

EXHIBIT A

[PROPOSED KNOWLAN'S ORDER]

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re: : Chapter 11
FLEMING COMPANIES, INC., et al., :
 : Case No. 03-10945 (MFW)
 :
 Debtors. : Jointly Administered
 : Re: Docket Nos. 3252, 3292, 3314
 :
 :
-----X

**ORDER RESOLVING OBJECTIONS OF KNOWLAN’S TO ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES TO SUPERVALU AND APPROVING THE AGREEMENT OF SETTLEMENT**

Upon the certification of counsel, dated September 10, 2003, seeking authorization to resolve the objections (Docket Nos. 1936, 2472, 2478, 2939, 3381, collectively, the “Knowlan’s Objections”) of Knowlan’s Super Markets, Inc. (“Knowlan’s”) with respect to the agreements set forth on Schedule 1 hereto (collectively, the “Knowlan’s Agreements”), and

WHEREAS, reference is made to that certain Supplemental Order (I) Designating SUPERVALU As A Third Party Purchaser And (II) Approving Assumption And Assignment Of Certain Executory Contracts, License Agreements And Unexpired Leases To SUPERVALU, entered by this Court on September 9, 2003 (Docket No. not yet available, the “SUPERVALU Order”)¹; and

WHEREAS, reference is further made to the Agreement of Settlement (the “Agreement of Settlement”) attached as Exhibit A hereto; and

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the SUPERVALU Order.

In consideration of the foregoing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, EFFECTIVE IMMEDIATELY, AS FOLLOWS:

1. The Knowlan's Objections are hereby deemed withdrawn with respect to the Knowlan's Agreements, subject to the assignment of such agreements to SUPERVALU INC. or its designated affiliates and performance of the terms of the Agreement of Settlement among the parties.

2. The Agreement of Settlement is hereby approved, and the parties thereto are hereby authorized and directed to comply with the terms and conditions described therein.

3. The SUPERVALU Order is incorporated herein by reference as if set forth fully herein, including the Findings of Fact, Conclusions of Law and Orders contained therein, with respect to the Knowlan's Agreements, and shall apply to the Knowlan's Agreements as if such agreements were set forth on Exhibit A to the SUPERVALU Order.

4. This Court retains jurisdiction, even after the closing of these chapter 11 cases, to interpret, implement and enforce the terms and provisions of this Order.

Dated: Wilmington, Delaware
September __, 2003

UNITED STATES BANKRUPTCY JUDGE

SCHEDULE 1

[KNOWLAN'S AGREEMENTS]

SCHEDULE 1

KNOWLAN'S AGREEMENTS

ASSIGNEE	MASTER TYPE	NUMBER	CONTRACT COUNTERPARTY	DESCRIPTION	CURE AMT
SUPERVALU Holdings, Inc.	FRANCHISE	4459	Knowlan's Markets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	SIGN LEASE	1063	Knowlan's Super Markets, Inc.	SIGN LEASE La Crosse	Per Settlement
SUPERVALU Holdings, Inc.	SIGN LEASE	1064	Knowlan's Super Markets, Inc.	SIGN LEASE La Crosse	Per Settlement
SUPERVALU Holdings, Inc.	SIGN LEASE	1065	Knowlan's Super Markets, Inc.	SIGN LEASE La Crosse	Per Settlement
SUPERVALU Holdings, Inc.	FSA	4768	Knowlan's Super Markets, Inc.	Facility Standby Agreement	Per Settlement
SUPERVALU Holdings, Inc.	FSA	4769	Knowlan's Super Markets, Inc.	Facility Standby Agreement	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4464	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4468	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4469	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4471	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4479	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4480	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4481	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement
SUPERVALU Holdings, Inc.	FRANCHISE	4482	Knowlan's Supermarkets, Inc.	Franchise Agreement-Festival Foods	Per Settlement

EXHIBIT A

[AGREEMENT OF SETTLEMENT]

AGREEMENT OF SETTLEMENT

This Agreement of Settlement is entered into as of the 10th day of September, 2003 by and among the following (collectively, the "Parties"):

- (a) Fleming Companies Inc., ("Debtor"),
- (b) C&S Acquisition LLC ("Purchaser"),
- (c) SUPERVALU INC., a Delaware corporation (together with all of its affiliates, "SUPERVALU"); and
- (d) Knowlan's Super Markets, Inc (together with all of its affiliates, "Knowlan's"),

with reference to the following facts:

WHEREAS, Debtor and certain of its debtor subsidiaries have filed voluntary petitions on April 1, 2003 for relief pursuant to Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware as Case Nos. 03-10944 through 03-10966 and 03-10970 through 03-10973 (the "Bankruptcy Case").

WHEREAS, Debtor, certain of its subsidiaries and Purchaser have negotiated in good faith and at arm's-length for the purchase and sale of certain assets of Debtor and certain of its debtor subsidiaries, including certain assets of Debtor's and certain of its debtor subsidiaries' wholesale grocery distribution business and the assumption of certain liabilities associated therewith (the "Business") and for certain bid protections in connection therewith (the "Sale"), and in connection therewith have entered into an Asset Purchase Agreement, dated as of July 7, 2003, as amended from time to time (the "Fleming APA").

WHEREAS, Purchaser and SUPERVALU have entered into a letter of intent which provides in part that SUPERVALU may acquire substantially all of Fleming's and its debtor affiliates' assets and properties relating to the Massillon, Milwaukee and LaCrosse PSCs (the "Business").

WHEREAS, Knowlan's operates supermarkets located at Andover, Vadnais Heights, Lexington, White Bear Lake and Brooklyn Park, Minnesota (each a "Supermarket" and collectively, the "Supermarkets").

WHEREAS, Knowlan's and the Debtor or one its debtor subsidiaries are parties to certain agreements (collectively, the "Debtor Agreements") relating to the Supermarkets, which agreements include, without limitation, certain sign leases and certain franchise and facility standby agreements.

WHEREAS, the Debtor Agreements include a certain real estate sublease (the "Sublease") executed between Knowlan's and Gateway Foods, Inc. ("Gateway") as of February 18, 1991, as subsequently assigned by Gateway to Debtor, which Sublease makes reference to a certain lease agreement ("Lease") dated November 30, 1989 between White Bear Hill Shopping Center, Inc., a Minnesota corporation, and Gateway which Lease was also subsequently assigned by Gateway to Debtor.

WHEREAS, the Debtor Agreements also include certain forgiveness notes (collectively, the "Forgiveness Notes") in the original principal amount of \$450,000 (in the case of the Andover Supermarket) (the "Andover Note") and \$400,000 (in the case of the Vadnais Heights Supermarket) (the "Vadnais Heights Note").

WHEREAS, the Parties agree that the balance of the Forgiveness Notes will be as follows as of the end of August, 2003:

Vadnais Heights Note:	\$93,333.33
Andover Note:	\$375,000.00

WHEREAS, Knowlan's has filed one or more objections in the Bankruptcy Case to one or more of the following (collectively, the "Objections"):

- (a) The proposed sale by Debtor and certain of its debtor subsidiaries of substantially all the assets of the Business and other assets of Debtor to C&S (the "Sale").
- (b) The proposed acquisition of the Business by SUPERVALU (the "Acquisition").
- (c) The assumption and assignment of one or more of the Debtor Agreements, including without limitation objections related to the following:
 - (i) The monetary amount necessary to effect a cure of the Debtor Agreements.
 - (ii) That one or more of the Debtor Agreements are subject to noncurable breaches by the Debtor and/or one its debtor subsidiaries and therefore such Debtor Agreement(s) may not be assumed and assigned to SUPERVALU.
 - (iii) That one or more of the Debtor Agreements are interrelated and therefore such Debtor Agreement(s) may only be assumed and assigned in their entirety.
 - (iv) Adequate assurance of future performance under the Debtor Agreements.

(v) The assignability of the Debtor Agreements.

WHEREAS, Knowlan's is prepared to withdraw its Objections on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and payments contained herein, and subject to the consummation of the Acquisition, the Parties hereby agree as follows:

1. Settlement of Cure Claim.

- (a) As consideration to Knowlan's, at the closing of the Acquisition SUPERVALU will assume the Forgiveness Notes and will agree to forgive the unpaid principal balance of the Forgiveness Notes under the terms and conditions set forth in this paragraph 1. So long as Knowlan's is in compliance with the supply agreements to be executed by the parties under paragraph 5 below with respect to either the Vadnais Heights or Andover Supermarkets, SUPERVALU will, on each anniversary of the closing date, forgive twenty percent (20%) of the original principal balance due under the appropriate Forgiveness Note, together with accrued interest thereon, as if such amount were paid by Knowlan's on or before each of such anniversary date.
- (b) Unless otherwise agreed by the parties, the unpaid balance of the Vadnais Heights Note, less any amounts forgiven under paragraph 1(a), will be immediately due and payable by Knowlan's to SUPERVALU on the earlier of (i) a default by Knowlan's in the payment or performance of the supply agreement to be executed under Section 5 below with respect to the Vadnais Heights Supermarket, or (ii) October 18, 2004. Unless otherwise agreed by the parties, the unpaid balance of the Andover Note, less any amounts forgiven under paragraph 1(a), will be immediately due and payable by Knowlan's to SUPERVALU on the earlier of (i) a default by Knowlan's in the payment or performance of the supply agreement to be executed under Section 5 below with respect to the Andover Supermarket, or (ii) October 28, 2007.
- (c) As additional consideration to Knowlan's, Fleming shall pay to Knowlan's from the Cure Escrow (as such term is defined in the Fleming APA) a cure payment in the amount of \$125,000 (the "Settlement Amount") as payment in full of all cure amounts necessary to cure all Objections. Payment of the Settlement Amount shall occur within ten (10) business days of the consummation of the Acquisition.

2. No Other Cure Amounts.

Except for the Settlement Amount and the Forgiveness Note provisions set forth in paragraph 1 above, Knowlan's shall waive, effective upon the closing contemplated hereunder, all other claims for amounts due under the Debtor Agreements through and including the date of the closing of the Acquisition.

3. Withdrawal of Objections.

Knowlan's, for itself and its owners, shareholders, subsidiaries, affiliates, directors, officers, employees and agents, and their heirs, successors and assigns, hereby waives and withdraws all Objections actually filed or any bases for objection of the nature or type listed in the Ninth Recital hereof. Knowlan's reserves the right to renew and restate all Objections in the event that the transactions contemplated under this memorandum shall fail to close for any reason.

4. Assumption and Assignment of White Bear Lease.

- (a) SUPERVALU shall use all of its best efforts to cause the Sublease to be terminated and the Lease assigned to Knowlan's as soon as practicable following the closing of the transactions contemplated under this Agreement, provided that SUPERVALU shall not be required to guaranty the Lease in order to effect such assignment, and provided that Knowlan's shall not be required to take an assignment of the Lease if there are any lease amendments which have been entered into without Knowlan's consent. Upon such assignment and assumption, Knowlan's shall assume direct responsibility for payment and performance of all obligations payable by the tenant under the Lease from and after the date of the assignment contemplated under this paragraph 4.
- (b) Subject to performance by Knowlan's of its obligations under the Sublease, Debtor shall pay all rent and other amounts payable by the tenant under the Lease prior to the date of the assumption and assignment contemplated under this paragraph 4. The Parties shall further negotiate in good faith with respect to the proration of any accrued, but unpaid, charges due under the Lease as of the date of the proposed assumption and assignment.
- (c) SUPERVALU represents that it will have, effective upon the closing of the Acquisition, the right to designate the Lease and Sublease for assumption and assignment to Knowlan's, subject, however, to compliance with the applicable provisions of the Bankruptcy Code.
- (d) Fleming hereby authorizes (i) the landlord to disclose to Knowlan's all information concerning the Lease, including the status of payments under

the Lease and the existence of any defaults known to the landlord, and (ii) Knowlan's to provide a copy of this authorization to the landlord under the Lease.

5. Cancellation of Facility Standby Agreements.

Effective upon the closing contemplated hereunder, the supply agreement for the White Bear Lake Supermarket and all facility standby agreements and other supply agreements between Knowlan's and Debtor shall be cancelled and terminated, and SUPERVALU and Knowlan's shall thereupon execute separate supply agreements for the White Bear Lake, Vadnais Heights and Andover Supermarkets. The supply agreements contemplated under this paragraph 5 shall be executed in the form previously approved by SUPERVALU and Knowlan's and shall be executed for a term of five (5) years (in the case of the White Bear Lake Supermarket), two (2) years (in the case of the Vadnais Heights Supermarket) and four (4) years (in the case of the Andover Supermarket). Knowlan's shall not be required under any of the supply agreements referred to in this paragraph 5 to purchase in excess of thirty-five percent (35%) of its groceries and other supplies from SUPERVALU.

6. Extension of Franchise Agreements.

Effective upon the closing contemplated hereunder, SUPERVALU and Knowlan's shall enter into extensions of the franchise agreements for the White Bear Lake and Brooklyn Park Supermarkets for an additional term not to exceed five (5) years, which extension shall be made on the same terms and conditions as the franchise agreement in place with respect to the Andover Supermarket, as amended.

7. Debtor Agreements.

- (a) Subject to the terms and conditions set forth herein, Knowlan's hereby consents to the assumption and assignment to SUPERVALU, or any wholly-owned subsidiary or affiliate of SUPERVALU, of all of the Debtor Agreements. Except to the extent otherwise provided in this memorandum, SUPERVALU shall assume and shall pay and discharge all obligations of the Debtor to be paid or performed by the Debtor under the Debtor Agreements from and after the date of the closing contemplated hereunder.
- (b) Notwithstanding the foregoing, Knowlan's shall remain liable to Debtor for all amounts payable by Knowlan's to the Debtor under the Debtor Agreements through the date of closing (i) as service and royalty fees under the franchise agreements or (ii) rent under the Sublease, or (iii) any amounts payable by Knowlan's to Debtor for product purchased by and delivered to Knowlan's and services performed by Debtor (collectively, the

"Payment Obligations"), which amount shall be due and payable in accordance with the Debtor Agreements. The party owning a particular Payment Obligation (whether Debtor, Purchaser, SUPERVALU, or any of their respective successors and assigns) shall have any and all of the rights and powers associated with a lender or creditor with respect to such Payment Obligations and shall be entitled to collect thereon to the fullest extent permitted by the law and in equity.

- (c) Effective upon the closing contemplated hereunder, Debtor shall waive and release any and all claims of Debtor against the Knowlan's for any amounts payable by Knowlan's under any of the Debtor Agreements, including, without limitation, any amounts payable in respect of the (i) financial obligations to be acquired by SUPERVALU under paragraph 1 above, and (ii) Teamwork Score or Required Purchase Level or Requirement set forth in any of the Debtor Agreements, whether incurred before or after the commencement of this bankruptcy case, except that the Debtor shall not release Knowlan's for any amounts payable by Knowlan's under subparagraph 7(b) above.
- (d) Effective upon the closing contemplated hereunder, SUPERVALU and Debtor shall release Knowlan's of any obligation to make payments under the terms of that certain guaranty agreement executed by Gateway with regard to the Lease presently in effect for the Lexington Supermarket and Debtor and SUPERVALU shall waive, effective upon closing, any requirement contained in such guaranty that Knowlan's use either Debtor or SUPERVALU as its primary supplier of food products and merchandise with respect to the Lexington Supermarket.
- (e) Effective upon the closing contemplated hereunder, Debtor shall release any and all liens or other encumbrances arising under or obtained in connection with any of the Debtor Agreements, and authorizes Knowlan's to release any such lien or encumbrance on Debtor's behalf.

8. Release.


Effective upon the closing contemplated under this memorandum, Knowlan's shall release Debtor, Purchaser and SUPERVALU of any and all claims arising under any of the Debtor Agreements prior to the date of this Agreement and shall agree not to assert a claim in Debtor's pending bankruptcy case, it being expressly understood and agreed that Knowlan's shall not be deemed to have released Debtor, Purchaser or SUPERVALU from payment and performance of any obligation to be paid or performed under this Agreement.

9. Contingent on Closing of Acquisition by SUPERVALU.

- (a) This Agreement of Settlement will terminate and be null and void if the Acquisition is not consummated on or before September 30, 2003.
- (b) SUPERVALU shall provide Knowlan's with prompt notice of the closing contemplated hereunder and SUPERVALU and Knowlan's shall execute, either before or after the closing referred to in paragraph 9(a) above, such other and further documents as may be required to carry out the transactions contemplated under this memorandum.
- (c) In the event that the acquisition fails to close for any reason on or before September 30, 2003, then, in such event, the Parties shall be restored to the positions each such Party occupied immediately prior to execution of this Agreement. Without limiting the generality of the foregoing, the Debtor agrees that it shall be required to file a separate motion upon notice to Knowlan's in the event that the Debtor shall seek to assume and assign any of the Debtor Agreements to any party other than SUPERVALU.
- (d) This Agreement of Settlement is contingent upon Knowlan's being reasonably satisfied at or prior to closing that this Agreement has been approved by the Bankruptcy court to the extent necessary to make it binding on Fleming.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Settlement to be executed and delivered as of the date first written above.

FLEMING COMPANIES, INC.


Name: Rebecca A. Root
Title: Interim CFO

C&S ACQUISITION LLC

Name:
Title:

SUPERVALU INC.

Name:
Title:

KNOWLAN'S SUPER MARKETS, INC.

Name:
Title:

Signature page to Agreement of
Settlement dated September 10, 2003

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Settlement to be executed and delivered as of the date first written above.

FLEMING COMPANIES, INC.

Name:
Title:

C&S ACQUISITION LLC



Name:
Title:

SUPERVALU INC.



Name:
Title:

KNOWLAN'S SUPER MARKETS, INC.

Name:
Title:

Signature page to Agreement of
Settlement dated September 10, 2003

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Settlement to be executed and delivered as of the date first written above.

FLEMING COMPANIES, INC.

Name:
Title:


C&S ACQUISITION LLC

Name:
Title:

SUPERVALU INC.

Name:
Title:

KNOWLAN'S SUPER MARKETS, INC.



Name: *MARIE K. BARTMAN*
Title: *President*

Signature page to Agreement of
Settlement dated September _____, 2003

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TOTAL P.09