

EXHIBIT 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., et al., ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

**NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. ("Fleming") and Richmar Foods, Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") a motion (the "Procedures Motion") for an order (the "Bidding Procedures Order") establishing auction procedures (the "Auction Procedures") for the sale of up to nine (9) of the Richmar retail stores (the "Assets"). The Procedures Motion requests that the Procedures Order approve, among other things, this notice (the "Cure Notice"). The Court is scheduled to conduct a hearing on the Procedures Motion on **May 19, 2003 at 12:30 p.m., prevailing Eastern time.**

PLEASE BE ADVISED that on or about May 12, 2003, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on **May 30, 2003, at 10:00 a.m. prevailing Eastern time**, the Debtor intend to hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022. The Debtors

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

PLEASE TAKE FURTHER NOTICE that in conjunction with the intended sale of the Assets, the Debtor may seek to assume and assign the executory contracts and unexpired leases ("Acquired Contracts") set forth in the attached Schedule of the Debtors' Acquired Contracts (the "Cure Schedule") to the successful bidder(s) at the Auction.

PLEASE TAKE FURTHER NOTICE that the cure amounts for the Assigned Contracts and Leases (as defined in the Sale Motion), within the meaning of 11 U.S.C. § 365, according to the Debtors' books and records, are set forth in the attached Cure Schedule.

PLEASE TAKE FURTHER NOTICE that any objections to the Debtors' stated cure amounts must be filed with the Bankruptcy Court and served in such a manner that it is actually RECEIVED on or before **May 28, 2003, at 4:00 p.m. prevailing Eastern time**, by: (a) counsel to the Debtors, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Sixteenth Floor, Wilmington, Delaware 19801 Attention: Laura Davis Jones, Esquire and Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire; (b) Office of the United States Trustee, District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, Attention: Julie Compton, Esquire; (c) counsel to the Lenders, White & Case, 1155 Avenue of the Americas, New York, New York 10036-2787, Attention: Andrew P. DeNatale, Esquire; and (d) counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, Thirtieth Floor, Los Angeles, California 90017, Attention: Paul Aronzon, Esquire, and Pepper Hamilton LLP, 100 Renaissance Center, Suite 3600, Detroit, Michigan 48243-1157, Attention: Robert S. Hertzberg, Esquire. Any such objection must set forth a specific default in any of the Acquired Contracts and claim a specific monetary amount that differs from the amount, if any, specified in the Cure Schedule. If an objection is filed, such objection will be entertained by the Court at the hearing on the Sale Motion scheduled for **June 4, 2003 at 4:00 p.m., prevailing Eastern time**.

PLEASE TAKE FURTHER NOTICE that, pursuant to 11 U.S.C. § 365(k), upon assignment of any executory contracts or leases, each Debtor and its estate shall have no liability for any breach of such Acquired Contract occurring after such assignment. Also, if the order requested by the Sale Motion is granted and the Acquired Contracts are assumed and assigned, the counterparties to the Acquired Contracts will be forever barred from asserting against the Debtors or the Buyer any default allegedly arising or incurred prior to the closing of the sale of the Assets, any pecuniary loss resulting from such default or any other obligation under the Acquired Contracts arising or incurred prior to the closing of the sale of the Assets other than the

cure amount set forth in the Cure Notice issued by the Debtors with respect to the applicable Acquired Contract.

Dated: May 12, 2003

KIRKLAND & ELLIS

James H. M. Sprayregen, P.C. (ARDC No. 6190206)

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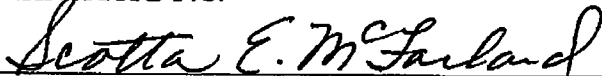
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[Proposed] Co-counsel for the Debtors and Debtors in Possession

SCHEDULE OF ACQUIRED CONTRACTS

Acquired Contract	Cost to Cure
Shopping Center Lease, dated 1/31/97, by and between TKG Pinole LLC, as landlord, and Fleming Companies, Inc. as Tenant (1370 Fitzgerald Drive, Pinole, CA)	\$65,743.63
Build and Lease Agreement dated 6/26/85 by and between Passco Delta Fair LLC (original lessor was Delta Fair - Oxford Limited Partnership), as Lessor, and Fleming, as Lessee, as amended (2950 Delta Fair Blvd., Antioch, CA)	\$32,799.90
Build and Lease Agreement dated 6/24/92 by and between Robmor Investments (original landlord was Mary and Robert Lattanzio), as Landlord, and Fleming (successor to Fleming Foods West, Inc.), as Tenant (1550 N. Ben Maddox Way, Visalia, CA)	\$16,869.66
Lease Agreement dated 5/25/95 by and between Red Mountain Retail Group, Inc. (former owner was Sierra Pavilions Limited Partnership), as Lessor and Fleming Companies, Inc., as Lessee (1355 Shaw Avenue, Clovis, CA)	\$2,389.22
Real Estate Lease dated 5/1/95 by and between DeWayne and Sandra Zinkin d/b/a Gettysburg Address, as Lessor, and Fleming Companies, Inc., as Lessee (4590 N. First Street, Fresno CA)	\$8,560.24
Shopping Center Lease dated 4/17/98 by and between Kearney Palms, LLC (original landlord was Central Cities Properties), as Landlord, and Fleming Companies, Inc., as Tenant, as amended (1177 Fresno Street, Fresno, CA)	\$55,202.95

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.	)	Related Docket No.: 715

**CERTIFICATION OF COUNSEL REGARDING DEBTORS' MOTION FOR ORDER:
(A) SCHEDULING THE DATE, TIME AND PLACE FOR A HEARING ON THE
PROPOSED RICHMAR FOOD STORES ASSET SALE MOTION; (B) APPROVING
THE FORM AND MANNER OF NOTICE THEREOF; AND (C) APPROVING:
(i) DEBTORS' AUCTION PROCEDURES; AND (ii) BREAK-UP FEE**

The undersigned hereby certifies that:

1. On May 5, 2003 the above captioned debtors and debtors in possession filed the *Debtors' Motion for Order: (A) Scheduling the Date, Time and Place for a Hearing on the proposed Richmar Food Stores Sale Motion; (B) Approving the Form and Manner of Notice Thereof; and (C) Approving: (i) Debtors' Auction Procedures; and (ii) Break-Up Fee* (the "Richmar Procedures Motion").

2. Attached hereto as Exhibit A is a revised proposed Order on the Richmar Procedures Motion and exhibits thereto (the "Revised Proposed Order"). The Revised Proposed Order includes revisions that have been made in consultation with counsel to the Committee of

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

Unsecured Creditors and the Debtors' prepetition lenders. The revisions reflect the possibility of a sale of the assets in multiple lots at the auction.

3. Attached hereto as Exhibit B is a blackline version of the Revised Proposed Order that shows the differences between the Revised Proposed Order and the order and exhibits initially filed and served with the Richmar Procedures Motion.

4. The Debtors intend to present the Revised Proposed Order at the hearing on the Richmar Procedures Motion on May 19, 2003.

Dated: May 12, 2003

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[Proposed] Counsel for the Debtors and Debtors in
Possession

EXHIBIT “A”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

**ORDER: (A) SCHEDULING THE DATE, TIME AND PLACE
FOR A HEARING ON THE PROPOSED RICHMAR FOODS STORES
ASSET SALE MOTION; (B) APPROVING THE FORM AND MANNER
OF NOTICE THEREOF; AND (C) APPROVING: (i) DEBTORS' AUCTION
PROCEDURES; AND (ii) BREAK-UP FEE [RE: DOCKET NO.]**

Upon the motion of Fleming Companies, Inc. and Richmar Foods, Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the above-captioned debtor and debtor in possession (collectively the "Debtors") seeking entry of an Order: (A) Scheduling the Date, Time and Place for a Hearing on the Proposed Richmar Food Stores Asset Sale Motion; (B) Approving the Form and Manner of Notice Thereof; and (C) Approving: (i) Debtors' Auction Procedures; and (ii) Break-Up Fee (the "Procedures Motion");² due and adequate notice having been given under the circumstances; it appearing that the relief requested is in the best interest of the Debtors' estates, their creditors, and other parties in interest; it

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C., Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

² Capitalized terms not expressly defined herein have the meanings ascribed to such terms in the Procedures Motion, or if not expressly defined therein, in the Asset Purchase Agreement ("Purchase Agreement") annexed as an Exhibit thereto.

appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and after due deliberation and cause appearing therefor; it is hereby

FOUND AND DETERMINED THAT:³

A. The Debtors have articulated good and sufficient reasons for approval of the Debtor's Auction Procedures,

B. The Debtors' Auction Procedures, attached hereto as Exhibit 1, are reasonable and appropriate to maximize the return on the Assets, and

C. The Debtor's proposed notice of the Debtors' Auction Procedures, including the Auction Notice and the Cure Notice, is reasonable.

NOW, THEREFORE, IT IS

ORDERED that the **Procedures Motion** is GRANTED as set forth below; and it is further

ORDERED that the **Debtors' Auction Procedures**, substantially in the form attached hereto as Exhibit 1, are hereby APPROVED, and it is further

ORDERED that the **Auction Notice**, substantially in the form attached hereto as Exhibit 2, is hereby APPROVED as good and sufficient notice of the sale of the Assets, the Auction and all proceedings related thereto; and it is further

ORDERED that the **Cure Notice**, substantially in the form attached hereto as Exhibit 3, is APPROVED as good and sufficient notice to counterparties to executory contracts and unexpired leases of the potential assumption and assignment of the Assigned Contracts and Leases; and it is further

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052. Statements made by the Court from the bench at the hearing shall constitute additional conclusions of law and findings of fact as appropriate.

ORDERED that the Debtors shall have filed and served the **Sale Motion** upon the persons and in the manner specified in the Procedures Motion no later than **May 12, 2003**; and it is further

ORDERED that the Debtors shall have served the **Auction Notice** (substantially in the form annexed hereto) upon the persons and in the manner specified in the Procedures Motion no later than **May 12, 2003**.

ORDERED that the Debtor shall have sent the **Cure Notice** (substantially in the form annexed hereto) not later than **May 12, 2003** to each counterparty to an executory contract or unexpired lease with any of the Debtors that is to be assumed and assigned to the purchaser; and it is further

ORDERED that the Debtors may, at their option, **publish** a notice substantially in the form of the **Auction Notice** in the Wall Street Journal (national edition) by no later than **May 23, 2003**; and it is further

ORDERED that **objections** or responses, if any, to the relief sought in the **Sale Motion** shall be filed and served so that the objection is actually RECEIVED by all required persons by no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that **objections** or responses, if any, to a **Cure Notice**, or any cure amounts stated therein, shall be filed and served so that the objection is actually RECEIVED by all required persons by no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that any and all **Qualified Bids** (as such term is defined in the Debtors' Auction Procedures), other than the bid of Save Mart Supermarkets (the "Buyer"), which is deemed to be made as the Estimated Cash Purchase Price, shall be submitted to the Debtors' counsel (at the address set forth in the Debtors' Auction Procedures) so that they are RECEIVED no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that the Debtors shall have leave (but are not required) to file and serve upon the objecting or responding party a written **reply** to any such objections or responses to the **Sale Motion** and/or any **Cure Notice** by no later than **June 2, 2003 at 12:00 p.m., prevailing Eastern time**; and it is further

ORDERED that the Debtor shall hold the **Auction** for the Assets in accordance with the Debtors' Auction Procedures at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022 , on **May 30, 2003 at 10:00 a.m. prevailing Eastern time**; and it is further

ORDERED that a **hearing** on a Motion to confirm the results of the Auction, if any, and to approve the terms of any sale(s) of assets and assumption and assignment of related executory contracts and unexpired leases will be held on **June 4, 2003, at 4:00 p.m., prevailing Eastern time** (the "Asset Sale Hearing"); and it is further

ORDERED that service and publication of the Auction Notice substantially in accordance with the procedures set forth herein shall be deemed good and sufficient notice of this Order, the Procedures Motion, the Auction, and all proceedings to be held thereon; and it is further

ORDERED that any person seeking to participate as a Qualified Bidder at the Auction must comply with the Debtors' Auction Procedures; and it is further

ORDERED that the Debtor may, with the consent of the Buyer (which consent may not be unreasonably delayed or withheld), extend the deadlines set forth in the Debtors' Auction Procedures, may adjourn the Auction at the Auction, extend the time for filing objections to the Sale Motion, and/or may seek adjournment of the Asset Sale Hearing in open court, all without further notice; and it is further

ORDERED that unless a contract or lease counterparty timely objects, in writing, to any of the cure amounts contained in the Cure Notice: (a) the counterparty shall receive from

the purchaser any cure amounts stated in the Cure Notice at the time of the closing of the sale of the Assets (or promptly thereafter) if its contract or lease is assumed and assigned to the purchaser; and (b) the counterparty shall be forever barred, estopped and enjoined from asserting or enforcing against the Buyer any additional cure amounts in connection with the applicable lease or contract; and it is further

ORDERED that any such objection or response to a Cure Notice must set forth a specific default in any executory contract or unexpired lease, and claim a specific monetary amount that differs from any cure amounts specified in the Cure Notice; and it is further

ORDERED that pursuant to 11 U.S.C. § 365(k), upon assignment of the Assigned Contracts and Leases, the Debtor and its estate shall have no liability for any breach of such contract or lease occurring after such assignment; and it is further

ORDERED that in the event that between the time of the distribution of the Cure Notice and the Auction, the Debtors identify additional executory contracts or unexpired leases not set forth in the Cure Notice, the Debtors are hereby authorized, upon filing a supplemental notice to assume and assign each such contract or lease with this Court, to send a supplemental Cure Notice (a "Supplemental Cure Notice") to the counterparties to such additional executory contracts and unexpired leases; and it is further

ORDERED that if a counterparty does not object to the Cure Amount set forth in the Supplemental Cure Notice within five days upon receipt of such, the purchaser shall pay the Cure Amounts as set forth in the Supplemental Cure Notice; and it is further

ORDERED that any objection to a Supplemental Cure Notice must set forth a specific default in any executory contract or unexpired lease and claim a specific monetary

amount that differs from the amount (if any) specified by the Debtors in the Cure Notice; and it is further

ORDERED that upon the date the Debtors consummate an Alternative Transaction, the Debtors shall immediately pay to Buyer (in immediately available cash via wire transfer to an account designated by Buyer), a breakup fee equal to \$966,000 (the "Break-Up Fee"); and it is further

ORDERED that, notwithstanding any other Order of this Court or otherwise, the Buyer shall pay the Break-Up Fee from any proceeds of the Alternative Transaction prior to the attachment thereto of any lien, claim or encumbrance whatsoever; and it is further

ORDERED that a Break-Up Fee shall be paid to the Buyer under the terms and conditions set forth herein and in the Debtors' Auction Procedures without further Order of this Court; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order; and it is further

ORDERED that this Order is effective immediately upon its entry.

Dated: May __, 2003

Hon. Mary F. Walrath
United States Bankruptcy Judge

Exhibit 1

[Auction Procedures]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

AUCTION PROCEDURES

Fleming Companies, Inc. and Richmar Foods, Inc., two of the above-captioned debtors and debtors in possession (collectively, the "Debtors") have established the following auction procedures (the "Auction Procedures") for the solicitation of offers to purchase up to nine (9) of the leased retail grocery stores and certain related Assigned Contracts and Leases (the "Assets"). The auction for the Assets (the "Auction") shall be conducted in accordance with section 363 of the Bankruptcy Code, Rule 6004 of the Federal Rules of Bankruptcy Procedure, and the Procedures Order, including the Auction Procedures.

1. **Confidential Information.** Any person or entity seeking Confidential Information regarding the Debtors and/or the Assets must execute and deliver a confidentiality agreement in a form and in substance acceptable to the Debtors (after consultation with the Committee), and deliver to the Debtors evidence (satisfactory to the Debtors after consultation with the Committee) establishing such person's or entity's financial capability to timely consummate the purchase of the Assets. The Debtors may decline to provide Confidential Information or any other non-public information to any person or entity seeking it hereunder if the Debtors conclude, after consultation with the Committee, that provision of such information to a particular person or entity could harm the Debtors' estates in any way whatsoever or diminish the value of the Assets or their marketability.
2. **Auction Structure.** Depending upon the results of FTC review of the proposed sale of the Assets to Buyer, the Auction for the Assets shall proceed on **May 30, 2003 at 10:00 a.m. prevailing Eastern time** (the "Auction Date") in one of the following three manners:

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- a. **Total Assets Auction.** If, on or before **May 23, 2003 at 5:00 p.m. prevailing Eastern time** (the "Auction Determination Date"), the FTC approves the sale to the Buyer of all nine (9) stores and certain Assigned Contracts and Leases, as defined in the Purchase Agreement (the "9-Store Assets") to Buyer, then the Auction will proceed on the Auction Date as a bid auction for the 9-Store Assets (the "Total Assets Auction").
 - b. **Lot Auction.** If, on or before the Auction Determination Date: (x) the FTC rejects the sale of the 9-Store Assets to the Buyer, or (y) either the Debtors or the Buyer terminates the Purchase Agreement for any reason, then the Debtors shall promptly notice all interested parties that the Auction will proceed on the Auction Date as a bid auction for "Lots" comprised of at least one (1), and up to nine (9), of the stores and related Assigned Contracts and Leases (the "Lot Auction"). The composition of each Lot is at the discretion of each Qualified Bidder (as defined below), provided that bids for Lots comprised of less than one store and related Assigned Contracts and Leases will not be considered. At the opening of the Lot Auction, the Debtors shall announce to the Qualified Bidders the composition of each Lot and the initial opening bids for each Lot. The bidding shall commence on each Lot, a combination of Lots, or new Lots that the Qualified Bidders may propose during the bidding process.
 - c. **Partial Assets Auction.** If, on or before the Auction Determination Date, the FTC approves the sale of less than nine (9) stores to the Buyer (the "FTC Approved Assets"), the Debtors shall promptly notice all interested parties that the Auction will proceed on the Auction Date as a bifurcated bid auction (the "Partial Assets Auction") as follows:
 - (i) **FTC Approved Assets Auction.** Bidding will commence on the Auction Date upon the FTC Approved Assets (the "FTC Approved Assets Auction");
 - (ii) **Remainder Auction.** Contemporaneously with the bidding for the FTC Approved Assets, bidding will be held (the "Remainder Auction") for the assets that comprise the difference between the 9-Store Assets and the FTC Approved Assets (the "Remainder Assets"). At the Debtors' discretion, after consultation with the Committee, prior to or during the Remainder Auction, the Remainder Assets may be separated into Lots and bidding will proceed on each Lot, subject to the same rules that are applicable to the Lot Auction.
3. **Bid Deadline.** Written bids for the Assets must be **RECEIVED** by the Debtors' counsel, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire and Seth J. Gerson, Esquire no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time ("Bid Date")**. Unless the Debtors, after consultation with the Committee, determine otherwise, only

those parties who submit timely written bids will be entitled to bid at any of the Auctions.

4. **Qualifying Bidders.** To be considered a "Qualified Bidder," the party's written bid (each a "Qualifying Bid") must be accompanied by: (a) notice of the identity of such potential bidder (including the name of any direct or indirect parent corporations, partners and/or joint venturer(s) of the potential bidder) and the name, address, telephone number and fax number and e-mail address of an officer or authorized agent who has the legal authority to bind the bidder, and will appear at the Auction on behalf of such bidder; (b) a minimum Deposit (as defined below) in a cashier's check, wire transfer or other immediately available funds for the Assets (which must be placed into an escrow no later than **May 28, 2003 at 4:00 p.m. prevailing Eastern time**, which escrow must be approved by the Debtors in writing); (c) an acknowledgment that the bid is not subject to any financing contingencies, or any other contingencies (such as due diligence or internal approval), other than regulatory approval, that extend beyond the date of submission of the initial Qualifying Bid; (d) a signed asset purchase agreement (with a copy marked to show changes from the Purchase Agreement with the Buyer); and (e) evidence of such potential Qualified Bidder's financial ability to consummate the proposed transaction (whether or not the evidence provided is sufficient to show such bidder's financial viability is within the discretion of the Debtors, upon consultation with the Committee). Each bidder, whether a Qualified Bidder or not, and its partners and joint venturers, are deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters related to bids, the Auctions, and the sale of the Assets.
5. **Deposit.** The Deposit shall be credited to the purchase price if a Qualified Bidder is the successful bidder or, if not, returned to the unsuccessful bidders upon consummation of the sale of the Assets to which the Qualified Bidder's bid pertained or upon permanent withdrawal of the proposed sale of such Assets. The amount of the "Deposit" is determined as follows:
 - a. in the event of a Total Assets Auction, the Deposit shall be \$1,500,000;
 - b. in the event of a Lot Auction, the Deposit for each Lot shall be equal to 10% of the aggregate purchase price of the Qualified Bid for the Assets comprising such Lot;
 - c. in the event of a Partial Assets Auction, the Deposit shall be as follows: (i) if the Qualified Bidder seeks to participate in the FTC Approved Assets Auction, the Deposit shall be equal to 10% of the aggregate purchase price for the FTC Approved Assets; (ii) if the Qualified Bidder seeks to participate in the Remainder Auction, the Deposit for each Lot shall be equal to 10% of the aggregate purchase price of the Assets comprising such Lot; (iii) if the Qualified Bidder seeks to participate in both the FTC Approved Assets Auction and the Remainder Auction whereby the Qualified

Bidder seeks to bid for Lots comprising of Assets less than the entirety of the Remainder Assets, the Deposit shall be equal to: (x) 10% of the aggregate purchase price for the FTC Approved Assets plus (y) 10% of the aggregate purchase price of the Assets comprising each Lot; (iv) if the Qualified Bidder seeks to participate in both the FTC Approved Assets Auction and the Remainder Auction, and the Qualified Bidder seeks to bid for the Remainder Assets in its entirety, the Deposit shall be \$1,500,000.

6. **Qualified Bids and Overbids.** The initial bid by a Qualified Bidder and the overbids are determined as follows:
- a. in the event of a Total Assets Auction, the initial bid for the Assets shall not be less than \$1,216,000 over and above the Estimated Cash Purchase Price of approximately \$32,200,000. All subsequent bids must exceed the prior highest bid by not less than \$50,000, or such other amount that Debtors determine at the Auction. The Buyer's initial bid shall be on the terms set forth in the Purchase Agreement and in the amount of the Estimated Cash Purchase Price;
 - b. in the event of a Lot Auction, there shall be no minimum initial bid for any Lot; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned;
 - c. in the event of a Lot Auction, there shall be no minimum initial bid for any Lot; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned;
 - d. in the event of an FTC Approved Assets Auction, the minimum initial bid shall be (i) the sum of 3% of the cash purchase price allocated to such FTC Approved Assets pursuant to the terms of the Buyer's Purchase Agreement plus (ii) \$250,000;
 - e. in the event of a Remainder Auction, there shall be no minimum initial bid; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall

determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned.

7. **Auction.** A live oral Auction or Auctions will be conducted at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022 on **May 30, 2003 at 10:00 a.m., prevailing Eastern time** (the "Auction Date") for the sale of the Assets, and any Qualified Bidder may appear and submit its initial overbid, subsequent overbid(s) and/or highest or best (and, in each case, final) bid for the Assets. The Buyer is a Qualified Bidder and may bid and overbid at the Auction. Additional terms and conditions may be implemented by the Debtors and announced at the Auction. Qualified Bidders who are absent from the Auction for more than thirty consecutive minutes while the Auction is in progress are presumed to have affirmatively withdrawn from the Auction. An Auction will be conducted even if there is no competing bid from a Qualified Bidder other than the Buyer.
8. **Highest or Best Bid.** The Debtors, in consultation with the Committee and the Debtors' post-petition lenders, reserve the right to: (a) determine which offer, if any, for the Assets is the highest and/or best offer, including, without limitation, considering cash offers (with assumption of payables); and (b) reject at any time prior to entry of an Order of the Bankruptcy Court approving an offer, any offer which the Debtors, upon consultation with the Committee, deems to be: (i) inadequate or insufficient; (ii) not in conformity with the requirement of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or the terms and conditions of the sale set forth herein; or (iii) contrary to the best interests of the Debtors and their estates. The "Highest and/or Best Bid" shall be determined by considering, among other things: (A) the number, type and nature of any changes to and conditions contain in the Purchase Agreement requested by each Qualified Bidder; (B) the extent to which such modifications are likely to delay closing of the sale of the Assets, and the cost to the Debtors of such modifications or delay; (C) the total and net consideration to be received by the Debtors; (D) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; and (E) the net benefit to the Debtors' estates, taking into account Buyer's rights to the Break-Up Fee. The Buyer shall have standing to contest the Highest and/or Best Bid selected by the Debtors if the successful Qualified Bidder is not the Buyer.
9. **All Bids Remain Open Through Closing or Permanent Withdrawal of Sale.** All bids submitted on the Bid Date, as they may be modified by a Qualified Bidder at the Auction, shall remain open and irrevocable through the closing of the sale of the relevant Assets. Acceptance of a Bid shall, in all respects, be subject to entry of an Order by the Bankruptcy Court which, among other things, authorizes the Debtors to consummate the sale with the successful Qualified Bidder. In the event that the successful bidder does not close, the Deposit of that bidder will be retained as liquidated damages, and the Debtors may seek to close with the next highest bidder, whose bid shall remain open and whose Deposit shall be held until such time as the Debtors are able to consummate the sale with a

successful bidder (this process may continue, at the discretion of the Debtors (upon consultation with the Committee) until a sale is closed or the Debtors permanently withdraw the proposed sale).

10. **Proposed Sale May Be Withdrawn.** The proposed sale of the Assets may be withdrawn, without liability prior to, during or at the conclusion of the Asset Sale Hearing, for any reason, including (but not limited to) a determination that a sale pursuant to the terms and conditions offered at the Auction is not in the best interest of the Debtors' estates.
11. **Break-Up Fee.** In the event of a Total Assets Auction, if the Debtors consummate a sale of the 9-Stores Assets to a Qualified Bidder other than the Buyer (an "Alternative Transaction"), the Debtors shall immediately pay to Buyer (in immediately available cash via wire transfer to an account designated by Buyer) the Break-Up Fee of \$966,000. In the event of an FTC Approved Assets Auction, if the Debtors consummate an Alternative Transaction for the FTC Approved Assets, the Debtors shall immediately pay to the Buyer (in immediately available cash via wire transfer to an account designated by Buyer) the Break-Up Fee of the sum of 3% of the cash purchase price allocated to such FTC Approved Assets pursuant to the terms of the Buyer's Purchase Agreement. The Buyer shall not otherwise be entitled to a Break-Up Fee. Other than the Buyer, no party submitting any other Qualifying Bid shall be entitled to any break-up fee, bid protection, or termination or similar fee or payment.
12. **Adjustment of Purchase Price for Cure of Executory Contracts and Unexpired Leases, and Effect of Assignment.** Cure costs paid by the Buyer (pursuant to section 365 of the Bankruptcy Code) set forth on the schedule to be filed with the Bankruptcy Court no later than May 19, 2003 (as they may be subsequently amended, the "Cure Amounts") shall reduce the purchase price of the Assets. Upon payment of the Cure Amounts and the assignment of the Assigned Contracts and Leases, each Debtor and its estate shall have no liability for any breach of such contract or lease. The counterparty to each such Assigned Contract and Lease shall be forever barred, estopped and enjoined from asserting against the Debtors, their estates, the Buyer or the Assets any additional cure costs in connection with the applicable lease or contract.
13. **Free and Clear Sale.** The Debtors intend to sell the Assets free of all liens, claims, rights, interests and encumbrances, subject to any applicable defenses, including without limitation, any defenses to the validity, extent or priority of any liens.
14. **Good Faith Purchaser.** The Order approving the sale may provide that the purchaser of the Assets will be found to be a good faith purchaser, and the existence of such a finding in the Order approving the sale may be a closing condition for a purchaser.

Exhibit 2

[Auction Notice]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., et al., ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Auction Date: May 30, 2003 at 10:00 a.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

NOTICE OF AUCTION AND SALE HEARING

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. ("Fleming") and Richmar Foods Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware ("the Bankruptcy Court") a motion (the "Procedures Motion") for an order (the "Bidding Procedures Order") establishing auction procedures (the "Auction Procedures") for the sale of up to nine (9) of the Richmar retail stores (the "Assets"). The Procedures Motion requests that the Bidding Procedures Order approve, among other things, this notice (the "Auction Notice").

PLEASE BE ADVISED that on or about May 12, 2003, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on May 30, 2003, at 10:00 a.m. prevailing Eastern time, the Debtors' intend to hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022. The Debtors anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

PLEASE BE FURTHER ADVISED that the Debtors received an offer to purchase all of the Assets from Save Mart Supermarkets (the "Buyer"). The terms and conditions of such offer, which is subject to higher and better bids at the Auction, are set forth in the Sale Motion.

PLEASE BE FURTHER ADVISED that, pursuant to the Auction Procedures, the Debtors may, in consultation with the Committee of Unsecured Creditors: (a) impose additional terms and conditions at or prior to the Auction; (b) extend the deadlines set forth in the Auction Procedures, including (without limitation) Adjourn the auction at the Auction; and/or (c) adjourn the Asset Sale Hearing in open court without further notice.

PLEASE BE FURTHER ADVISED that the Debtors have requested that the Bankruptcy Court schedule a hearing for **June 4, 2003, at 4:00 p.m., prevailing Eastern time** (the "Asset Sale Hearing") to consider the relief requested in the Sale Motion and to confirm the result of the Auction. The Asset Sale Hearing will be held before the Hon. Mary F. Walrath, United States Bankruptcy Judge, Marine Midland Plaza, 824 Market Street, Sixth Floor, Wilmington, Delaware 19081.

PLEASE BE FURTHER ADVISED that objections or responses to any relief requested by the Sale Motion (an "Objection") shall set forth, in writing, with particularity, the grounds for such objections or other statements of position and be filed with the Bankruptcy Court and served in such a manner that it is actually RECEIVED on or before **May 28, 2003, at 4:00 p.m. prevailing Eastern time**, by: (a) counsel to the Debtors, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Sixteenth Floor, Wilmington, Delaware 19801 Attention: Laura Davis Jones, Esquire and Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire; (b) Office of the United States Trustee, District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, Attention: Julie Compton, Esquire; (c) counsel to the Lenders, White & Case, 1155 Avenue of the Americas, New York, New York 10036-2787, Attention: Andrew P. DeNatale, Esquire; and (d) counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, Thirtieth Floor, Los Angeles, California 90017, Attention: Paul Aronzon, Esquire, and Pepper Hamilton LLP, 100 Renaissance Center, Suite 3600, Detroit, Michigan 48243-1157, Attention: Robert S. Hertzberg, Esquire. Objections that do not conform to the foregoing will not be considered by the Bankruptcy Court.

PLEASE BE FURTHER ADVISED that, if the Bankruptcy Court grants the Sale Motion, the Debtor will have the authority to assume and assign certain of their executory contracts and unexpired leases (the "Acquired Contracts"). Unless a contract or lease counterparty timely objects, in writing, to any of the cure amounts contained in a Cure Notice to be sent to each counterparty by the Debtors: (a) the counterparty shall receive from the purchaser any cure amounts stated in the Cure Notice at the time of the closing of the sale of the Assets (or promptly thereafter) if its contract or lease is assumed and assigned to the purchaser; and (b) the counterparty shall be forever barred, estopped and enjoined from asserting or enforcing against the Buyer any additional cure amounts in connection with the applicable lease or contract. Any such objection or response to a Cure Notice must set forth a specific default in any of the Acquired Contracts, and claim a specific monetary amount that differs from any cure amounts specified in the Cure Notice. Pursuant to 11 U.S.C. § 365(k), upon assignment of any of the Acquired Contracts, each Debtor and its estate shall have no liability for any breach of

such contract or lease occurring after such assignment. Also, if the order requested by the Sale Motion is granted and the Acquired Contracts are assumed and assigned, the counterparties to the Acquired Contracts will be forever barred from asserting against the Debtors or the Buyer any default allegedly arising or incurred prior to the closing of the sale of the Assets, any pecuniary loss resulting from such default or any other obligation under the Acquired Contracts arising or incurred prior to the closing of the sale of the Assets other than the cure amount set forth in the Cure Notice issued by the Debtors with respect to the applicable Acquired Contract.

PLEASE BE FURTHER ADVISED that, all requests for information concerning the Assets should be directed to the undersigned counsel for the Debtors, Attention: Ashley H. Anderson, Esquire at the offices of Kirkland & Ellis, 333 Bush Street, 26th Floor, San Francisco, California 94104.

Dated: May ___, 2003

KIRKLAND & ELLIS
James H. M. Sprayregen, P.C. (ARDC No. 6190206)
Richard L. Wynne (CA Bar No. 120349)
Geoffrey A. Richards (ARDC No. 6230120)
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and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES &
WEINTRAUB P.C.

Laura Davis Jones (Bar No. 2436)
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Facsimile: (302) 652-4400

Counsel for the Debtors and Debtors in Possession

Exhibit 3

[Cure Notice]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

**NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. ("Fleming") and Richmar Foods, Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") a motion (the "Procedures Motion") for an order (the "Bidding Procedures Order") establishing auction procedures (the "Auction Procedures") for the sale of up to nine (9) of the Richmar retail stores (the "Assets"). The Procedures Motion requests that the Procedures Order approve, among other things, this notice (the "Cure Notice"). The Court is scheduled to conduct a hearing on the Procedures Motion on **May 19, 2003 at 12:30 p.m., prevailing Eastern time.**

PLEASE BE ADVISED that on or about May 12, 2003, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on **May 30, 2003, at 10:00 a.m. prevailing Eastern time**, the Debtor intend to hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022. The Debtors anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

PLEASE TAKE FURTHER NOTICE that in conjunction with the intended sale of the Assets, the Debtor may seek to assume and assign the executory contracts and unexpired leases ("Acquired Contracts") set forth in the attached Schedule of the Debtors' Acquired Contracts (the "Cure Schedule") to the successful bidder(s) at the Auction.

PLEASE TAKE FURTHER NOTICE that the cure amounts for the Assigned Contracts and Leases (as defined in the Sale Motion), within the meaning of 11 U.S.C. § 365, according to the Debtors' books and records, are set forth in the attached Cure Schedule.

PLEASE TAKE FURTHER NOTICE that any objections to the Debtors' stated cure amounts must be filed with the Bankruptcy Court and served in such a manner that it is actually RECEIVED on or before **May 28, 2003, at 4:00 p.m. prevailing Eastern time**, by: (a) counsel to the Debtors, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Sixteenth Floor, Wilmington, Delaware 19801 Attention: Laura Davis Jones, Esquire and Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire; (b) Office of the United States Trustee, District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, Attention: Julie Compton, Esquire; (c) counsel to the Lenders, White & Case, 1155 Avenue of the Americas, New York, New York 10036-2787, Attention: Andrew P. DeNatale, Esquire; and (d) counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, Thirtieth Floor, Los Angeles, California 90017, Attention: Paul Aronzon, Esquire, and Pepper Hamilton LLP, 100 Renaissance Center, Suite 3600, Detroit, Michigan 48243-1157, Attention: Robert S. Hertzberg, Esquire. Any such objection must set forth a specific default in any of the Acquired Contracts and claim a specific monetary amount that differs from the amount, if any, specified in the Cure Schedule. If an objection is filed, such objection will be entertained by the Court at the hearing on the Sale Motion scheduled for **June 4, 2003 at 4:00 p.m., prevailing Eastern time**.

PLEASE TAKE FURTHER NOTICE that, pursuant to 11 U.S.C. § 365(k), upon assignment of any executory contracts or leases, each Debtor and its estate shall have no liability for any breach of such Acquired Contract occurring after such assignment. Also, if the order requested by the Sale Motion is granted and the Acquired Contracts are assumed and assigned, the counterparties to the Acquired Contracts will be forever barred from asserting against the Debtors or the Buyer any default allegedly arising or incurred prior to the closing of the sale of the Assets, any pecuniary loss resulting from such default or any other obligation under the Acquired Contracts arising or incurred prior to the closing of the sale of the Assets other than the cure amount set forth in the Cure Notice issued by the Debtors with respect to the applicable Acquired Contract.

Dated: May __, 2003

KIRKLAND & ELLIS

James H. M. Sprayregen, P.C. (ARDC No. 6190206)

Richard L. Wynne (CA Bar No. 120349)

Geoffrey A. Richards (ARDC No. 6230120)

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Facsimile: (302) 652-4400

Counsel for the Debtors and Debtors in Possession

SCHEDULE OF ACQUIRED CONTRACTS

Acquired Contract	Cost to Cure
Shopping Center Lease, dated 1/31/97, by and between TKG Pinole LLC, as landlord, and Fleming Companies, Inc. as Tenant (1370 Fitzgerald Drive, Pinole, CA)	\$65,743.63
Build and Lease Agreement dated 6/26/85 by and between Passco Delta Fair LLC (original lessor was Delta Fair - Oxford Limited Partnership), as Lessor, and Fleming, as Lessee, as amended (2950 Delta Fair Blvd., Antioch, CA)	\$32,799.90
Build and Lease Agreement dated 6/24/92 by and between Robmor Investments (original landlord was Mary and Robert Lattanzio), as Landlord, and Fleming (successor to Fleming Foods West, Inc.), as Tenant (1550 N. Ben Maddox Way, Visalia, CA)	\$16,869.66
Lease Agreement dated 5/25/95 by and between Red Mountain Retail Group, Inc. (former owner was Sierra Pavilions Limited Partnership), as Lessor and Fleming Companies, Inc., as Lessee (1355 Shaw Avenue, Clovis, CA)	\$2,389.22
Real Estate Lease dated 5/1/95 by and between DeWayne and Sandra Zinkin d/b/a Gettysburg Address, as Lessor, and Fleming Companies, Inc., as Lessee (4590 N. First Street, Fresno CA)	\$8,560.24
Shopping Center Lease dated 4/17/98 by and between Kearney Palms, LLC (original landlord was Central Cities Properties), as Landlord, and Fleming Companies, Inc., as Tenant, as amended (1177 Fresno Street, Fresno, CA)	\$55,202.95

EXHIBIT “B”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

**ORDER: (A) SCHEDULING THE DATE, TIME AND PLACE
FOR A HEARING ON THE PROPOSED RICHMAR FOODS STORES
ASSET SALE MOTION; (B) APPROVING THE FORM AND MANNER
OF NOTICE THEREOF; AND (C) APPROVING: (i) DEBTORS' AUCTION
PROCEDURES; AND (ii) BREAK-UP FEE [RE: DOCKET NO.]**

Upon the motion ~~(the “Procedures Motion”)~~² of Fleming Companies, Inc. and Richmar Foods, Inc., a wholly owned subsidiary of Fleming (“Richmar”), two of the above-captioned debtor and debtor in possession (collectively the “Debtors”) seeking entry of an Order: (A) Scheduling the Date, Time and Place for a Hearing on the Proposed Richmar Food Stores Asset Sale Motion; (B) Approving the Form and Manner of Notice Thereof; and (C) Approving: (i) Debtors’ Auction Procedures; and (ii) Break-Up Fee (the “Procedures Motion”),² due and adequate notice having been given under the circumstances; it appearing that the relief requested

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

² ~~Capitalized terms not expressly defined herein have the meanings ascribed to such terms in the Sale Procedures Motion, or if not expressly defined therein, in the Asset Purchase Agreement (“Purchase Agreement”) annexed as an Exhibit thereto.~~

² Capitalized terms not expressly defined herein have the meanings ascribed to such terms in the Procedures Motion, or if not expressly defined therein, in the Asset Purchase Agreement (“Purchase Agreement”) annexed as an Exhibit thereto.

is in the best interest of the Debtors' estates, their creditors, and other parties in interest; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and after due deliberation and cause appearing therefor; it is hereby

FOUND AND DETERMINED THAT:³

A. The Debtors have articulated good and sufficient reasons for approval of the Debtor's Auction Procedures,

B. The Debtors' Auction Procedures, attached hereto as Exhibit 1, are reasonable and appropriate to maximize the return on the Assets, and

C. The Debtor's proposed notice of the Debtors' Auction Procedures, including the Auction Notice and the Cure Notice, is reasonable.

NOW, THEREFORE, IT IS

ORDERED that the **Procedures Motion** is **GRANTED** as set forth below; and it is further

ORDERED that the **Debtors' Auction Procedures**, substantially in the form attached hereto as Exhibit 1, are hereby **APPROVED**, and it is further

ORDERED that the **Auction Notice**, substantially in the form attached hereto as Exhibit 2, is hereby **APPROVED** as good and sufficient notice of the sale of the Assets, the Auction and all proceedings related thereto; and it is further

ORDERED that the **Cure Notice**, substantially in the form attached hereto as Exhibit 3, is **APPROVED** as good and sufficient notice to counterparties to executory contracts and unexpired leases of the potential assumption and assignment of the Assigned Contracts and Leases; and it is further

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052. Statements made by the Court from the bench at the hearing shall constitute additional conclusions of law and findings of fact as appropriate.

ORDERED that the Debtors shall have filed and served the **Sale Motion** upon the persons and in the manner specified in the Procedures Motion no later than **May 12, 2003**; and it is further

ORDERED that the Debtors shall have served the **Auction Notice** (substantially in the form annexed hereto) upon the persons and in the manner specified in the Procedures Motion no later than **May 12, 2003**.

ORDERED that the Debtor shall have sent the **Cure Notice** (substantially in the form annexed hereto) not later than **May 12, 2003** to each counterparty to an executory contract or unexpired lease with any of the Debtors that is to be assumed and assigned to the purchaser; and it is further

ORDERED that the Debtors may, at their option, **publish** a notice substantially in the form of the **Auction Notice** in the Wall Street Journal (national edition) by no later than **May 23, 2003**; and it is further

ORDERED that **objections** or responses, if any, to the relief sought in the **Sale Motion** shall be filed and served so that the objection is actually RECEIVED by all required persons by no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that **objections** or responses, if any, to a **Cure Notice**, or any cure amounts stated therein, shall be filed and served so that the objection is actually RECEIVED by all required persons by no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that any and all **Qualified Bids** (as such term is defined in the Debtors' Auction Procedures), other than the bid of Save Mart Supermarkets (the "Buyer"), which is deemed to be made ~~at~~as the Estimated Cash Purchase Price, shall be submitted to the Debtors' counsel (at the address set forth in the Debtors' Auction Procedures) so that they are RECEIVED no later than **May 28, 2003 at 4:00 p.m., prevailing Eastern time**; and it is further

ORDERED that the Debtors shall have leave (but are not required) to file and serve upon the objecting or responding party a written reply to any such objections or responses to the Sale Motion and/or any Cure Notice by no later than June 2, 2003 at 412:00 p.m., prevailing Eastern time; and it is further

ORDERED that the Debtor shall hold the Auction for the Assets in accordance with the Debtors' Auction Procedures at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022 , on May 30, 2003 at 10:00 a.m. prevailing Eastern time; and it is further

ORDERED that a hearing on a Motion to confirm the results of the Auction, if any, and to approve the terms of any sale(s) of assets and assumption and assignment of related executory contracts and unexpired leases will be held on June 4, 2003, at 4:00 p.m., prevailing Eastern time (the "Asset Sale Hearing"); and it is further

ORDERED that service and publication of the Auction Notice substantially in accordance with the procedures set forth herein shall be deemed good and sufficient notice of this Order, the Procedures Motion, the Auction, and all proceedings to be held thereon; and it is further

ORDERED that any person seeking to participate as a Qualified Bidder at the Auction must comply with the Debtors' Auction Procedures; and it is further

ORDERED that the Debtor may, with the consent of the Buyer (which consent may not be unreasonably delayed or withheld), extend the deadlines set forth in the Debtors' Auction Procedures, may adjourn the Auction at the Auction, extend the time for filing objections to the Sale Motion, and/or may seek adjournment of the Asset Sale Hearing in open court, all without further notice; and it is further

ORDERED that unless a contract or lease counterparty timely objects, in writing, to any of the cure amounts contained in the Cure Notice: (a) the counterparty shall receive from

the purchaser any cure amounts stated in the Cure Notice at the time of the closing of the sale of the Assets (or promptly thereafter) if its contract or lease is assumed and assigned to the purchaser; and (b) the counterparty shall be forever barred, estopped and enjoined from asserting or enforcing against the Buyer any additional cure amounts in connection with the applicable lease or contract; and it is further

ORDERED that any such objection or response to a Cure Notice must set forth a specific default in any executory contract or unexpired lease, and claim a specific monetary amount that differs from any cure amounts specified in the Cure Notice; and it is further

ORDERED that pursuant to 11 U.S.C. § 365(k), upon assignment of the Assigned Contracts and Leases, the Debtor and its estate shall have no liability for any breach of such contract or lease occurring after such assignment; and it is further

ORDERED that in the event that between the time of the distribution of the Cure Notice and the Auction, the Debtors identify additional executory contracts or unexpired leases not set forth in the Cure Notice, the Debtors are hereby authorized, upon filing a supplemental notice to assume and assign each such contract or lease with this Court, to send a supplemental Cure Notice (a "Supplemental Cure Notice") to the counterparties to such additional executory contracts and unexpired leases; and it is further

ORDERED that if a counterparty does not object to the Cure Amount set forth in the Supplemental Cure Notice within five days upon receipt of such, the purchaser shall pay the Cure Amounts as set forth in the Supplemental Cure Notice; and it is further

ORDERED that any objection to a Supplemental Cure Notice must set forth a specific default in any executory contract or unexpired lease and claim a specific monetary

amount that differs from the amount (if any) specified by the Debtors in the Cure Notice; and it is further

ORDERED that upon the date the Debtors consummate an Alternative Transaction, the Debtors shall immediately pay to Buyer (in immediately available cash via wire transfer to an account designated by Buyer), a breakup fee equal to \$966,000 (the "Break-Up Fee"); and it is further

ORDERED that, notwithstanding any other Order of this Court or otherwise, the Buyer shall pay the Break-Up Fee from any proceeds of the Alternative Transaction prior to the attachment thereto of any lien, claim or encumbrance whatsoever; and it is further

ORDERED that a Break-Up Fee shall be paid to the Buyer under the terms and conditions set forth herein and in the Debtors' Auction Procedures without further Order of this Court; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order; and it is further

ORDERED that this Order is effective immediately upon its entry.

Dated: May __, 2003

Hon. Mary F. Walrath
United States Bankruptcy Judge

Exhibit 1

[Auction Procedures]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., et al., ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

AUCTION PROCEDURES

Fleming Companies, Inc. and Richmar Foods, Inc., two of the above-captioned debtors and debtors in possession (collectively, the "Debtors") have established the following auction procedures (the "Debtors' Auction Procedures") for the solicitation of offers ~~to purchase for certain owned and up to nine (9) of the leased retail grocery stores and certain related assets, as more fully described in the Procedures Motion~~ Assigned Contracts and Leases (as defined as "Acquired Assets" in the Purchase Agreement, the "Assets"). The auction for the Assets (the "Auction") shall be conducted in accordance with section 363 of the Bankruptcy Code, Rule 6004 of the Federal Rules of Bankruptcy Procedure, and the Procedures Order, including the Debtors' Auction Procedures.

- 1. 13-Confidential Information.** Any person or entity seeking Confidential Information regarding the Debtors and/or the Assets must execute and deliver a confidentiality agreement in a form and in substance acceptable to the Debtors in ~~their sole and absolute discretion~~ (after consultation with the Committee), and deliver to the Debtors evidence (satisfactory to the Debtors ~~in their sole and absolute discretion~~ after consultation with the Committee) establishing such person's or entity's financial capability to timely consummate the purchase of the Assets. The Debtors, ~~in their sole and absolute discretion~~, may decline to provide Confidential Information or any other non-public information to any person or entity seeking it hereunder if the Debtors conclude, ~~in~~ after consultation with the sole and absolute discretion Committee, that provision of such information to a particular person or entity could harm the Debtors' estates in any way whatsoever or diminish the value of the Assets or their marketability.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

2. Auction Structure. Depending upon the results of FTC review of the proposed sale of the Assets to Buyer, the Auction for the Assets shall proceed on May 30, 2003 at 10:00 a.m. prevailing Eastern time (the "Auction Date") in one of the following three manners:

- a. Total Assets Auction. If, on or before May 23, 2003 at 5:00 p.m. prevailing Eastern time (the "Auction Determination Date"), the FTC approves the sale to the Buyer of all nine (9) stores and certain Assigned Contracts and Leases, as defined in the Purchase Agreement (the "9-Store Assets") to Buyer, then the Auction will proceed on the Auction Date as a bid auction for the 9-Store Assets (the "Total Assets Auction").
- b. Lot Auction. If, on or before the Auction Determination Date: (x) the FTC rejects the sale of the 9-Store Assets to the Buyer, or (y) either the Debtors or the Buyer terminates the Purchase Agreement for any reason, then the Debtors shall promptly notice all interested parties that the Auction will proceed on the Auction Date as a bid auction for "Lots" comprised of at least one (1), and up to nine (9), of the stores and related Assigned Contracts and Leases (the "Lot Auction"). The composition of each Lot is at the discretion of each Qualified Bidder (as defined below), provided that bids for Lots comprised of less than one store and related Assigned Contracts and Leases will not be considered. At the opening of the Lot Auction, the Debtors shall announce to the Qualified Bidders the composition of each Lot and the initial opening bids for each Lot. The bidding shall commence on each Lot, a combination of Lots, or new Lots that the Qualified Bidders may propose during the bidding process.
- c. Partial Assets Auction. If, on or before the Auction Determination Date, the FTC approves the sale of less than nine (9) stores to the Buyer (the "FTC Approved Assets"), the Debtors shall promptly notice all interested parties that the Auction will proceed on the Auction Date as a bifurcated bid auction (the "Partial Assets Auction") as follows:
 - (i) FTC Approved Assets Auction. Bidding will commence on the Auction Date upon the FTC Approved Assets (the "FTC Approved Assets Auction");
 - (ii) Remainder Auction. Contemporaneously with the bidding for the FTC Approved Assets, bidding will be held (the "Remainder Auction") for the assets that comprise the difference between the 9-Store Assets and the FTC Approved Assets (the "Remainder Assets"). At the Debtors' discretion, after consultation with the Committee, prior to or during the Remainder Auction, the Remainder Assets may be separated into Lots and

bidding will proceed on each Lot, subject to the same rules that are applicable to the Lot Auction.

3. ~~14.~~ **Bid Deadline.** Written bids for the acquisition of the all of the Assets must be RECEIVED by the Debtors's counsel, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire and Seth J. Gerson, Esquire no later than May 28, 2003 at 4:00 p.m., prevailing Eastern time ("Bid Date"). Unless the Debtors, in their sole and absolute discretion ~~determines~~ after consultation with the Committee, determine otherwise, only those parties who submit timely written bids will be entitled to bid at any of the Auctions.
4. ~~15.~~ **Qualifying Bidders.** To be considered a "Qualified Bidder," the party's written bid (each a "Qualifying Bid") must be accompanied by: (a) notice of the identity of such potential bidder (including the name of any direct or indirect parent corporations, partners and/or joint venturers ~~venturer(s)~~ of the potential bidder) and the name, address, telephone number and fax number and e-mail address of an officer or authorized agent who has the legal authority to bind the bidder, and will appear at the Auction on behalf of such bidder; (b) a minimum deposit of \$1,500,000 Deposit (as defined below) in a cashier's check, wire transfer or other immediately available funds for the Assets (which must be placed into an escrow no later than May 28, 2003, 2003 at 4:00 p.m. prevailing Eastern time, which escrow must be approved by the Debtors in writing); (c) an acknowledgment that the offer ~~bid~~ is not subject to any financing contingencies, or any other contingencies ~~other than regulatory approval~~, (such as due diligence or internal approval contingencies), ~~other than regulatory approval~~, that extend beyond the date of submission of such potential Qualified Bidder's ~~the~~ initial Qualifying Bid; (d) a signed asset purchase agreement (with a copy marked ~~for to~~ show changes from the Purchase Agreement ~~of with~~ the Buyer); and (e) evidence of such potential Qualified Bidder's financial ability to consummate the proposed transaction (whether or not the evidence provided is sufficient to show such potential Qualified Bidder's ~~bidder's~~ financial viability is within the sole and absolute discretion of the Debtors, upon consultation with the Committee). ~~All~~ Each bidders, whether a Qualified Bidder or not, and ~~their~~ its partners and joint venturers, are deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters related to bids, the Auctions, and the sale of the Assets.
5. **Deposit.** The Deposit shall be credited to the purchase price if a Qualified Bidder is the successful bidder or, if not, returned to the unsuccessful bidders upon consummation of the sale of the Assets to which the Qualified Bidder's bid pertained or upon permanent withdrawal of the proposed sale of such Assets. The amount of the "Deposit" is determined as follows:

 - a. in the event of a Total Assets Auction, the Deposit shall be \$1,500,000;

- b. in the event of a Lot Auction, the Deposit for each Lot shall be equal to 10% of the aggregate purchase price of the Qualified Bid for the Assets comprising such Lot;
- c. in the event of a Partial Assets Auction, the Deposit shall be as follows: (i) if the Qualified Bidder seeks to participate in the FTC Approved Assets Auction, the Deposit shall be equal to 10% of the aggregate purchase price for the FTC Approved Assets; (ii) if the Qualified Bidder seeks to participate in the Remainder Auction, the Deposit for each Lot shall be equal to 10% of the aggregate purchase price of the Assets comprising such Lot; (iii) if the Qualified Bidder seeks to participate in both the FTC Approved Assets Auction and the Remainder Auction whereby the Qualified Bidder seeks to bid for Lots comprising of Assets less than the entirety of the Remainder Assets, the Deposit shall be equal to: (x) 10% of the aggregate purchase price for the FTC Approved Assets plus (y) 10% of the aggregate purchase price of the Assets comprising each Lot; (iv) if the Qualified Bidder seeks to participate in both the FTC Approved Assets Auction and the Remainder Auction, and the Qualified Bidder seeks to bid for the Remainder Assets in its entirety, the Deposit shall be \$1,500,000.

6. *Qualified Bids and Overbids. The initial bid by a Qualified Bidder and the overbids are determined as follows:*

- a. 16. *Qualified Bids and Overbids. The initial bid by a Qualified Bidder* in the event of a Total Assets Auction, the initial bid for the Assets shall not be less than \$1,216,000 over and above the Estimated Cash Purchase Price of approximately \$32,200,000. All subsequent bids must exceed the prior highest bid of a Qualifying Bidder (a "Qualifying Bid") by not less than \$50,000, or such other amount that Debtors determine at the Auction. Any and all overbids ~~The Buyer's initial bid~~ shall be on the same terms and conditions in all material respects to those set forth in the Purchase Agreement. ~~The deposit shall be credited to the purchase price if a Qualified Bidder is the successful bidder or, if not, returned to other bidders upon consummation of the sale or permanent withdrawal of the proposed sale, and in the amount of the~~ Estimated Cash Purchase Price;
- b. in the event of a Lot Auction, there shall be no minimum initial bid for any Lot; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned;

- c. in the event of a Lot Auction, there shall be no minimum initial bid for any Lot; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned;
- d. in the event of an FTC Approved Assets Auction, the minimum initial bid shall be (i) the sum of 3% of the cash purchase price allocated to such FTC Approved Assets pursuant to the terms of the Buyer's Purchase Agreement plus (ii) \$250,000;
- e. in the event of a Remainder Auction, there shall be no minimum initial bid; provided, however, that the Debtors may disqualify any bids that, in the Debtors' reasonable business judgment, upon consultation with the Committee, fail to meet a reasonable threshold of value to the Debtors' estate. All subsequent bids must exceed the prior highest bid by an amount that the Debtors shall determine, in consultation with the Committee, at the Auction based upon the composition of each Lot being auctioned.

7. 17-Auction. A live oral Auction or Auctions will be conducted at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022, on May 30, 2003 at 10:00 a.m., prevailing Eastern time (the "Auction Date") for the sale of the Assets, and any Qualified Bidder may appear and submit its initial overbid, subsequent overbid(s) and/or highest or best (and, in each case, final) bid for the Assets. The Buyer is a Qualified Bidder, and may bid and overbid at the Auction. The Buyer's initial bid shall be on the terms set forth in the Purchase Agreement and in the amount of the Estimated Cash Purchase Price. Additional terms and conditions may be implemented by the Debtors and announced at the Auction. Qualified Bidders who are absent from the Auction for more than thirty consecutive minutes while the Auction is in progress are presumed to have affirmatively withdrawn from the Auction. An Auction will be conducted even if there is no competing bid from a Qualified Bidder other than the Buyer.

8. 18-Highest and/or Best Bid. The Debtors, in consultation with the Committee and the Debtors' post-petition lenders, reserve the right to: (a) determine which offer, if any, for the Assets is the highest and/or best offer, including, without limitation, considering cash offers (with assumption of payables); and (b) reject at any time prior to entry of an Order of the Bankruptcy Court approving an offer, any offer which the Debtors, in their discretion upon consultation with the Committee, deems to be: (i) inadequate or insufficient; (ii) not in conformity with the requirement of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or the terms and conditions of the sale set forth herein; or (iii) contrary to the best interests of the Debtors and their estates. The "Highest and/or

Best Bid" shall be determined by considering, among other things: (A) the number, type and nature of any changes to ~~this~~ and conditions contain in the Purchase Agreement requested by each Qualified Bidder; (B) the extent to which such modifications are likely to delay closing of the sale of the Assets, and the cost to the Debtors of such modifications or delay; (C) the total and net consideration to be received by the Debtors; (D) the likelihood of the Qualified Bidder's ability to close a transaction and the timing thereof; and (E) the net benefit to the Debtors' estates, taking into account Buyer's rights to the Break-Up Fee. The Buyer shall have standing to contest the Highest and/or Best Bid selected by the Debtors if the successful Qualified Bidder is not the Buyer.

- 9.** ~~19.~~ **All Bids Remain Open Through Closing or Permanent Withdrawal of Sale.** All ~~written offers and other~~ bids submitted on the Bid Date, as they may be modified by a Qualified Bidder at the Auction, shall remain open and irrevocable through the closing of the ~~transaction for the sale of the~~ relevant Assets. Acceptance of a Bid shall, in all respects, be subject to entry of an Order by the Bankruptcy Court which, among other things, authorizes the Debtors to consummate the sale with the successful Qualified Bidder. In the event that the successful bidder does not close, the ~~earnest money deposit~~ Deposit of that bidder will be retained as liquidated damages, and the Debtors may seek to close with the next highest bidder, whose bid shall remain open and whose ~~d~~ Deposit shall be held until such time as the Debtors are able to consummate ~~their transactions~~ sale with a successful bidder (this process may continue, at the ~~sole and absolute~~ discretion of the Debtors, (upon consultation with the Committee) until a sale is closed or the Debtors permanently withdraw the proposed sale).
- 10.** ~~20.~~ **Proposed Sale May Be Withdrawn.** The proposed sale of the Assets may be withdrawn, without liability prior to, during or at the conclusion of the Asset Sale Hearing, for any reason, including (but not limited to) a determination that a sale pursuant to the terms and conditions offered at the Auction is not in the best interest of the Debtors' estates.
- 11.** ~~21.~~ **Break-Up Fee.** ~~Upon~~ In the date event of a Total Assets Auction, if the Debtors consummate a sale of the 9-Stores Assets to a Qualified Bidder other than the Buyer (an "Alternative Transaction"), the Debtors shall immediately pay to Buyer (in immediately available cash via wire transfer to an account designated by Buyer); the Break-Up Fee of \$966,000. In the event of an FTC Approved Assets Auction, if the Debtors consummate an Alternative Transaction for the FTC Approved Assets, the Debtors shall immediately pay to the Buyer (in immediately available cash via wire transfer to an account designated by Buyer) the Break-Up Fee of the sum of 3% of the cash purchase price allocated to such FTC Approved Assets pursuant to the terms of the Buyer's Purchase Agreement. The Buyer shall not otherwise be entitled to a Break-Up Fee. Other than the Buyer, no party submitting any other offer to purchase the Assets or a Qualifying Bid shall be entitled to any ~~breakup~~ break-up fee, bid protection, or termination or similar fee or payment.

- 12.** ~~22-Adjustment of Purchase Price for Cure of Executory Contracts and Unexpired Leases, and Effect of Assignment. If a cure obligation Cure costs paid by the Buyer (pursuant to section 365 of the Bankruptcy Code) is not set forth on the ~~cure~~ schedule to be filed with the Bankruptcy Court no later than May 9, 19, 2003 (as they may be subsequently amended, the "Cure Schedule Amounts"), or if any Acquired Contract is subject to a cure in excess of the amount set forth next to such Acquired Contract on the Cure Schedule, Debtors shall have paid the amount of such cure or the excess of such cure over the amount set forth on the Cure Schedule or shall have agreed in form and substance satisfactory to Buyer (or the non-Buyer purchaser, as the case may be) that such additional cure obligations shall reduce the Asset Purchase Price purchase price of the Assets. Pursuant to 11 U.S.C. § 365(k), upon Upon payment of the Cure Amounts and the assignment of the Assigned Contracts and Leases, each Debtor and its estate shall have no liability for any breach of such contract or lease occurring after such assignment. Also, ~~the~~ The counterparty to each such Assigned Contract and Lease shall be forever barred, estopped and enjoined from asserting or enforcing against the Debtors, their estates, the Buyer or the Assets any additional cure amounts costs in connection with the applicable lease or contract.~~
- 13.** ~~23-Free and Clear Sale.~~ The Debtors intend to sell the Assets free of all liens, claims, rights, interests and encumbrances, subject to any applicable defenses, including without limitation, any defenses to the validity, extent or priority of any liens.
- 14.** ~~24-Good Faith Purchaser.~~ The Order approving the sale may provide that the purchaser of the Assets will be found to be a good faith purchaser, and the existence of such a finding in the Order approving the sale may be a closing condition for a purchaser.

Exhibit 2

[Auction Notice]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Auction Date: May 30, 2003 at 10:00 a.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

NOTICE OF AUCTION AND SALE HEARING

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. and ~~Rainbow Food Group~~, **("Fleming") and Richmar Foods Inc., a wholly owned subsidiary of Fleming ("Richmar")**, two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware ("the Bankruptcy Court") a motion (the "Procedures Motion") for an order (the **"Bidding Procedures Order"**) establishing auction procedures (the "Auction Procedures") for the sale of ~~31 Rainbow Food~~ **up to nine (9) of the Richmar** retail ~~grocery~~ stores (the "Assets"). The Procedures Motion requests that the **Bidding Procedures Order** approve, among other things, this notice (the "Auction Notice").

PLEASE BE ADVISED that on ~~or about~~ **May 12, 2003**, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on **May 30, 2003, at 10:00 a.m. prevailing Eastern time**, the ~~Debtor shall~~ **Debtors' intend to** hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022 . The Debtors anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

PLEASE BE FURTHER ADVISED that the Debtors received an offer to purchase all of the Assets from Save Mart Supermarkets (the "Buyer"). The terms and conditions of such offer, which is subject to higher and better bids at the Auction, are set forth in the Sale Motion.

PLEASE BE FURTHER ADVISED that, pursuant to the Auction Procedures, the Debtors may, in consultation with the Committee of Unsecured Creditors: (a) ~~with the agreement of the Buyer (which agreement may not be unreasonably delayed or unreasonably withheld) and approval of the Bankruptcy Court~~, impose additional terms and conditions at or prior to the Auction; (b) ~~with the consent of the Buyer (which consent may not be unreasonably delayed or unreasonably withheld)~~, extend the deadlines set forth in the Auction Procedures, including (without limitation) ~~a~~Adjourn the Auction at the Auction; and/or (c) adjourn the Asset Sale Hearing in open court without further notice.

PLEASE BE FURTHER ADVISED that the Debtors have requested that the Bankruptcy Court has scheduled schedule a hearing for June 4, 2003, at 4:00 p.m., prevailing Eastern time (the "Asset Sale Hearing") to consider the relief requested in the Sale Motion and to confirm the result of the Auction. The Asset Sale Hearing will be held before the Hon. Mary F. Walrath, United States Bankruptcy Judge, Marine Midland Plaza, 824 Market Street, Sixth Floor, Wilmington, Delaware 19081.

PLEASE BE FURTHER ADVISED that objections or responses to any relief requested by the Sale Motion (an "Objection") shall set forth, in writing, with particularity, the grounds for such objections or other statements of position and be filed with the Bankruptcy Court and served in such a manner that it is actually RECEIVED on or before May 28, 2003, at 4:00 p.m. prevailing Eastern time, by: (a) counsel to the Debtors, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Sixteenth Floor, Wilmington, Delaware 19801 Attention: Laura Davis Jones, Esquire and Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire; (b) Office of the United States Trustee, District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, Attention: Julie Compton, Esquire; (c) counsel to the Lenders, White & Case, 1155 Avenue of the Americas, New York, New York 10036-2787, Attention: Andrew P. DeNatale, Esquire; and (d) counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, Thirtieth Floor, Los Angeles, California 90017, Attention: Paul Aronzon, Esquire, and Pepper Hamilton LLP, 100 Renaissance Center, Suite 3600, Detroit, Michigan 48243-1157, Attention: Robert S. Hertzberg, Esquire. Objections that do not conform to the foregoing will not be considered by the Bankruptcy Court.

PLEASE BE FURTHER ADVISED that, if the Bankruptcy Court grants the Sale Motion, the Debtor will have the authority to assume and assign certain of their executory contracts and unexpired leases (the "Acquired Contracts"). Unless a contract or lease counterparty timely objects, in writing, to any of the cure amounts contained in a Cure Notice to be sent to each counterparty by the Debtors: (a) the counterparty shall receive from the purchaser any cure amounts stated in the Cure Notice at the time of the closing of the sale of the Assets (or promptly thereafter) if its contract or lease is assumed and assigned to the purchaser; and (b) the counterparty shall be forever barred, estopped and enjoined from asserting or enforcing against the Buyer any additional cure amounts in connection with the applicable lease or contract. Any such objection or response to a Cure Notice must set forth a specific default in

any ~~executory contract or unexpired lease~~ of the Acquired Contracts, and claim a specific monetary amount that differs from any cure amounts specified in the Cure Notice. Pursuant to 11 U.S.C. § 365(k), upon assignment of any ~~executory contracts or leases~~ of the Acquired Contracts, each Debtor and its estate shall have no liability for any breach of such contract or lease occurring after such assignment. Also, if the order requested by the Sale Motion is granted and the Acquired Contracts are assumed and assigned, the counterparties to the Acquired Contracts will be forever barred from asserting against the Debtors or the Buyer any default allegedly arising or incurred prior to the consummation closing of the ~~transactions contemplated in sale of the APA Assets~~, any pecuniary loss resulting from such default or any other obligation under the Acquired Contracts arising or incurred prior to the consummation closing of the ~~transactions contemplated in sale of the APA Assets~~ other than the cure amount set forth in the Cure Notice issued by the Debtors with respect to the applicable Acquired Contract.

PLEASE BE FURTHER ADVISED that, all requests for information concerning the Assets should be directed to the undersigned counsel for the Debtors, Attention: Christopher J. Ashley H. Lhulier Anderson, Esquire at the ~~Wilmington, Delaware office~~ offices of Pachulski, Stang, Ziehl, Young, Jones Kirkland & Weintraub Ellis, P.C. 333 Bush Street, 26th Floor, San Francisco, California 94104.

Dated: May __, 2003

KIRKLAND & ELLIS
James H. M. Sprayregen, P.C. (ARDC No. 6190206)
Richard L. Wynne (CA Bar No. 120349)
Geoffrey A. Richards (ARDC No. 6230120)
Shirley Cho (CA Bar No. 192619)
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Los Angeles, California 90017
Telephone: (213) 680-8400
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and

PACHULSKI, STANG, ZIEHL, YOUNG, JONES &
WEINTRAUB P.C.

Laura Davis Jones (Bar No. 2436)
Ira D. Kharasch (CA Bar No. 109084)
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Facsimile: (302) 652-4400

Counsel for the Debtors and Debtors in Possession

Exhibit 3

[Cure Notice]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

**NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. and Rainbow Food Group ("Fleming") and Richmar Foods, Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") a motion (the "Procedures Motion") for an order (the "Bidding Procedures Order") establishing auction procedures (the "Auction Procedures") for the sale of 31 Rainbow Food up to nine (9) of the Richmar retail-grocery stores (the "Assets"). The Procedures Motion requests that the Procedures Order approve, among other things, this notice (the "Cure Notice"). The Court is scheduled to conduct a hearing on the Procedures Motion on **May 19, 2003 at 12:30 p.m., prevailing Eastern time.**

PLEASE BE ADVISED that on or about May —, 12, 2003, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on **May 30, 2003, at 10:00 a.m. prevailing Eastern time**, the Debtor shall intend to hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022. The Debtors anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favar Concepts, Ltd.; Fleming Foods Management Co., L.L.C.; Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

PLEASE TAKE FURTHER NOTICE that in conjunction with the intended sale of the Assets, the Debtor may seek to assume and assign the executory contracts and unexpired leases ("Acquired Contracts") set forth in the attached Schedule of the Debtors' Acquired Contracts (the "Cure Schedule") to the successful bidder(s) at the Auction.

PLEASE TAKE FURTHER NOTICE that the cure amounts for the Assigned Contracts and Leases (as defined in the Sale Motion), within the meaning of 11 U.S.C. § 365, according to the Debtors' books and records, are set forth in the attached Cure Schedule.

PLEASE TAKE FURTHER NOTICE that any objections to the Debtors' stated cure amounts must be filed with the Bankruptcy Court and served in such a manner that it is actually RECEIVED on or before **May 28, 2003, at 4:00 p.m. prevailing Eastern time**, by: (a) counsel to the Debtors, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Sixteenth Floor, Wilmington, Delaware 19801 Attention: Laura Davis Jones, Esquire and Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 Attention: Geoffrey A. Richards, Esquire; (b) Office of the United States Trustee, District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, Attention: Julie Compton, Esquire; (c) counsel to the Lenders, White & Case, 1155 Avenue of the Americas, New York, New York 10036-2787, Attention: Andrew P. DeNatale, Esquire; and (d) counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 601 South Figueroa Street, Thirtieth Floor, Los Angeles, California 90017, Attention: Paul Aronzon, Esquire, and Pepper Hamilton LLP, 100 Renaissance Center, Suite 3600, Detroit, Michigan 48243-1157, Attention: Robert S. Hertzberg, Esquire. Any such objection must set forth a specific default in any ~~executory contract or unexpired lease of the~~ Acquired Contracts and claim a specific monetary amount that differs from the amount, if any, specified in the Cure Schedule. If an objection is filed, such objection will be entertained by the Court at the hearing on the Sale Motion scheduled for **June 4, 2003 at 4:00 p.m., prevailing Eastern time**.

PLEASE TAKE FURTHER NOTICE that, pursuant to 11 U.S.C. § 365(k), upon assignment of any executory contracts or leases, each Debtor and its estate shall have no liability for any breach of such ~~contract or lease~~ Acquired Contract occurring after such assignment. Also, if the order requested by the Sale Motion is granted and the Acquired Contracts are assumed and assigned, the counterparties to the Acquired Contracts will be forever barred from asserting against the Debtors or the Buyer any default allegedly arising or incurred prior to the ~~consummation~~ closing of the ~~transactions contemplated in sale of the APA Assets~~. Any pecuniary loss resulting from such default or any other obligation under the Acquired Contracts arising or incurred prior to the ~~consummation~~ closing of the ~~transactions contemplated in sale of the APA Assets~~ other than the cure amount set forth in the Cure Notice issued by the Debtors with respect to the applicable Acquired Contract.

Dated: May __, 2003

KIRKLAND & ELLIS

James H. M. Sprayregen, P.C. (ARDC No. 6190206)

Richard L. Wynne (CA Bar No. 120349)

Geoffrey A. Richards (ARDC No. 6230120)

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Counsel for the Debtors and Debtors in Possession

SCHEDULE OF ACQUIRED CONTRACTS

<u>Acquired Contract</u>	<u>Cost to Cure</u>
<u>Shopping Center Lease, dated 1/31/97, by and between TKG Pinole LLC, as landlord, and Fleming Companies, Inc. as Tenant (1370 Fitzgerald Drive, Pinole, CA)</u>	<u>\$65,743.63</u>
<u>Build and Lease Agreement dated 6/26/85 by and between Passco Delta Fair LLC (original lessor was Delta Fair - Oxford Limited Partnership), as Lessor, and Fleming, as Lessee, as amended (2950 Delta Fair Blvd., Antioch, CA)</u>	<u>\$32,799.90</u>
<u>Build and Lease Agreement dated 6/24/92 by and between Robmor Investments (original landlord was Mary and Robert Lattanzio), as Landlord, and Fleming (successor to Fleming Foods West, Inc.), as Tenant (1550 N. Ben Maddox Way, Visalia, CA)</u>	<u>\$16,869.66</u>
<u>Lease Agreement dated 5/25/95 by and between Red Mountain Retail Group, Inc. (former owner was Sierra Pavilions Limited Partnership), as Lessor and Fleming Companies, Inc., as Lessee (1355 Shaw Avenue, Clovis, CA)</u>	<u>\$2,389.22</u>
<u>Real Estate Lease dated 5/1/95 by and between DeWayne and Sandra Zinkin d/b/a Gettysburg Address, as Lessor, and Fleming Companies, Inc., as Lessee (4590 N. First Street, Fresno CA)</u>	<u>\$8,560.24</u>
<u>Shopping Center Lease dated 4/17/98 by and between Kearney Palms, LLC (original landlord was Central Cities Properties), as Landlord, and Fleming Companies, Inc., as Tenant, as amended (1177 Fresno Street, Fresno, CA)</u>	<u>\$55,202.95</u>

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
)	
Fleming Companies, Inc., <u>et al.</u> , ¹	)	Case No. 03-10945 (MFW)
	)	(Jointly Administered)
Debtors.)	

Objection Deadline: May 28, 2003 at 4:00 p.m. prevailing Eastern time
Auction Date: May 30, 2003 at 10:00 a.m. prevailing Eastern time
Hearing Date: June 4, 2003 at 4:00 p.m. prevailing Eastern time

NOTICE OF AUCTION AND SALE HEARING

PLEASE BE ADVISED that, on May 3, 2003, Fleming Companies, Inc. ("Fleming") and Richmar Foods Inc., a wholly owned subsidiary of Fleming ("Richmar"), two of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases, filed with the United States Bankruptcy Court for the District of Delaware ("the Bankruptcy Court") a motion (the "Procedures Motion") for an order (the "Bidding Procedures Order") establishing auction procedures (the "Auction Procedures") for the sale of up to nine (9) of the Richmar retail stores (the "Assets"). The Procedures Motion requests that the Bidding Procedures Order approve, among other things, this notice (the "Auction Notice").

PLEASE BE ADVISED that on or about May 12, 2003, the Debtors filed with the Bankruptcy Court another motion (the "Sale Motion") for authority to sell the Assets. As set forth in the Sale Motion, the Debtors intend to sell the Assets free and clear of all liens, claims, rights, interests, and encumbrances. You may obtain a copy of the Sale Motion by making a written request to the Debtors' undersigned counsel.

PLEASE BE FURTHER ADVISED that on **May 30, 2003, at 10:00 a.m. prevailing Eastern time**, the Debtors' intend to hold an auction (the "Auction") for the Assets at the offices of Kirkland & Ellis, 153 East 53rd Street, New York, NY 10022 . The Debtors anticipate that, in accordance with their request in the Procedures Motion, the Auction will be governed by the terms and conditions of the Auction Procedures.

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