

ORIGINAL

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

----- X
In re : Chapter 11
: :
FLEMING COMPANIES, INC., *et al.*¹ : Case No. 03-10945 (MFW)
: :
Debtors. : (Jointly Administered)
----- X *Referred to District No. 928.*

**ORDER APPROVING STIPULATION BETWEEN THE DEBTORS AND
HARTFORD FIRE INSURANCE COMPANY AND
HARTFORD CASUALTY INSURANCE COMPANY
REGARDING RELIEF FROM THE AUTOMATIC STAY**

Upon consideration of the Motion of Hartford Fire Insurance Company and Hartford Casualty Insurance Company for Relief from the Automatic Stay to Allow Cancellation of Certain Surety Bonds and for Adequate Protection (the "Motion"), the objection to the Motion filed by Fleming Companies, Inc. and the related debtors and debtors in possession (collectively, the "Debtors"), and the Stipulation Between The Debtors And Hartford Fire Insurance Company And Hartford Casualty Insurance Company Regarding Relief From The Automatic Stay (the "Stipulation"), a true and correct copy of which is attached hereto as Exhibit 1 and by such reference incorporated herein, and good cause appearing,

IT IS HEREBY ORDERED:

1. The Stipulation is approved.

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.; RPS Marketing Services, Inc.; and Richmar Foods, Inc.

2. The Motion is granted subject to each and all of the terms and conditions set forth in the following paragraphs of this Order.

3. Hartford Fire Insurance Company and Hartford Casualty Insurance Company (together, "Hartford") shall keep the bonds identified in the Stipulation as the "Exhibit A Bonds" in effect for at least 90 days following the date on which this Order becomes final (the "Effective Date").

4. Hartford may cancel the bonds identified in the Stipulation as the "Exhibit B Bonds" on the following terms and conditions:

(a) With respect to the Exhibit B Bonds that contain specific cancellation terms, on or after the Effective Date, Hartford may send notice of cancellation of those bonds to the obligees of those bonds. The notice of cancellation of each such Exhibit B Bond shall be given as specified in, and shall conform to all requirements of, the cancellation provisions of that bond.

(b) With respect to the Exhibit B Bonds that do not contain specific cancellation terms, on the Effective Date, Hartford may send notices of cancellation to the obligees of those bonds advising them that the bonds are terminated and cancelled thirty (30) days after the Effective Date.

5. Subject to the provisions of paragraph 6 of this Order:

(a) On the Effective Date, Hartford shall return to the Debtors \$1,483,000 of the \$1,733,000 identified in the Stipulation as the "Additional Collateral Amount." Hartford shall retain \$250,000 of the \$1,733,000 Additional Collateral Amount as security for its reasonable costs, fees and expenses (the "Costs") that Hartford may incur as a result of or in connection with the furnishing of any bond; provided, however, that any dispute related to the Costs shall be adjudicated by a neutral third party mutually acceptable to both

parties, and if the parties cannot agree on a neutral third party, by the American Arbitration Association in accordance with its Commercial Dispute Resolution Procedures.

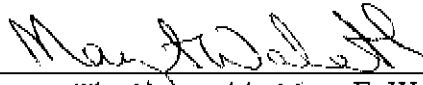
(b) Hartford may hold the letters of credit described in the Stipulation as the "Collateral" as post-petition security for the Exhibit A Bonds and the Exhibit B Bonds on the same terms and conditions and subject to the same rights and defenses that existed immediately prior to and following the date on which the Debtors commenced their respective bankruptcy cases (the "Petition Date").

(c) Hartford may apply the Collateral to any actual losses it may incur under the Exhibit A Bonds or the Exhibit B Bonds. In the event the Collateral is insufficient to fully reimburse Hartford for such claims, Hartford shall be entitled to an ordinary administrative expense claim under section 503(b) against the Debtors' estate, but only to the extent such unreimbursed actual losses arise out of the Debtors' post-petition operations.

(d) Hartford shall return the Collateral to the Debtors as, and in the amount by which, Hartford's obligations under the Exhibit A Bonds and the Exhibit B Bonds are reduced, exonerated, released and discharged without a loss to Hartford and upon Hartford's receipt of adequate proof that the penal obligations of the bonds have been released and discharged without a loss or losses.

6. Except as provided herein, neither the Stipulation nor this Order is intended to, and neither shall, affect the rights, claims and remedies of the parties as they existed immediately prior to and following the Petition Date, and all such rights, claims and remedies are preserved except as expressly addressed in this Order.

Dated: July 17, 2003


The Honorable Mary F. Walrath
United States Bankruptcy Judge