

AMENDED AND RESTATED FACILITY STANDBY AGREEMENT

THIS AMENDED AND RESTATED FACILITY STANDBY AGREEMENT (the "Agreement") is made as of June 1, 2001 (the "Effective Date"), by FLEMING COMPANIES, INC., an Oklahoma corporation ("Fleming"), and STRICKLAND FOODS, INC., a Texas corporation ("Retailer"), with reference to the following circumstances:

(i) Fleming is a full-line wholesale supplier of food, grocery, and related products through its product supply center at Lubbock, Texas and other locations; and

(ii) Retailer is a retailer of food, grocery, and related products and operates retail grocery stores at the locations listed on Exhibit "A" hereto; and

(iii) By a concurrent transaction, Fleming has made and agreed to make certain loans to Retailer; and

(iv) Retailer has requested that Fleming be prepared to supply to Retailer a certain amount of food, grocery, and related products, and to be able to do so Fleming will have to commit certain resources, including capital, employees, inventory, equipment, and facilities; and

(v) Retailer acknowledges that but for Retailer's covenants and agreements in this Agreement, Fleming would not have agreed to commit its resources for the benefit of Retailer, entered into this Agreement, and made the loans to Retailer; and

(vi) Fleming and Retailer entered into that certain Facility Standby Agreement dated April 24, 1998, as amended by an Amendment No. 1 to Facility Standby Agreement dated May 14, 1998, and a Letter Agreement dated June 5, 1998 (collectively, the "Facility Standby Agreement"); and

(vii) Fleming and Retailer desire to amend and restate the Facility Standby Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants stated below, the parties agree as follows:

1. Fleming's Commitment to Supply. Throughout the term of this Agreement, Fleming will maintain capital, employees, inventory, equipment, and facilities sufficient to supply Products to Retailer in quantities sufficient to allow Retailer to meet the Estimated Purchase Level described in Section 3 of this Agreement.

2. Price and Other Terms of Sale. Except as hereinafter provided, the Products sold to Retailer pursuant to this Agreement shall be priced, and other terms of sale shall be established, generally in accordance with the Fleming FlexPro/FlexStar Marketing Plan, the Fleming Produce Sell Plan, the Fleming Meat Sell Plan, the Fleming Bakery/Deli Sell Plan, and the Fleming Cigarette/Tobacco Sell Plan, all of which are dated March 3, 1998, which Retailer has reviewed and which are attached hereto as Exhibit B, as amended from time to time by Fleming in its discretion upon thirty (30) days notice (the "Selling Plan"). Although Fleming has the ability to

amend the Selling Plan in any respect, any amendments will be applicable to all customers of Fleming who are situated similarly to Retailer in Retailer's trade area and who are purchasing Products pursuant to the Selling Plan. As to any Products which are not covered by the Selling Plan, the price of such Products shall be Fleming's quoted selling price in effect for such Products from time to time.

3. Facility Standby Fee.

(a) Amount. By entering into this Agreement, Fleming has committed to devote such capital, employees, inventory, equipment, and facilities as are required to supply Retailer with the quantity of Products necessary for Retailer to purchase the Estimated Purchase Level (defined in Section 3(b) hereof) for the term of this Agreement. Fleming is willing to so commit such resources because of the return it will realize from sale of Products in the quantities necessary for Retailer to purchase the Estimated Purchase Level during the term of this Agreement. If Retailer does not purchase Products in such quantities, Retailer agrees to pay Fleming a Facility Standby Fee. The amount of the Facility Standby Fee shall be equal to three percent (3%) of the amount by which Retailer's purchases during each twelve (12) month period during the term of this Agreement are less than the Estimated Purchase Level.

(b) Estimated Purchase Level. Retailer has estimated that its purchases of Products for delivery to the Store from a Fleming products supply center during each twelve (12) month period during the term of this Agreement will be not less than \$4,500,000 (the "Estimated Purchase Level"). The Estimated Purchase Level shall not include Products billed through Fleming but delivered by a vendor directly to the Store. Fleming will commit its resources, including capital, employees, inventory, equipment, and facilities, in order to be prepared to supply the Estimated Purchase Level of Products to Retailer.

(c) No Other Retailer Obligations. Except as otherwise provided in Section 14 of this Agreement, Retailer shall have no obligation to purchase any specific quantity or type of Products from Fleming.

4. Term. Unless terminated sooner in accordance with this Agreement, the term of this Agreement will commence on the Effective Date and extend until the date that is five years after the Effective Date (the "Initial Term"). At the end of the Initial Term, this Agreement will automatically be extended for additional one-year terms until terminated on an anniversary date by either party with at least six months prior written notice, provided, however, such termination by Retailer shall not occur until (i) Retailer is no longer obligated under any agreement with Fleming, or any affiliate of Fleming; and (ii) all of Retailer's financial obligations to Fleming, and all affiliates of Fleming, have been fully paid and satisfied. In no event will the term of this Agreement extend beyond twenty (20) years from the date hereof.

5. Default.

(a) Default by Retailer. If Retailer fails to perform in any material respect any of its obligations under this Agreement, then Retailer shall be in default and Fleming shall have all rights and remedies available under this Agreement or applicable law, including, without limitation, the right to immediately terminate this Agreement by written notice (a "Notice of

Termination”), the right to immediately refuse, withhold or stop shipment or delivery of Products by Fleming or any bailee, the right to require cash payment prior to delivery, the right of specific enforcement of the obligations of Retailer, and in certain circumstances, the right to reclaim Products already delivered for which payment has not been made. All such remedies shall be cumulative, and the resort to one remedy shall not be deemed an election of remedies. However, in the event of a monetary default, Retailer shall have five days from receipt of the Notice of Termination or other notice of such default from Fleming within which to cure the monetary default. Fleming shall not be obligated to ship any Products to Retailer during such five days. In the event of such default by Retailer, Fleming’s remedy with respect to monetary damages shall be limited solely to direct damages, if any, suffered by Fleming. In no event whatsoever shall Retailer be liable to Fleming for, and Fleming waives, releases and covenants not to sue or make demand for any consequential damages, punitive damages (whether identified as exemplary damages or otherwise), or statutorily prescribed damages.

(b) Default by Fleming. If Fleming fails to perform in any material respect any of its obligations under this Agreement, then Fleming shall be in default and Retailer shall have the right to immediately terminate this Agreement by written Notice of Termination and to pursue all remedies available under this Agreement or law by reason of such default, including, without limitation, specific enforcement of the obligations of Fleming. All such remedies shall be cumulative, and the resort to one remedy shall not be deemed an election of remedies. However, in the event of a monetary default, Fleming shall have five days from receipt of the written Notice of Termination or other notice of such default from Retailer within which to cure the monetary default. In the event of such default by Fleming, Retailer’s remedy with respect to monetary damages shall be limited solely to direct damages, if any, suffered by Retailer. In no event whatsoever shall Fleming be liable to Retailer for, and Retailer waives, releases and covenants not to sue or make demand for any consequential damages, punitive damages (whether identified as exemplary damages or otherwise), or statutorily prescribed damages.

6. Disputes; Arbitration. All disputes between Fleming and the Retailer, including any matter relating to this Agreement, shall be resolved by final binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”). To the extent they are available, arbitrators shall be selected from the AAA Food Industry panel. In any dispute involving a claim in excess of \$100,000, three arbitrators shall be employed. Absent a showing of good cause, the hearing shall be conducted within ninety (90) days from the service of the statement of claim. All proceedings shall be governed by the Federal Arbitration Act.

Each party shall bear the expense of its own attorneys, experts and out-of-pocket costs as well as fifty percent (50%) of the expense of administration and arbitrator fees. However, the Retailer may be relieved from all or part of such obligation as it relates to such administration and arbitrator fees upon a finding by the arbitrator(s) of economic hardship.

The parties agree (i) TO WAIVE THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES, and (ii) that the arbitrators SHALL NOT HAVE THE POWER TO AWARD CONSEQUENTIAL OR PUNITIVE DAMAGES unless, in the case of (i) or (ii), the arbitrator(s) or a court of competent jurisdiction determines that this limitation, under the circumstances, violates public policy.

Depositions, other than those taken in lieu of live testimony, shall not be taken except upon the arbitrator(s) finding of special need. Parties shall be entitled to conduct document discovery in accordance with a procedure where responses to information requests shall be made within twenty (20) days from their receipt.

Either party shall be entitled to pursue remedies for emergency judicial relief in any court of competent jurisdiction, e.g., in order for Fleming to preserve its collateral, except that immediately following the preliminary adjudication of such request for emergency relief, the parties hereby consent to a stay of the judicial proceedings pending a determination of the dispute on the merits by arbitration as herein provided.

7. Change of Control. If Fleming does not elect to exercise its right of first refusal provided in Section 8 below and there has been a Change of Control, upon thirty (30) days written notice to Retailer Fleming may terminate this Agreement.

8. Right of First Refusal. Subject to the written consent of Fleming as may be required under any other agreement between Fleming and Retailer, (including without limitation, under any security agreement or lease, sublease or license agreement between Fleming or its affiliate and Retailer), in the event Retailer or any Equity Owner desires to make a Disposition, other than in the ordinary course of its business or to a Permitted Transferee, and in the event Retailer or such Equity Owner shall have received an Offer to make a Disposition, Retailer or Equity Owner, as the case may be, shall promptly notify Fleming in writing of the Offer. The notice shall state the name and address of the proposed transferee and the terms of the proposed Disposition, including the price and manner and time of payment and other terms and conditions of such proposed Disposition and shall be accompanied by a complete copy of the Offer. Within thirty (30) days after receipt of such notice, Fleming may elect to lease or acquire, as the case may be, the Assets or the Equity Interest, which is the subject of the Offer, upon the terms and conditions as are contained in the Offer by providing Retailer or Equity Owner with a written notice of election to effect the lease or acquisition. Retailer or Equity Owner shall thereupon make the Disposition of the Assets or Equity Interest to Fleming upon the same terms and conditions as are contained in the Offer from such third party, except that in the event of a sale of the Assets or Equity Interest, Retailer or Equity Owner agrees that it shall be bound to comply with the applicable laws in the State of Texas, to pay or otherwise satisfy any and all claims, liens, taxes and encumbrances in connection therewith and to deliver to Fleming good and marketable title to the Assets or Equity Interest being conveyed to Fleming.

If the Offer is not accepted by Fleming within thirty (30) days from the date of delivery of the notice of the written Offer and provided the written consent of Fleming as required by any lease, sublease or other agreement between Fleming and Retailer has been given, Retailer shall have the right for a period of ninety (90) days to make the Disposition of the Assets or Equity Interest in the Retailer to the third party specified in the written notice at a price not less than and upon terms and conditions no more favorable than offered to Fleming. If the proposed Disposition is not consummated within such ninety (90) day period, the Assets and Equity Interest in Retailer shall again become subject to the restrictions of this right of first refusal. Notwithstanding the foregoing, nothing herein shall be construed as allowing Retailer to lease or sublease any store premises or transfer any leasehold interest therein through an assignment or otherwise, without the prior written consent of Fleming if any store premises are

being leased or subleased by Retailer from Fleming or its affiliates. Furthermore, in order to preserve Fleming's right of first refusal in the Equity Interest, each Equity Owner shall, contemporaneously with the execution of this Agreement, provide evidence to Fleming that the following restrictive legend has been conspicuously stated on the face of all certificates of stock or other similar type documents evidencing the Equity Interest in Retailer:

"The shares of stock or interests evidenced by this certificate are subject to a right of first refusal to purchase such shares or interests granted to Fleming Companies, Inc."

Notwithstanding anything contained in this Agreement to the contrary, if this Agreement is terminated before May 30, 2006, the right of first refusal granted hereunder to Fleming shall survive such termination and continue in effect (unless Fleming specifically terminates such right of first refusal in writing) through May 30, 2006, at which time the right of first refusal shall terminate. Furthermore, Fleming may assign this right of first refusal to any person or entity independent of or with any assignment of this Agreement.

9. Amendment or Waiver. This Agreement may not be amended, nor any of its terms waived, unless such amendment or waiver is in writing and signed by the parties hereto.

10. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma.

11. Counterparts. This Agreement may be executed in multiple counterparts, all of which taken together will constitute one instrument and each of which will be considered an original for all purposes.

12. Time is of the Essence. Time is of the essence of this Agreement.

13. Notices. Whenever any notice is required to be given under this Agreement, then such notice shall be written and shall be given or sent, and the other party shall be deemed to have received it, if delivered personally or by national overnight courier, on the date such notice is delivered personally or by the national overnight courier, or if mailed, on the third business day after mailing, if sent by first-class certified mail, postage prepaid, return receipt requested, and addressed as follows:

(a) Notices to Fleming:

Fleming Companies, Inc.
408 E. 50th Street
Lubbock, Texas 79408
Attn: Mr. Carroll McLarty

With copies to:

Fleming Companies, Inc.
5701 N. Shartel
Oklahoma City, Oklahoma 73118

Attn: Assistant General Counsel

(b) Notices to Retailer:

Strickland Foods, Inc.
1330 Fabens Street
P.O. Box 696
Fabens, Texas 79838
Attn: Mr. James Pendell

With copies to:

Guy N. Fields, III
501 Executive Center Blvd., Suite 101
El Paso, Texas 79902

or to such other address as may be designated on ten (10) days prior notice in writing by such party. All such notices and communications shall be in writing and signed by the party giving such notice.

14. Purchase of Store Supplies and Control Label Products. Upon the termination of this Agreement, Retailer will purchase from Fleming (i) all store supplies that Fleming has purchased or obtained as supplies for Retailer, and (ii) private label or label designated products, each group of which, because of any special design, label, logo, quantity, or other feature cannot be sold promptly by Fleming to other retailers being served by the product supply center servicing Retailer under this Agreement at the same price being paid for such supplies and control label products by Retailer. Retailer will pay to Fleming the then current price for such supplies and control label products being charged by Fleming to Retailer. Such amount will be paid and such supplies and products will be delivered by Fleming to Retailer within ten (10) days after termination of this Agreement.

15. Miscellaneous.

(a) Authorization. Retailer or Fleming will execute and deliver any and all documents that may reasonably be requested by the other in order to properly document this Agreement, including, but not limited to, certified resolutions of the Board of Directors or the owners of Equity Interests in Retailer authorizing the undersigned to enter into this Agreement.

(b) Binding Effect. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. Except as expressly provided herein, neither this Agreement nor the rights and obligations of Retailer hereunder shall be assignable by Retailer, and any purported assignment in contravention hereof shall be void without the consent of Fleming. However, if Fleming should consent to an assignment or if without Fleming's consent the rights and obligations of Retailer are transferred by operation of law or otherwise, Retailer shall require that such rights and obligations be assumed by the transferee.

(c) Exhibits. Any Exhibit attached to this Agreement is made a part hereof and is fully incorporated herein by reference.

(d) Entire Agreement. This Agreement is the final expression of the agreement of the parties regarding the purchase of Products by Retailer from Fleming and supersedes any prior or contemporaneous agreement between the parties pertaining to the matters covered by this Agreement. There are no representations, promises, warranties, understandings, or agreements, express or implied, oral or otherwise, except those expressly referred to or set forth in this Agreement. Retailer acknowledges that the execution and delivery of this Agreement is its free and voluntary act and deed and that Retailer's execution and delivery have not been induced by or done in reliance upon any representations, promises, warranties, understandings, or agreements made by Fleming or its agents, officers, employees, or representatives that are not expressly stated in this Agreement. No promise, representation, warranty, or agreement made subsequent to the execution and delivery of this Agreement by either party, and no revocation, partial or otherwise, or change, amendment, addition, alteration, waiver or modification of this Agreement or any of the terms hereof will be enforceable, unless it is in writing and signed by Fleming and Retailer.

(e) Headings. Headings or captions of the sections in this Agreement are for convenience of reference only and in no way define or limit or describe the intent of this Agreement or any provision hereof.

(f) Inconsistency with Selling Plan. If any of the provisions of this Agreement are inconsistent with the provisions of the Selling Plan, the provisions of this Agreement will govern.

(g) No Effect. The length of the term of this Agreement may not correspond with the terms of other agreements between Fleming and Retailer, and nothing shall be implied therefrom. Furthermore, this Agreement shall have no relevance or effect in determining whether or not a loan, mortgage, sublease, license, franchise, or other agreement, if any, between Fleming and Retailer will be extended or renewed.

(h) Limitation of Actions. An action for breach of this Agreement must be commenced within two years after the cause of action has accrued by sending the other party a statement of claim and demand for arbitration. A cause of action is accrued when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach.

(i) Cross Default. Any material breach of this Agreement by Retailer will be deemed to be a breach of any and all other agreements by and between Retailer and Fleming and its affiliates, whether now in existence or hereafter entered into, including, with limitation, any and all lease agreements, franchises, licenses, sublease agreements, promissory notes, loan agreements, security agreements, deeds of trust, leasehold deeds of trust, and pledge agreements. Upon breach of any of the agreements referenced in the preceding sentence, Fleming may pursue all remedies legally available to it under those other agreements, including, without limitation, terminating those agreements, accelerating Retailer's obligations pursuant to those agreements, seeking monetary damages, and seeking equitable relief.

(j) Force Majeure. Neither party shall be deemed in default of this Agreement if such party's non-performance is the result of a condition beyond such party's control," including, but not limited to, labor strikes, government rationing or other regulations, flood, fuel shortages, earthquake, acts of God, drought, and other weather conditions; provided,

however, general economic conditions shall not be deemed to be a "condition beyond such party's control."

(k) State and Local Taxes. Retailer represents and warrants that all Products purchased from Fleming that are tangible personal property shall be purchased for resale in the ordinary course of Retailer's business, and that Retailer shall comply with pertinent state and local laws regarding the collection and payment of sales, use, and other taxes applicable to all such resale transactions and furnish evidence thereof to Fleming. If any such tangible personal property is put to a taxable use by Retailer or is purchased by Retailer other than for resale, Retailer shall make timely return and payment to the proper taxing authority of all sales, use, and like taxes applicable thereto, and shall indemnify Fleming against such taxes and all penalties and interest related thereto.

(l) DTPA Waiver. RETAILER HEREBY WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTIONS 17.41 THROUGH 17.63 INCLUSIVE, OF THE TEXAS BUSINESS AND COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS, AFTER CONSULTATION WITH LEGAL COUNSEL OF ITS OWN SELECTION, RETAILER VOLUNTARILY CONSENTS TO THIS WAIVER. It is the intent of Retailer that the rights and remedies with respect to this transaction shall be governed by legal principles other than the Texas Deceptive Trade Practices-Consumer Protection Act. The waiver set forth herein shall expressly survive the termination of this Agreement and the transactions contemplated herein. Retailer represents and warrants that (i) it is a business consumer, (ii) it has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the subject transaction, (iii) it is not in a significantly disparate bargaining position with respect to the subject transaction, (iv) it has been represented by legal counsel of its own selection in connection with the subject transaction and (v) its legal counsel was not directly or indirectly identified, suggested or selected by any other party, or any agent of any other party, to this Agreement. Retailer has waived its rights pursuant to the Deceptive Trade Practices-Consumer Protection Act without duress or coercion and fully acknowledges and understands the effect of the waiver.

(m) Permitted Transferee. Retailer and/or the applicable Equity Owner shall notify Fleming within ten (10) days of any transfer of an Equity Interest to a Permitted Transferee.

16. Definitions. Capitalized terms used in this Agreement shall have the following meanings.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, Controls Retailer (a "Controlling Person") or any Person that is Controlled by or is under common Control with a Controlling Person.

"Assets" means the Store or any substantial asset or assets in the Store, including, without limitation the land and building where an owned Store is located and the leasehold interest in a leased Store, together with substantially all furniture, fixtures, equipment, inventory,

accounts, general intangibles, and other personal property of any kind or character that is used in connection with the Store.

"Change of Control" means the acquisition directly or indirectly by any Person other than a Permitted Transferee of the sufficient Equity Interest in Retailer such that the Person has the power to Control Retailer.

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of equity, by contract, or otherwise.

"Disposition" shall mean the sale, transfer, lease or exchange, directly or indirectly of substantially all of the Assets or fifty percent (50%) or more of the Equity Interests of Retailer in one transaction, or in a series of transactions, the result of which would constitute a transfer of fifty percent (50%) or more of such Equity Interests.

"Effective Date" shall have the meaning stated in the first paragraph of this Agreement.

"Equity Interest" means, in the case of a corporation, the voting capital preferred or common stock or other voting security of the corporation, and in the case of a limited liability company or partnership, any membership, partnership, or other economic interest in the entity.

"Equity Owner" means any person or entity owning any Equity Interest in Retailer.

"Estimated Purchase Level" shall have the meaning described in Section 3(b) of this Agreement.

"Facility Standby Fee" shall have the meaning described in Section 3(a) of this Agreement.

"Fleming" shall have the meaning stated in the first paragraph of this Agreement.

"Initial Term" shall have the meaning stated in Section 4 of this Agreement.

"Offer" means any proposal or offer for the acquisition of any of the Assets, other than in the ordinary course of Retailer's business, or any Equity Interest made by or on behalf of any Person.

"Period" means any of the thirteen (13) four-week periods into which Fleming divides each calendar year for Fleming's internal accounting purposes.

"Permitted Transferee" shall mean, with respect to any Equity Owner, a transferee of all or part of such Equity Owner's Equity Interest (i) which is an entity over which the Equity Owner maintains Control, or (ii) who is a member of such Equity Owner's immediate family (or a trust, the sole beneficiaries of which are such members), or (iii) which is an entity over which a

member of such Equity Owner's immediate family maintains Control. For purposes of this Agreement, immediate family shall mean each Equity Owner's spouse and children.

"Person" means any individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department agency or political subdivision thereof).

"Products" means food, grocery, meat, perishables, and other related products, supplies, and merchandise described in the Selling Plan that Fleming offers for sale to its other retail customers.


"Retailer" means the person identified in the first paragraph of this Agreement and any successors thereof.

"Selling Plan" shall have the meaning described in Section 2 of this Agreement.

"Store" means the retail grocery store operated by Retailer at the location described Exhibit "A" of this Agreement.

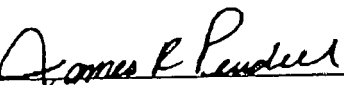
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

FLEMING COMPANIES, INC., an Oklahoma corporation

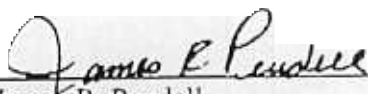
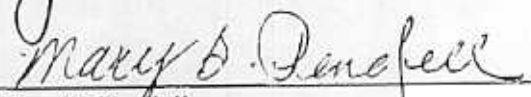
By 
Name: William C. Moo
Title: Vice President, Shared Services-Real Estate

"FLEMING"

STRICKLAND FOODS, INC., a Texas corporation

By 
James R. Pendell, Vice President and General Manager

"RETAILER"


James R. Pendell

Mary S. Pendell

*Executed for the purpose of agreeing to the provisions of Section 8 hereof.

EXHIBIT A

Store

S&S Big 8
1330 Fabens Street
Fabens, Texas 79838