecting the Store, including laws relating to tax reporting and compliance, health, sanitation and safety standards, any applicable licensing laws, access to premises and facilities, discrimination in employment, environmental safety, and other matters. We must both remain in continuous communication about quality control matters. You must allow us to inspect the Store and your books and records so we can verify that you are complying with this Agreement, our requirements, and marketing plans, and so we can check your quality control standards.

(b) You must maintain a competent, conscientious, and trained staff and take all necessary steps to ensure that Store employees preserve good customer relations, render prompt and courteous services, and are knowledgeable about products. You are responsible for all employment decisions of the Store, including hiring, firing, training, promotion, wage and hour requirements, recordkeeping, supervision, and discipline of employees.

(c) We do not set sales quotas for the Store, set the prices you charge to your customers, or determine salaries of your employees or select your employees.

(d) You must punctually pay all taxes and assessments against the premises or the equipment used in the Store. You must pay and discharge any liens or encumbrances created or placed on or against any of the property of the Store. Also, you must pay all accounts and other debts of your business.

(e) You must timely obtain, maintain, and renew all permits and licenses necessary for the business, including permits for the sale of alcoholic beverages and sales tax permits.

(f) You must notify us in writing within five (5) days if any action, suit or proceeding is commenced that involves you or the Store. Also, you must notify us of the issuance of any order, writ, injunction or judgment of any court, agency or governmental body which may adversely affect the operation or financial condition of the Store.

10. Standards of Quality.

(a) It is essential to the proper marketing and promotion of H.G. Hill Food Store™ stores that uniform standards be maintained. You, therefore, agree that you will sell or offer for sale only grocery products, foods, general merchandise and other products that will meet our specifications and standards.

(b) You must maintain the Facility Standby Agreement with us during this Agreement in order that we can be assured that all of our specifications and standards as to quality are met and that you have a supplier with the capacity and facilities to meet your needs with the quantities, at the times and with the reliability needed for an efficient operation.

(c) You must purchase all products and supplies for the operation of the Store that you do not purchase from us under the Facility Standby Agreement from manufacturers, suppliers or distributors that we designate or approve. You may also purchase those products from other suppliers who meet all of our specifications and standards as to quality and can adequately demonstrate their capacity and facilities to meet your needs in the quantities, at the times, and with the reliability needed for an efficient operation. The combination of quality control standards, criteria, specifications, and other responsibilities that approved manufacturers, suppliers and distributors must satisfy are essential to maintaining the goodwill associated with the Mark and the H.G. Hill Food Store™ system. These conditions must be met:

i) If you want to buy products and supplies from manufacturers, suppliers or distributors other than those that

we approve, you must, before buying the products and supplies, send us a written "Notice of Intended Change of Supplier" on the form we provide.

ii) We may reject your intended new manufacturer, supplier or distributor. If we do, we must, within sixty (60) days after we receive your "Notice of Intended Change of Supplier", notify you in writing of our rejection. Our notice of rejection will list the reasons why the supplier does not meet our specifications, standards or requirements. If we do not notify you within the 60-day period, the manufacturer, supplier or distributor will be considered approved for you only. As a condition to being approved, all intended and previously unapproved manufacturers, suppliers or distributors must agree to permit us and our representatives to inspect their facilities, both initially and when we reasonably require, to assure us of the proper production, processing, packaging, storing and transportation of the products and supplies that you plan to purchase.

iii) The approved manufacturer, supplier or distributor must give us permission to inspect as a condition of the continued approval of the manufacturer, supplier or distributor. We may charge you a reasonable fee to cover the costs of any inspections we may make. If we determine from any inspection or from any sampling of products that the manufacturer, supplier or distributor does not meet our specifications and standards, we will send written notice describing our concerns to you and to the manufacturer, supplier or distributor. If the concern or any deficiency is not corrected within thirty (30) days, then the manufacturer, supplier or distributor will no longer be approved.

iv) This section 10 does not apply to alcoholic beverages that are controlled by applicable state alcoholic beverage control authorities. You may determine your own quantities, brands or sizes of alcoholic beverages, if you sell them in the Store.

11. Insurance.

(a) At your expense, you must maintain during this Agreement insurance protecting you and us and the officers, directors, partners and employees of each against any loss, liability, personal injury, death, or property damage or expense arising or occurring on or in connection with the Store, as we may reasonably require. We must be named an additional insured. You must secure the insurance before commencement of business.

(b) The insurance must be written by an insurance company or insurance companies reasonably satisfactory to us. At a minimum, the policies must include the following:

CoverageLimits

Commercial General Liability including contractual liability, products-completed operations liability, personal injury and advertising injury

\$3,000,000 per occurrence
\$6,000,000 general aggregate

Automobile Liability including owned, hired and non-owned autos

\$3,000,000 per occurrence

Workers' Compensation

Statutory

Employer's Liability:

Bodily Injury by Accident:

\$1,000,000 each accident

Bodily Injury by Disease:

\$1,000,000 each employee

\$1,000,000 policy limit

Limits required herein may be satisfied through any combination of primary and excess or umbrella liability policies.

(c) Nothing to the contrary contained herein shall limit your liability as provided in this Agreement. The insurance must not be limited in any way by reason of any insurance which we maintain. The workers' compensation and employer's liability insurance must include a waiver of subrogation provision in our favor. You must furnish us with a certificate or certificates of insurance showing compliance with all insurance requirements within one hundred twenty (120) days after signing this Agreement. Additionally, you must provide us with renewal certificates thirty (30) days prior to the expiration of the insurance required herein. The certificate must state that the policy or policies will not be cancelled or changed without at least thirty (30) days' prior written notice to us and must show that premiums have been paid. Your maintenance of insurance will not relieve you of liability under the indemnity provisions of this Agreement. We may modify the minimum coverage limits required above, as conditions require, by sending you written notice.

(d) You agree to indemnify and save us harmless from and against any and all charges, damages, claims, liabilities, losses or expenses, including reasonable attorneys' fees, in connection with any injury to or death of any person or loss or damage to any property, arising out of the use, occupancy, or operation of the premises, except to the extent such claims arise solely out of our negligent, intentional or willful acts.

12. Covenants.

(a) During this Agreement:

i) You or your designated Store manager must devote full time, energy and effort to the management and operation of the Store.

ii) You may not, either directly or indirectly, alone or with anyone else, own, maintain, manage, engage in, participate in or have any interest in the operation of any other retail grocery store or supermarket, except (a) the restriction relating to interests in other stores does not apply to any interest in additional H.G. Hill Food Store™ or other retail grocery stores owned and disclosed by you to us at the time this Agreement is signed, and (b) the restriction relating to interests in other stores does not apply to stock of any corporation if the stock is publicly held and traded, you own the stock for investment purposes only, and your total holdings are less than 1% of the outstanding stock of the corporation.

(b) During this Agreement and for two (2) years afterwards, regardless of the cause of termination, you will not: (i) divert or attempt to divert any business or customers of the Store to any other competitor, directly or indirectly, or (ii) employ or attempt to employ any of our employees or any other person who is at that time operating or employed at any other H.G. Hill Food Store™.

(c) You will not, during this Agreement or after its termination, communicate or divulge to anyone (except to your employees or contractors who must know for purposes of operating the Store), any confidential information or knowledge concerning the operations of an H.G. Hill Food Store™ or the H.G. Hill Food Store™ system, nor disclose or divulge any of our trade secrets, including private, secret and confidential information relating to such matters as marketing plans and strategies, pricing and pricing strategies, finances and financial information, sales, manuals, operating guidelines, training and training methods, methods of operation, competition, equipment and operational requirements, customer service requirements and standards, and information concerning personnel, vendors and suppliers, unless the information (i) is or becomes generally available to the public other than as a result of your disclosure, or (ii) is required to be disclosed by law.

(d) The remedy at law for any breach of this section is and will be inadequate, and in the event of a breach or threatened breach by you, we will be entitled to an injunction restraining you from any breach or threatened breach. We may also pursue any other remedies available for breach or threatened breach, including the recovery of damages. If you violate this Agreement, the running of the time period of the provisions that

are violated, insofar as they relate to you, will be automatically suspended upon the date of the violation and will resume on the date you permanently cease the violation. If we prevail in any suit to enforce this section, we will be entitled to receive, in addition to any relief or remedy granted, the cost of bringing the suit, including reasonable attorneys' fees. This section will survive the termination of this Agreement. The dispute resolution provisions of this Agreement will not limit or restrict our ability to seek and obtain injunctive relief from any court.

(e) The provisions of this section consist of a series of separate covenants. You agree that the character, duration and geographical scope of these provisions are reasonable. However, should a determination nonetheless be made by a court of competent jurisdiction or other tribunal at a later date that the character, duration or geographical scope of these provisions is unreasonable, then it is our mutual intention and agreement that these provisions will be construed in such a manner as to impose only those restrictions on your conduct and activities which are reasonable in light of the circumstances as they then exist and as are necessary to assure us of the intended benefit of this Agreement. If, in any legal proceeding, a court or other tribunal refuses to enforce all of the separate covenants included in this section because they are more extensive than necessary to assure us of the intended benefit of this Agreement, then those covenants which, if eliminated, would permit the remaining separate covenants to be enforced will, for the purpose of the proceeding, be deemed eliminated from this Agreement. This Agreement may be reformed to be enforceable to the fullest extent permitted by law.

(f) If any of the provisions of this section contravene or are invalid under the laws of any jurisdiction, then the contravention or invalidity will not invalidate the other provisions of this Agreement, and this Agreement will be construed, insofar as the laws of such jurisdiction are concerned, as not containing the provisions which contravene or are invalid under the laws of that jurisdiction.

13. Default and Termination.

(a) You will be in default under this Agreement, and all of your rights under this Agreement will terminate immediately, upon notice to you, in each of these events:

i) You file a voluntary petition for bankruptcy or reorganization.

ii) You make an assignment for the benefit of creditors, or you become insolvent, or a receiver or trustee is appointed for your business or assets.

iii) You voluntarily abandon the Store, fail to continuously operate the Store or to continuously operate it as

an H.G. Hill Food Store™ store, transfer possession of the premises of the Store, or close the Store without an intention to resume normal and usual retail operations in the ordinary course of business.

iv) You refuse to permit us to inspect the Store or your books and records as required in this Agreement.

v) You or your principal owners or managers are convicted of a felony or other crime which, in our judgment, impairs the goodwill associated with the Mark.

vi) Except as specifically provided in this Agreement, you attempt to transfer any of your rights under this Agreement without our prior written consent.

vii) You are a corporation, limited liability company, partnership or other business enterprise, and there is any change in your ownership or control, unless we specifically give written consent to the change as provided in this Agreement.

viii) You or any of your affiliates (or any other person bound by the provisions of this Agreement relating to noncompetition, nonsolicitation, and maintaining confidentiality of trade secrets and other confidential information) directly or indirectly engage in competition with the Store or own, operate, manage, invest in, or otherwise participate in any other business in competition with the Store or in the operation of a retail grocery store or supermarket, except as permitted in this Agreement.

ix) You do not punctually pay any amounts that you owe us or any of our affiliates under any other agreement or any account after expiration of any applicable cure period.

x) You default under any other agreement or contract that you have with us or any of our affiliates after expiration of any applicable cure period.

xi) You default under any lease agreement affecting your Store after expiration of any applicable cure period.

xii) You repeatedly default under this Agreement. "Repeatedly" means that you have defaulted three (3) or more times under any provision of subsections (a) or (b) of this section in any twelve month period, regardless of whether notice of default was given, and regardless of whether any of the previous defaults were corrected or remedied.

(b) In addition to the reasons for termination in subsection (a), if you violate any provision of this Agreement and do not correct or remedy the situation within thirty (30) days

after we send you written notice, then in addition to all other remedies we may have, we may immediately terminate this Agreement. Each of the following is a default and violation of this Agreement:

i) You do not pay any amounts that you owe to your employees, taxing authorities, trade creditors, vendors, landlords or to others.

ii) You do not comply with any provision of this Agreement or our operating requirements, or you carry out this Agreement in bad faith.

iii) You commit any act which in our judgment may reasonably be expected to materially impair the goodwill associated with the Mark.

iv) You operate the Store in a way that presents a health or safety hazard to customers, employees or the public; or you fail to address and correct any deficiency, unsatisfactory condition or areas requiring improvement described in any inspection report we give you.

v) You make a false report to us.

vi) A petition in bankruptcy is filed against you, or a receiver or other representative is appointed for you or your business or assets.

vii) Your real or personal property is attached or levied upon by any sheriff, marshal or similar official.

viii) We discover reasonable grounds for insecurity with respect to your performance under this Agreement or any other agreement with us or our affiliated companies.

(c) If the periods in this Agreement provide for periods of notice that are less than those required by applicable law or provide for termination, cancellation or nonrenewal other than in accordance with applicable law, then the provisions will, to the extent they are not in accordance with applicable law, not be effective, and we will comply with applicable law in each of these matters.

(d) If we materially breach this Agreement and do not correct or remedy the situation within thirty (30) days after you send us written notice describing the breach in reasonable detail, you may terminate this Agreement.

14. Rights and Duties of Parties on Termination.

(a) On termination of this Agreement, you must immediately stop operating as an H.G. Hill Food Store™ licensee. Also:

i) You must pay us all damages, costs and expenses, including reasonable attorneys' fees, that we incur because of a default by you, regardless of whether the default occurred before or after termination. Also, the payment must include all costs and expenses, including reasonable attorneys' fees, that we incur in obtaining injunctive or other relief to enforce this Agreement.

ii) Your right and privilege to operate an H.G. Hill Food Store™ license will immediately, absolutely, and unconditionally cease.

iii) Your right and privilege to use the Mark and any trade names, trademarks, service marks, brand names, slogans, commercial symbols, logo, trade secrets, and components of the H.G. Hill Food Store™ system that we own will immediately, absolutely, and unconditionally cease.

iv) You must stop using the name "H.G. Hill Food Store™" and any of our other marks. You must cooperate with us in Store operations in order to preserve the Store and goodwill of customers and to allow us to continue the Store without interruption if we exercise our option to purchase under this Agreement or any other agreement between us. If we do not exercise our option to purchase, you must at your expense change the appearance of the Store premises, including the color scheme and trade dress, to remove any identification with the Mark. If we require, you must return all signs to us. You must assign to us all rights to the telephone number and listings for the Store. Also, you must return all operating guides and other confidential information.

v) You must cancel any assumed name or similar registrations which contain the name "H.G. Hill Food Store™".

(b) You must give us evidence that we find satisfactory that you have complied with the obligations under subsection (a) within ten (10) days after termination of this Agreement. If you do not comply with those requirements, we may at your expense enter the Store premises and take action to ensure compliance, including removal and storage or other disposition of signs, and alteration or removal and storage of trade dress items. If we do this, you agree that we will not be liable to you in trespass or otherwise. Also, we will be entitled to injunctive or other simi-

lar relief, without bond, against you or any other person bound by this Agreement in order to enforce compliance.

(c) On termination for your failure to comply with section 3, 5, 6, 9 or 10, we will have an obligation to buy all of the Store assets, including equipment, inventory, contract rights, accounts, leasehold improvements and equipment leases (the "Store Assets"). On termination for any other reason, we will have an option to buy all or any part of the Store Assets. We may exercise this option by giving you written notice within ten (10) days after termination. The price for the Store Assets other than inventory will be the higher of net book value (less accumulated depreciation) determined in accordance with generally accepted accounting principles, consistently applied, or the highest price bid by another Charter H.G. Hill Food Store™ Owner. The price for inventory will be cost, determined by a commercially acceptable method to arrive at true cost. The purchase price will be paid in cash at closing, unless we mutually agree on another method of payment. If we purchase the Store or Store Assets, you must sign whatever documents are needed to transfer them, and you must give us full warranties of your ownership, marketable title and right to transfer them. Unless we terminate for your failure to comply with section 3, 5, 6, 9 or 10, we are not obligated to exercise any option or to purchase any assets or property of the Store on termination of this Agreement or otherwise.

i) "Charter H.G. Hill Food Store™ Owner" means the licensees of other H.G. Hill Food Store™ stores who acquire their licenses from us on or within ten days following the date of this Agreement.

(d) Our rights and remedies are not exclusive of any other rights and remedies we may have. They are cumulative of every other right and remedy.

15. Transferability of Interest.

(a) We may assign this Agreement to a third party who, in our sole judgment, is capable of performing our obligations under this Agreement in a reasonably competent manner. If we do, it will be binding on you and on your heirs, successors and assigns, and on our assignee.

(b) You acknowledge that our concept and system depend on the business qualifications, financial capabilities, retail and service orientation, and integrity of our licensees. The success of the Store and the H.G. Hill Food Store™ system is dependent on our licensees. We do not allow licensees to voluntarily and unconditionally sell, assign, and transfer their license and rights to operate a Store without our approval, nor do we permit involuntary transfers of the license and rights to operate a Store. You, therefore, agree not to sell, assign, transfer,

lease, or sublicense your license of the Store or any of your rights under this Agreement without our prior written consent. We will not unreasonably withhold our consent, if all of these conditions and qualifications are met:

i) You must give us at least ninety (90) days advance written notice, stating that you plan to sell or assign your license and rights under this Agreement. In the notice, you must give us the name, address and telephone number of the proposed purchaser or assignee. You must furnish us a fully completed copy of the signed contract for sale. The sale, assignment or other transfer will be subject to our right of first refusal.

ii) The proposed sale or assignment must involve the complete disposition of the license. You must release and relinquish the license and all of your rights under this Agreement in writing.

iii) You must return all confidential materials and items.

iv) The proposed purchaser or assignee must meet all of our standards and criteria for qualifying as a Store licensee or franchisee. We must be satisfied that the proposed purchaser or assignee will be able to satisfy any obligations relating to the purchase (including payment of the purchase price) and still derive a reasonable profit from the Store. The proposed purchaser or assignee must submit to us a business plan, including pro forma profit and loss and cash flow projections, and demonstrate to our reasonable satisfaction that the proposed purchaser can operate the Store profitably.

v) The proposed purchaser or assignee must have a net worth that we find satisfactory to evidence financial responsibility for the Store. This must be supported by financial statements that we approve. The proposed assignee must certify them to be true and complete.

vi) [INTENTIONALLY DELETED]

vii) The proposed purchaser or assignee must meet with us, complete any requested interviews with us, and personally demonstrate the ability to operate the Store to our satisfaction.

viii) The proposed purchaser or assignee must make arrangements with the landlord of the Store premises that we

find acceptable and furnish us a copy of the lease assignment, landlord consent or the new lease, as applicable.

ix) The proposed purchaser or assignee must satisfy all of the other requirements and conditions that we may then require of licensees or franchisees for H.G. Hill Food Store™ stores. These include successful completion of any training programs.

x) The proposed purchaser or assignee must sign the license or franchise agreement that we are using at that time for H.G. Hill Food Store™ stores. Also, all principals of the proposed purchaser or assignee must sign guaranties of the purchaser's or assignee's obligations under the license or franchise agreement.

xi) You must not be in default under this Agreement at the time of the proposed sale or assignment. If you are in default, either you or the proposed purchaser or assignee must remedy the default (including any default in payment of any amounts you owe us and any of our affiliates) before the sale or assignment.

xii) If we agree to release you or anyone else from any liability or obligations under this Agreement or under a guaranty, you and each person that is released must also give us an unconditional, general release of any and all claims they may have against us or our affiliates.

We will act promptly in considering any request and in giving any approvals or disapprovals. You must submit all required information to us in a timely manner.

(c) You agree to notify us if there is any change or planned change in ownership of a licensee that is a corporation, limited liability company, partnership or other business enterprise. You will not permit a change in ownership, including any sale of shares or of any membership or partnership interest, without our prior written consent. We will not unreasonably withhold our consent, if all of these conditions and qualifications are met:

i) You must not be in default under this Agreement at the time of the proposed sale or assignment. If you are in default, you must remedy the default (including any default in payment of any amounts you owe us and any of our affiliates) before the change in ownership.

ii) You must furnish us documentation relating to the transaction that we reasonably request.

iii) Each purchaser or transferee of shares or other equity interest must satisfy our qualifications and requirements for Store owners and must furnish us a signed guaranty of the Agreement for the Store. The requirements include those listed above in subsections (b)(iv), (v), (vi), and (ix), unless we waive any of them.

iv) If the change involves a sale of shares or other equity interests, the selling equity owner must confirm the continuing validity and applicability of the covenant not to compete, non-solicitation, confidentiality, and dispute resolution provisions and obligations under this Agreement. Regardless of any confirmation of those provisions or refusal to confirm them, those provisions will continue in effect.

v) If we agree to release the selling equity owner from any liability or obligations under this Agreement or under a guaranty, each person that is released must also give us an unconditional, general release of any and all claims they may have against us or our affiliates.

We will not consider that a change in control occurred if the parties listed on Attachment 1 to this Agreement continue to own, beneficially and of record, a majority of the equity ownership of a licensee that is a corporation, limited liability company, partnership, or other business enterprise, and they remain in your direct managerial and operational control and day-to-day supervision of the Store. If there is any change in ownership or control, you must promptly give us notice of the change.

We may, in our sole discretion and depending on all of the applicable circumstances, waive any of the above conditions and qualifications, especially for transfers among original shareholders or equity owners, transfers to trusts created for the benefit of a spouse or children, and transfers to family members.

(d) You acknowledge that we have legitimate reasons to evaluate the qualifications of potential purchasers and transferees. You agree that we may contact a proposed purchaser or transferee to analyze and evaluate the terms of the proposed purchase. You understand that we may withhold our consent and disapprove an unqualified purchaser or transferee, or any transaction that we consider economically questionable.

(e) On our request, you will send us lists of all shareholders, directors, officers, members, partners, and equity owners of a corporation, limited liability company, partnership or other business enterprise that is a licensee, including ownership interests of each.

16. Death or Incapacity of Licensee.

(a) If you die or become unable to operate the Store, your heirs or legal representatives must comply with the following provisions. These conditions also apply if any partner or member dies or becomes unable to operate the Store, if you are a partnership or limited liability company; or if any shareholder owning 50% or more of the voting stock dies or becomes unable to operate the Store, if you are a corporation. The heirs or legal representatives must, within one hundred eighty (180) days of the death or inability:

i) Apply to us for the right to continue this Agreement for the rest of the term. We will grant the right if all of the conditions of section 15(c) are met; or

ii) Sell or transfer your interest. The sale or transfer must comply with section 15(c) and our right of first refusal as provided in the Facility Standby Agreement. If your heirs or legal representatives properly and timely applied for the right to continue to operate the Store, but the application was rejected, the 180-day period to sell or transfer will be computed from the date of the rejection. If we do not act on an application during the 180-day period, it will be considered as a rejection on the last day.

(b) If a death or incapacity occurs as described above and the conditions of section (a) are not met within one hundred eighty (180) days, we may terminate this Agreement and your license for the Store.

17. Independent Contractor.

(a) This Agreement does not create a partnership, joint venture, the relationships of employer and employee or of principal and agent between us and you. You are an independent contractor. You are not authorized to make any contract, agreement or representation on our behalf, or to create any obligation on our behalf. You must prominently display in the premises of the Store a statement that clearly and conspicuously states that you independently own and operate the Store as one of our licensees.

(b) Neither we nor any of our affiliated companies will be liable for any of your acts, omissions, debts or other obligations. You agree to indemnify us and our affiliated companies and each of our and their officers, directors and employees against any claims, legal proceedings, investigations, damages, costs and expenses, and the cost of defending them, if they arise directly or indirectly from, or as a result of, your operation of the Store. Your indemnification does not apply to acts or omissions involving our gross negligence or intentional misconduct.

18. Dispute Resolution Procedures. Any controversy, claim or dispute arising out of or relating to this Agreement or the interpretation, performance, breach, termination, enforceability, validity of, or arbitrability of any issue under this Agreement, or relating in any way to the Store or your operation of the Store (including any controversy, claim or dispute involving any of our affiliated companies and each of our officers, directors, employees, agents or representatives) will be subject to the arbitration provisions of the Facility Standby Agreement; provided, however, that the following matters will not be subject to arbitration, at our option: (A) any claim by us or any of our affiliated companies for money based on failure to pay any account or any amount due; (B) any action or proceeding by us to foreclose any security interest; (C) any action or proceeding by us relating to the improper use or infringement of any Mark.

19. Cost of Enforcement or Defense. If we are required to hire an attorney or spend any money to enforce this Agreement or to defend against any claim because you do not perform any of your obligations under this Agreement, we will be entitled to recover reasonable attorneys' fees and other expenses in enforcing the obligation or in defending against the claim.

20. Consents and Approvals. No consent or approval requested of us may be given (and it will not be binding on us), and no claim that we waived any of your responsibilities or obligations will be binding on us, unless it is in writing and signed by one of our senior executives.

21. Non-Waiver. If we do not insist on your strict compliance with any obligation or condition of this Agreement, it will not be a waiver of our right to require strict compliance later. Our customs and practices also will not be considered as a waiver of our right to require strict compliance with this Agreement. We will not be bound by a waiver of any particular default by you, unless we sign a waiver. If we accept any payment from you after you default, it will not be considered to be a waiver of the default.

22. Notices. All notices or other communications required or permitted to be given under this Agreement must be in writing. They will be considered to have been delivered when (a) deposited in the United States first class mails, with postage prepaid, certified or registered mail, return receipt requested, to the addresses shown below, or (b) transmitted by FAX to the numbers shown below. Either of us may change the address or number for notices by written notice to the other given in accordance with this section.

23. Applicable Law. This Agreement will be governed by, and construed in accordance with, Oklahoma law, except to the extent governed by federal trademark laws and the Federal Arbitration Act.

24. Severability and Interpretation.

(a) Each part of this Agreement is severable. If any part is determined to be illegal, invalid or unenforceable, it will not affect the other parts of this Agreement, and the other parts will continue to be binding. If we determine that a finding of illegality, invalidity or unenforceability adversely affects the basic consideration of this Agreement, we may at our option terminate this Agreement.

(b) This Agreement does not give anyone other than you and us any rights or remedies.

(c) All captions are provided for convenience and do not affect the meaning of this Agreement.

(d) Words of any gender used in this Agreement are intended to include any other gender, and words in the singular number include the plural, and vice versa, unless the context clearly indicates otherwise.

(e) This Agreement may be signed in counterparts. All signed copies will be the same agreement.

(f) We have made an effort to use plain language in this Agreement. If you don't understand it, please ask us. We encourage you to hire a lawyer to help you. If any part of it is ambiguous, you agree that it will not be interpreted against us since we made reasonable efforts to write it in plain language. Instead, any ambiguous provision will be interpreted fairly to take into account our mutual intent.

25. Definitions. References to "you" include all persons who succeed to your interest by transfer or operation of law.

26. Joint and Several Obligations. If more than one (1) person is identified as the licensee, the obligations of each person identified as the licensee under this Agreement are joint and several. Additionally, the obligations of the guarantors and other persons bound by this Agreement are joint and several.

27. Caveat. The success of the business is speculative and depends, to a significant extent, upon your efforts and ability as an independent business owner. Your active participation in the daily affairs of the business, as well as other factors, will affect the success of the business. We do not make any representation or warranty, expressed or implied, as to the success of the

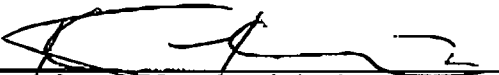
business. You must make your own independent investigation of our operations.

28. Entire Agreement. This is our entire agreement concerning the license for the Store. It supersedes any prior or contemporaneous oral or written agreements or representations. This Agreement may not be modified or amended except by a written agreement that is signed by both you and us. This Agreement contains no implied covenants.

This Agreement will be effective on the date we accept and sign it.

T & K FOODS, L.L.C.

By


Kenneth Kelley, Chief Manager

Address:

P.O. Box 1389

Nolensville, Tennessee 37135

FAX: (615) 776-3133

ACCEPTED on April 19, 1999
in Oklahoma City, Oklahoma.

FLEMING COMPANIES, INC.

By:


Mark Batenc, Sr. Vice President

P.O. Box 26647

Oklahoma City, Oklahoma 73126

FAX: (405)

PARTIES IN CONTROL

(Beneficially, of Record, and of Operations)

<u>Name</u>	<u>Percentage Interest</u>
<u>Kenneth Kelley</u>	<u>25%</u>
<u>Thomas Todd</u>	<u>50%</u>
<u>Lori Kelley</u>	<u>25%</u>