

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

In re: :
: :
FLEMING COMPANIES, INC., et al., : Chapter 11
: :
Debtors. : :
: : Case No. 03-10945 (MFW)
: : (Jointly Administered)
: :
: : Hearing Date: 8/14/2003 @ 9:00 a.m.

**SUPPLEMENTAL OBJECTION, AND RESERVATION OF RIGHTS, BY
SAVE MART SUPERMARKETS TO ASSUMPTION AND ASSIGNMENT
OF CONTRACTS AS SET FORTH IN DEBTORS' NOTICE OF INITIAL
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED LEASES IN CONNECTION
WITH SALE MOTION (DOCKET NO. 2717)**

Save Mart Supermarkets ("Save Mart"), by and through its counsel, incorporates herein by reference its Objection and Reservation of Rights filed on July 28, 2003 in connection with Debtors' Motion For Order (A) Approving Asset Purchase Agreement With C&S Wholesale Grocers, Inc. And C&S Acquisition, LLC (B) Authorizing (I) Sale Of Substantially All Of Selling Debtors' Assets Relating To The Wholesale Distribution Business To Purchaser Or Its Designee(s) Or Other Successful Bidder(s) At Auction, Free And Clear Of All Liens, Claims, Encumbrances And Interests And (II) Assumption And Assignment Of Certain Executory Contracts, License Agreements And Unexpired Leases, And (C) Granting Related Relief (Docket No. 2232)("Sale Objection") and supplements the Sale Objection as follows:

1. Fleming Companies, Inc. ("Debtor") and Save Mart are parties to that certain Facility Standby Agreement, as amended (the "FSA").

2. Save Mart objects to the assumption and assignment of the FSA for the following reasons:

- (a) The Debtor has failed to timely and properly perform its obligations under the FSA, (both pre and post petition) including, but not limited to, failing to make timely and/or complete delivery of Products (as defined in the FSA) to Save Mart. Such failures constitute material defaults under the FSA. These defaults are historical defaults, that are incapable of being cured. The Debtor's defaults under the FSA have caused substantial economic harm to Save Mart.
- (b) The Debtor has failed to compensate, or to provide adequate assurance that it will promptly compensate, Save Mart for the actual pecuniary losses that Save Mart has suffered, and continues to suffer, as a result of the Debtor's material defaults under the FSA. Attached hereto and made part hereof as Exhibit "A" is a summary of the direct damages and actual pecuniary losses suffered by Save Mart (through August 8, 2003) as a result of the Debtor's defaults, to the extent such actual damages and losses are quantifiable.
- (c) The Debtor and C&S Acquisition LLC (C&S) have failed to provide Save Mart with adequate assurance of C&S's performance under the FSA after its assumption and assignment.

3. The Debtor has continued to default on its obligations under the FSA since August 8, 2003. As such, Save Mart reserves the right to supplement this Objection with a statement of: (i) additional reasons why the FSA cannot be assumed and assigned; (ii) additional defaults under the FSA; and (iii) additional pecuniary losses suffered by Save Mart through the date of the proposed assumption and assignment of the FSA.

4. If the Debtor is authorized to assume and assign the FSA without curing the defaults (as referenced in paragraph 2(a) above), which Save Mart submits cannot be cured, then such assumption and assignment must be subject to such defaults at the time of the assumption and assignment.

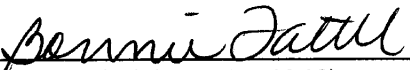
5. To the extent the Court authorizes the Debtor to assume and assign the FSA over the continuing objections of Save Mart, all amounts on Exhibit A (as it may be further supplemented) must be paid in full through the date of the proposed assumption and assignment.

6. Save Mart reserves the right to supplement this Objection further.

WHEREFORE, Save Mart objects to the entry of an Order which provides for the assumption and assignment of the FSA.

Dated: August 11, 2003

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