

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

In re:)	Chapter 11
)	
FLEMING COMPANIES, INC., <i>et al.</i> ,)	Case No. 03-10945 (MFW)
)	(Jointly Administered)
)	
Debtors.)	
)	

**STIPULATION GRANTING MOTION OF KRAFT FOODS NORTH
AMERICA, INC. FOR RELIEF FROM THE AUTOMATIC STAY**

On July 21, 2003, Kraft Foods North America, Inc. (“Kraft”) filed its Motion for Relief from the Automatic Stay (the “Motion”) seeking entry of an order modifying the automatic stay pursuant to 11 U.S.C. § 362(d) to permit Kraft to terminate certain Military Delivery Agent Agreements (the “MDAAs”) with Fleming Companies, Inc. and/or its related debtors and debtors-in-possession (collectively, the “Debtors” or “Fleming”). The Debtors and the Official Committee of Unsecured Creditors (the “Committee”) filed oppositions to the Motion.

Kraft, the Debtors and the Committee stipulate and agree as follows:

1. The Motion is granted and the automatic stay is terminated effective July 21, 2003 to allow Kraft to enforce its right to terminate the MDAAs.
2. The MDAAs are terminated effective August 15, 2003. Until the occurrence of the effective date, the Debtors shall use their best efforts to continue to perform all obligations under the MDAAs in good faith and to the extent of its current capabilities, and the Debtors shall cooperate with Kraft to insure a smooth transition to other distributors who will service Kraft’s military business in the future.

3. Kraft shall accept returns of any military-specific inventory purchased by the Debtors from Kraft pursuant to the MDAAAs at the same price paid by the Debtors so long as the inventory is salable and has sufficient remaining shelf life to meet Kraft's standards. Kraft will take possession of any such returned inventory at a mutually convenient time.

4. Kraft and the Debtors will attempt to promptly reconcile, in good faith, any amounts due to or from the Debtors arising from the MDAAAs.

5. Within thirty (30) days of the date of the order approving this Stipulation, Kraft shall file a motion seeking authority to exercise its setoff and recoupment rights. Nothing contained herein shall affect Kraft's claims and rights of setoff and recoupment or the Debtors' defenses thereto. If, after adjudication of such motion, the Bankruptcy Court determines that Kraft is not entitled to setoff or recoup postpetition amounts due to the Debtors under the MDAAAs against prepetition amounts due to Kraft under the MDAAAs, Kraft shall pay in cash to the Debtors the net postpetition amount due to the Debtors as determined after the reconciliation by the parties described in paragraph 4 above. In such event, the net postpetition amount due to the Debtors at that time shall be equal to the postpetition credits remaining allocable to the Debtors under the MDAAAs less any amounts remaining due to Kraft arising from goods sold and shipped postpetition under the MDAAAs.

6. Notwithstanding the foregoing, the Debtors shall be obligated to continue to process and pay all outstanding postpetition invoices under the MDAAAs in the ordinary course of business.

7. Kraft hereby knowingly and voluntarily waives and releases any damage claim it may have as a result of the rejection of the MDAAAs, including any claim for lost profits and loss of business relating to the Debtors' failure to service Kraft's military customers. Such waiver

and release shall not include, however, and expressly excludes, all claims for amounts due to Kraft arising from goods sold and shipped under the MDAAs, and the claims and rights of setoff and recoupment addressed herein.

8.. The Debtors hereby knowingly and voluntarily waive and release Kraft from any and all liability associated with or arising under or in connection with the MDAAs or the termination thereof. Such waiver and release shall not include, however, and expressly excludes, (a) any avoidance actions arising under sections 544-550 of the Bankruptcy Code, and (b) all claims for amounts due to the Debtors from Kraft arising from goods sold and shipped under the MDAAs.

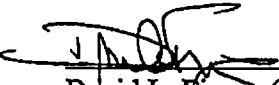
9. Sufficient and adequate notice of the Motion was given and no further notice of the Motion or this Stipulation need be given.

10. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon entry.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

STIPULATED TO BY:


David L. Finger (DE Bar No. 2556)
DAVID L. FINGER, P.A.
1201 Orange Street, Suite 725
Wilmington, Delaware 19801
Telephone: (302) 884-6766
Facsimile: (302) 984-1294

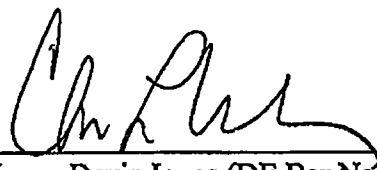
and

Maria Ellena Chavez-Ruark (MD Bar No. 23941)
PIPER RUDNICK LLP
6225 Smith Avenue
Baltimore, Maryland 21209
Telephone: (410) 580-3000
Facsimile: (410) 580-3001

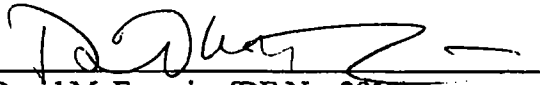
and

Janice L. Duban (IL Bar No. 06206874)
Marc I. Fenton (IL Bar No. 06180633)
PIPER RUDNICK
203 North LaSalle Street, Suite 1800
Chicago, IL 60601-1293
Telephone: (312) 368-4000
Facsimile: (312) 236-5716

*Attorneys for Kraft Foods North America,
Inc. and Kraft Foods International, Inc.*


Laura Davis Jones (DE Bar No. 2436)
Ira D. Kharasch (GA Bar No. 109084)
Scotta E. McFarland (DE Bar No. 4184)
Christopher J. Lhulier (DE Bar No. 3850)
PACHULSKI STANG ZIEHL YOUNG
JONES & WEINTRAUB, P.C.
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Attorneys for Debtors


David M. Fournier (DE No. 2812)
PEPPER HAMILTON LLP
Suite 1600
1201 Market Street
P.O. Box 1709
Wilmington, Delaware 19899-1709
Telephone: (302) 777-6500
Facsimile: (302) 656-8865

and

Dennis F., Dunne (NY Bar No. DD-7543)
MILBANK TWEED HADLEY & McCLOY LLP
1 Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

*Attorneys for Official Committee
of Unsecured Creditors*