# EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE DISTRICT OF DELAWARE**

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| In re: | Chapter 11 |
| FLEMING COMPANIES, INC., *et al.*, | Case No. 03-10945 (MFW)<br>(Jointly Administered) |
| Debtors. | **Related Pleading: D.I. 1851** |

**STIPULATION RESOLVING MOTION OF THE DIAL CORPORATION FOR RELIEF FROM THE AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(d) TO TERMINATE MILITARY CONTRACT**

This stipulation (the "Stipulation") is made by and between Fleming Companies, Inc. and its related debtors and debtors-in-possession (collectively, the "Debtors" or "Fleming"), and The Dial Corporation ("Dial"), by and through their undersigned counsel. The parties hereby stipulate as follows:

WHEREAS, Fleming and Dial are parties to that certain contract dated February 1, 2000, whereby Fleming agreed to be Dial's exclusive distributor of products to U.S. military commissary customers at certain military bases identified therein (the "Military Agreement");

WHEREAS, the Military Agreement sets forth the specific means by which both Dial and Fleming would be compensated for products supplied and services rendered, respectively;

WHEREAS, the Military Agreement provides that either party may terminate the contract at will upon prior written notice, with or without cause;

WHEREAS, on or about July 7, 2003, Dial filed the Motion Of The Dial Corporation For Relief From The Automatic Stay Pursuant To 11 U.S.C. § 362(D) To Terminate Military Contract (the "Stay Relief Motion"), whereby Dial sought relief from stay to terminate, in accordance with its terms, the Military Agreement;

WHEREAS, Fleming and Dial assert that each have and maintain claims and obligations arising under and in connection with the Military Agreement;

WHEREAS, Fleming and Dial desire to resolve their respective claims, to the extent and manner set forth below, by entering into this Stipulation;

NOW THEREFORE, in consideration of the foregoing, and subject to Court approval, it is hereby STIPULATED AND AGREED BY AND BETWEEN THE DEBTORS AND DIAL THAT:

1. The Stay Relief Motion is granted as set forth below.

2. The automatic stay is modified pursuant to 11 U.S.C. § 362(d) such that the Military Agreement is and shall be terminated effective, as the case may be, May 15, 2003 (respecting the Fleming distribution centers of Fresno, Salt Lake City and Geneva) or May 31, 2003 (respecting the Fleming distribution centers of Garland, Lincoln and Hawaii). Moreover, the automatic stay is modified to permit the parties to undertake and perform any and all such actions provided in and anticipated by this Stipulation.

3. Notwithstanding any prior order of the Bankruptcy Court prohibiting the reclamation or recovery of goods previously sold and delivered to Fleming, Dial shall buy-back and immediately remove all Dial product sold to Fleming pursuant to the Military Agreement and currently stored by Fleming at certain Fleming warehouse locations; provided, however, that the product to be bought back by Dial is in a condition reasonably satisfactory to Dial.

4. Except as otherwise provided herein, Dial and Fleming agree to and shall waive and release each other from any and all claims and obligations arising from or related to the Military Agreement. Any such waiver and release, however, shall in no way affect or otherwise impair (i) Dial's rights of offset and recoupment respecting any pre-petition claim(s) or

obligation(s) under the Military Agreement and/or any other agreement(s) or transaction(s) between Dial and Fleming, to the extent that such offset or recoupment claims are valid or (ii) any claims that the parties may have against each other for failure to perform under the terms of this Order.

5. Dial shall immediately pay to Fleming the cost of any product (a) paid for by Fleming after the petition date and (b) recovered by Dial pursuant to this Stipulation.

6. Dial shall issue to Fleming a credit on account of product purchased by Fleming pre-petition and returned to and recovered by Dial. As provided in paragraph 4 herein, Dial may offset or recoup such credit against any pre-petition claim of Dial under the Military Agreement or other agreement(s)/transaction(s) between the parties, as the case may be, including any reclamation claim asserted by Dial, to the extent that such offset or recoupment is valid. Any such offset shall first be applied to Dial's non-reclamation claim(s).

7. The ten (10) day stay under the Federal Rule of Bankruptcy Procedure 4001(a)(3) is hereby waived.

Dated: July 25, 2003

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