

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
NORTHERN DIVISION**

IN RE:)	
)	
BELLE FOODS, LLC,)	Chapter 11
)	Case No. 13-81963-JAC11
Debtor.)	

SETTLEMENT AGREEMENT

This Settlement Agreement (this “Agreement”) is entered into on this the ____ day of February, 2014, by and between Belle Foods, LLC, debtor and debtor in possession (“Debtor”), the Retail, Wholesale & Department Store Union, Mid-South Council (“RWDSU”), and the United Food & Commercial Workers Union Local 1996 (“UFCW,” and together with RWDSU, the “Unions”).

RECITALS

WHEREAS, on July 1, 2013 (the “Petition Date”), Debtor filed a petition for relief under chapter 11, Title 11 of the United States Code with the United States Bankruptcy Court for the Northern District of Alabama (the “Court”); and

WHEREAS, the Unions were the collective bargaining representative of certain employees (the “Union Employees”) of the Debtor and are party to Collective Bargaining Agreements in effect as of the Petition Date; and

WHEREAS, RWDSU made claims under the Collective Bargaining Agreements asserting that the Debtor is obligated to pay wages to certain Union Employees who were reduced from full-time status to part-time status before the Petition Date (the “Full Time Obligation”), and the Unions made claims for Paid Time Off provided in the Collective

Bargaining Agreements (the “PTO Obligation,” together with the Full Time Obligation, the “Obligations”); and

WHEREAS, Debtor and the Unions seek to resolve and settle Debtor’s financial responsibility for the Obligations;

NOW THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth herein, Debtor and the Unions agree as follows:

1. The Unions are allowed, pursuant to 11 U.S.C. § 507(a)(4), a priority claim in the amount of \$130,000 (the “PTO Claim”) for the PTO Obligation.

2. RWDSU is allowed a general unsecured claim in the amount of \$45,000 (the “Full Time Claim,” together with the PTO Claim, the “Settlement Claim”) for the Full Time Obligation.

3. The allowance of the Settlement Claim shall be in full and total satisfaction of any and all claims or obligations that the Unions or any of the Union Employees have against the Debtor, and any and all proofs of claim that have been or will be filed by Union Employees, that the Unions possess the authority or right under any contract, law, or agreement to assert either on behalf of the Unions or on behalf of any individual employee whose terms and conditions of employment were governed by a Collective Bargaining Agreement between the Debtor and the Unions. The Unions and all of the Union Employees hereby unconditionally release, acquit, and forever discharge the Debtor from any and all manner of claims known or unknown, actions, causes of action, suits, damages, and demands whatsoever, at law or in equity, of any kind or nature whatsoever, to the extent the Unions possess the authority or right under any contract, law, or agreement to assert the claims, action, suits, damages, or demands against the Debtor. The Agreement does not release claims that an individual employee has the right or

authority to assert directly against the Debtor that are not governed by a Collective Bargaining Agreement.

4. The Settlement Claim shall not be paid until such time as a further order of the Court directs its payment.

5. Debtor and the Unions shall cooperate in obtaining approval of this Agreement by the Bankruptcy Court.

6. This Agreement may be executed in counterparts by facsimile, each of which shall be deemed an original but all of which shall constitute one and the same instrument having full effect.

7. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Alabama without regard to its provisions on conflicts of law. Each party hereto agrees to submit themselves to personal jurisdiction in the State of Alabama in any action or proceeding arising out of this Agreement, and consents to the exclusive jurisdiction of the Bankruptcy Court with respect to any such actions or proceedings.

8. Each party hereby irrevocably and unconditionally waives any and all right to trial by jury in any action, suit, or counterclaim arising in connection with, out of, or otherwise relating to this Agreement.

9. This Agreement is subject to the Bankruptcy Court's entry of a final, non-appealable order approving this Settlement Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement under their respective seals as of the date first above written.

WITNESS:

BELLE FOODS, LLC

Print Name: _____

By: _____
Print: _____
Its: _____

**THE RETAIL, WHOLESALE &
DEPARTMENT STORE UNION, MID-
SOUTH COUNCIL**

Print Name: _____

By: _____
Print: _____
Its: _____

**THE UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL 1996**

Print Name: _____

By: _____
Print: _____
Its: _____