

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
:

In re : Chapter 11
:

AFA INVESTMENT INC., *et al.*,¹ : Case No. 12-11127 (MFW)
:

Debtors. : Jointly Administered
:

: Re: Docket Nos. 1393, 1394
:

-----X

**SUPPLEMENT TO FIRST AMENDED JOINT CHAPTER 11
PLAN OF LIQUIDATION OF DEBTORS AND DEBTORS IN POSSESSION**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On January 18, 2014, the above-captioned debtors (collectively, the "Debtors") filed the First Amended Joint Chapter 11 Plan of Liquidation of Debtors and Debtors in Possession (Docket No. 1393) (as it may be further amended or modified, the "Plan").²

2. Pursuant to the Plan, the Debtors are required to file a Plan Supplement, as defined in Section I.A.72 of the Plan, to provide notice of certain information and/or terms and conditions that are supplemental to (and deemed to be included within) the Plan, including, without limitation, (a) the qualifications of, and the proposed compensation for, the Plan Administrator, as defined in Section I.A.68 of the Plan; and (b) the identification of any

¹ The Debtors are the following nine entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): AFA Investment Inc. (0331); American Foodservice Corporation (1780); American Fresh Foods, Inc. (7389); American Fresh Foods, L.P. (7302); AFA Foods, Inc. (0429); American Fresh Foods, LLC (7301); Fairbank Reconstruction Corporation (2405); American Foodservice Investment Company, LLC (9525); and United Food Group LLC (7584). Each of the Debtors was formerly located at 860 First Avenue, Suite 9A, King of Prussia, Pennsylvania 19406.

² Copies of the Plan and filings related to the Plan are available free of charge at www.kccllc.net/afa. Capitalized terms used but not defined herein have the meanings given to them in the Plan.



executory contracts and/or unexpired leases to be assumed pursuant to the Plan, as provided in Section VII.A of the Plan.

3. The following exhibits attached hereto collectively constitute the Plan Supplement:

Exhibit A: Plan Administrator Qualifications and Compensation

Exhibit B: Executory Contracts and Unexpired Leases to Be Assumed

Exhibit C: Notice of Certain Postpetition Consulting Agreements

4. The Plan Supplement is incorporated by reference into the Plan and is considered to be part of the Plan. If the Court confirms the Plan, such confirmation will include and constitute approval of certain matters described in the Plan Supplement, including (a) appointment of the Plan Administrator and approval of the proposed compensation of the Plan Administrator and (b) approval of the assumption of the agreements identified in Exhibit B hereto.

5. The Debtors reserve their rights to supplement, modify or amend the Plan Supplement at any time before the Plan becomes effective.

Dated: February 11, 2014
Wilmington, Delaware

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Peter J. Keane

Laura Davis Jones (Bar No. 2436)
Timothy P. Cairns (Bar No. 4228)
Peter J. Keane (Bar No. 5503)
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400
E-mail: ljones@pszjlaw.com
tcairns@pszjlaw.com
pkeane@pszjlaw.com

-and-

Jeffrey B. Ellman
Brett J. Berlin
Daniel J. Merrett
JONES DAY
1420 Peachtree Street, N.E.
Suite 800
Atlanta, Georgia 30309
Telephone: (404) 581-3939
Facsimile: (404) 581-8330
E-mail: jbellman@jonesday.com
bjberlin@jonesday.com

ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

Plan Supplement
Exhibit A
AFA Investment Inc., et al.,
Ch. 11 Case No. 12-11127 (MFW)

PLAN ADMINISTRATOR QUALIFICATIONS AND COMPENSATION

Identification of the Plan Administrator

1. Consistent with Section I.A.68 of the Plan, David J. Beckman ("Mr. Beckman") shall serve as the Plan Administrator.

Qualifications of the Plan Administrator

Background and Experience

2. Mr. Beckman is well qualified to serve as the Plan Administrator. He is a Senior Managing Director with FTI Consulting, Inc. (including its subsidiaries and its subsidiaries' agents and independent contractors, "FTI"), a financial advisory services and interim management firm with numerous offices throughout the country. He has 25 years of business and consulting experience, including significant expertise in working with the management and creditors of financially distressed companies. Prior to joining FTI in 2002, Mr. Beckman was a partner in the United States division of PricewaterhouseCoopers' Business Recovery Services practice. He holds Bachelor of Science Degree in chemical and petroleum refining engineering from the Colorado School of Mines and has completed all the course works for a Master of Science Degree (All But Thesis) in mineral economics.

3. For the past 21 years, Mr. Beckman has assisted lenders, creditors' committees and debtors in analyzing and developing plans of reorganization, selling and liquidating business units and assets, raising debt and evaluating debt instruments and structures, preparing and analyzing financial forecasts and executing other financial based transactions and analyses. He has been involved in numerous transactions, including asset sales, corporate

restructurings, asset securitizations and raising debt and equity financings. He has served as financial advisor to banks, bondholders, unsecured creditors and investment firms, as well as to companies in the manufacturing, financial services, mining, mortgage lending and wholesale industries. In addition, Mr. Beckman has significant experience in providing expert witness testimony related to business plan feasibility, forecast reasonability, asset dispositions, appropriate interest rates, collection actions and claims settlements.

4. Most recently, in addition to his role with the Debtors as summarized below, Mr. Beckman has served and continues serving as the liquidating trustee for the bankruptcy estates of Oren L. Benton, *et al.*, a uranium trader and entrepreneur. In this capacity, Mr. Beckman has been responsible for all aspects of maximizing the value realized from the strategic disposition of assets worth over \$100 million. These assets included investments in mining (e.g., gold, uranium, coal and nickel), technology, real estate, manufacturing, professional sports and other specialized areas. Mr. Beckman's responsibilities included negotiating and establishing various long term credit agreements with a major international bank and the United States Internal Revenue Service.

5. Currently, Mr. Beckman also serves as the Chief Restructuring Officer for Dynavox Inc. and Mineral Park Inc.

History with the Debtors

6. Prior to the Petition Date, on or about January 27, 2012, FTI was retained as an advisor to the Debtors. Mr. Beckman led that engagement for FTI. Subsequently, on or about March 16, 2013, Mr. Beckman was appointed to serve as the Chief Restructuring Office ("CRO") of the Debtors. Following the commencement of the Chapter 11 Cases, the Court entered an order approving the continued retention of Mr. Beckman as the Debtors' CRO. See Docket No. 181, entered April 24, 2012.

7. In his more than two years of working with the Debtors, Mr. Beckman has become intimately familiar with the Debtors, their history, their capital structure, their former businesses, their assets and their financial affairs. Mr. Beckman has overseen all aspects of the Chapter 11 Cases, including the Debtors' postpetition financing and cash collateral arrangements, the successful sales of the Debtors' five beef processing facilities and the subsequent activities relating to the wind-down of the Debtors' Estates. As a result, Mr. Beckman has extensive, direct personal experience with all of the matters relevant to serving as Plan Administrator and implementing the Plan.

Proposed Compensation of the Plan Administrator

8. Mr. Beckman has agreed to serve as the Plan Administrator pursuant to the following compensation structure: (a) Mr. Beckman will charge for his services at an hourly rate, subject to a monthly cap of \$20,000.00 (the "Fee Cap"); and (b) without limitation by the Fee Cap, he will be entitled to reimbursement for 100% of his reasonable out-of-pocket expenses. For calendar year 2014, Mr. Beckman's applicable hourly rate is \$925.00. This rate is subject to periodic future adjustments; typically on an annual basis each January.

9. In addition, Mr. Beckman would retain the option to utilize, from time to time in his sole discretion, additional FTI personnel to support him in his role as Plan Administrator. Any such additional personnel would likewise (a) charge for their services at their then-current hourly rates at FTI, subject to the Fee Cap (collectively with Mr. Beckman) except as provided in paragraph 10 below; and (b) without limitation by the Fee Cap, would be entitled to reimbursement for 100% of their reasonable out-of-pocket expenses. For calendar year 2014, the applicable hourly rates for additional FTI personnel are as set forth below. These rates are subject to periodic future adjustments, typically on an annual basis each January.

Title / Category	Hourly Rate
Senior Managing Directors	\$800 to \$925
Directors and Managing Directors	\$580 to \$765
Consultants and Senior Consultants	\$300 to \$550
Administrative and Paraprofessionals	\$125 to \$240

Currently, Mr. Beckman anticipates that he will primarily utilize the services of Alan Boyko, a Managing Director at FTI, whose 2014 hourly rate is \$750.00.

10. In addition, to the extent that any pre-Effective Date budgeted amounts for FTI remain unused as of the Effective Date (an "Unutilized Budget"), FTI also may bill on an hourly basis for work relating to the review, reconciliation and treatment of secured, administrative and priority claims up to the amount of such Unutilized Budget.

EXHIBIT B

Plan Supplement
Exhibit B
AFA Investment Inc., et al.,
Ch. 11 Case No. 12-11127 (MFW)

EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE ASSUMED¹

Counterparty Name and Address	Debtor Party	Title or Description	Proposed Cure Amount
Extra Space Management, Inc. 2795 E. Cottonwood Parkway Suite 400 Salt Lake City, Utah 84121 (801) 562-5556	American Foodservice Corporation	Agreement for storage of hard copy books and records	\$0.00
United Records Management, Inc. a/k/a United Documents Storage LLC 39 E. Union Street Pasadena, California 91103 (626) 204-6310 -and- 28470 Witherspoon Parkway Valencia, California 91355-4167 (562) 222-2200	United Food Group LLC	Agreement for storage of hard copy books and records	\$4,855.90

¹ Each of the agreements identified herein includes any modifications, amendments, addenda or supplements thereto or restatements thereof.

EXHIBIT C

Plan Supplement
Exhibit C
AFA Investment Inc., et al.,
Ch. 11 Case No. 12-11127 (MFW)

NOTICE OF CERTAIN POSTPETITION CONSULTING AGREEMENTS

1. Following the sales of substantially all of the Debtors' assets between the Petition Date and mid-September 2012 (see, e.g., Disclosure Statement at Section III.E), the Debtors ceased their business operations as a meat processor and have been focused primarily on winding down their Estates, maximizing the value of their remaining assets for their stakeholders and seeking to bring these Chapter 11 Cases to a successful conclusion. See, e.g., id. at Section III.M.1.

2. As noted in the Disclosure Statement:

- "Following the sales of the Debtors' assets, the Debtors transitioned for a short time with approximately one dozen employees and entered into consulting arrangements with certain former employees."
- "Presently, the Debtors have only one remaining employee — their Chief Restructuring Officer, David Beckman (the "CRO"). The CRO is supported from time to time by certain additional personnel from the Debtors' Court-approved financial advisors, FTI Consulting, Inc. ("FTI"), pursuant to the CRO's and FTI's retention terms."
- "The Debtors also continue to maintain consulting arrangements for limited as-needed services from four key former employees: Ronald Allen, Timothy Biela, Richard Fahle and Barry Renninger."

See Disclosure Statement at Section II.B.2.

3. Copies of the above-referenced consulting agreements (collectively, the "Consulting Agreements") with the specified key former employees – i.e., Ronald Allen,

Timothy Biela, Rickey Fahle and Barry Renninger (collectively, the "Consultants") – are annexed hereto collectively as Annex 1.¹

4. Pursuant to the terms of the Consulting Agreements, Messrs. Renninger, Allen and Fahle (collectively, the "Core Consultants") have agreed to assist and support the Debtors with the wind-down of the Estates (defined in the Consulting Agreements with the Core Consultants as "Wind-up Services") and the pursuit of certain material Estate litigation assets (defined in the Consulting Agreements with the Core Consultants as "Litigation Services"). The Wind-up Services include, among other things, assisting the Debtors with liquidating any remaining assets and providing the CRO and the Debtors' Professionals and Ordinary Course Professionals with information concerning the Debtors' former operations, affairs, books and records and related matters, as needed. The Litigation Services include, among other things, providing the CRO and the Debtors' Professionals and Ordinary Course Professionals with assistance and information relevant to certain Estate litigation and to consult and/or testify as fact or expert witnesses in such litigation, as needed.

5. In exchange for their services, the Core Consultants are entitled to payment at an hourly rate of \$250.00. In addition, each Core Consultant is entitled to receive a "Litigation Recovery Amount" of 2.5% of the net proceeds of the Cargill Litigation and certain other litigation specified in the applicable Consulting Agreements (collectively, the "Litigation"),² less

¹ As of the Petition Date, the Consultants held the following titles with Debtor AFA Foods, Inc.: (a) Ronald Allen – President and CEO; (b) Barry Renninger – Executive Vice President of Operations; (c) Rickey Fahle – Executive Vice President of Sales and Pricing; and (d) Timothy Biela – Executive Vice President of Food Safety and Quality Assurance.

² The Consulting Agreements refer to several lawsuits involving GOPAC. At the time the Consulting Agreements were drafted, the GOPAC Litigation had not been filed in the United States District Court for the Western District of New York as a stand-alone action. As a result, the Consulting Agreements did not refer to (and could not have referred to) the GOPAC Litigation specifically. Because all of the litigation involving GOPAC relates to the same underlying facts, the parties' intent was to include the GOPAC Litigation as one of the litigation matters covered by the Consulting Agreements. In fact, the claims asserted by Fairbank in the GOPAC Litigation had been asserted on December 20, 2011 as cross-claims in Jones v. Fairbank

payments made to the Core Consultant at the hourly rate, and otherwise calculated pursuant to the formula and limitations set forth in the applicable Consulting Agreements, including a cap of \$666,667.00 in the aggregate for each Core Consultant.

6. Pursuant to the terms of the Consulting Agreement with Mr. Biela, he has agreed to perform similar Wind-up Services and Litigation Services in exchange for payment at an hourly rate of \$150.00 for a minimum of 400 hours.

7. The effectiveness of the Consulting Agreement with each Core Consultant is expressly conditioned upon (a) the approval by the Bankruptcy Court, and by any applicable appellate court, of the Global Settlement; and (b) the consent of the non-Debtor parties to the Global Settlement (collectively, the "Conditions Precedent"). As explained at Sections III.M.4 and III.M.7-8 of the Disclosure Statement, the Bankruptcy Court has entered the Global Settlement Approval Order approving the Global Settlement, but the Global Settlement Approval Order has been appealed and is not yet a Final Order. Briefing in the appeal is not yet complete. Consequently, the Consulting Agreements with the Core Consultants are not yet effective.

8. The services of the Consultants pursuant to the Consulting Agreements is materially valuable and beneficial to the Debtors and their Estates. The Consultants were among the employees of the Debtors most familiar with the Debtors' former operations, assets, financial affairs, history and books and records, among other relevant matters. The Consultants' knowledge and expertise has assisted the Debtors, and will assist the Liquidating Debtors and the Plan Administrator, in their efforts to maximize the efficiency and effectiveness of the various wind down activities. The Core Consultants likewise have material knowledge, experience and

Reconstruction Corp. et al., Case No. 2:11-cv-437-GZS, D. Me. – which is among the lawsuits referenced expressly in the Consulting Agreements – before being dismissed without prejudice and reasserted in the GOPAC Litigation. The Consulting Agreements may be amended, as necessary or appropriate, to clarify the inclusion of the GOPAC Litigation. As used herein, the term "Litigation" includes the GOPAC Litigation.

expertise that will assist in prosecuting the Litigation, and maximizing the Debtors' chances of success in the Litigation. In addition to providing needed support for the Litigation, the Debtors anticipate that one or more of the Core Consultants may be material fact and/or expert witnesses for the Debtors in the Litigation. Because the Consultants no longer are employees of the Debtors, the Consulting Agreements are necessary to enable the Debtors to rely on access to the Consultants' valuable services. For the foregoing reasons, the Debtors believe, in the sound exercise of their business judgment, that the Consultants' services and the Consulting Agreements are necessary and appropriate to maximizing the value of the Estate's assets, including the relevant litigation assets, and to achieving the best possible results in implementing the Plan. Consistent with Section IV.B of the Plan, the Consulting Agreements will be transferred to and inure to the benefit of the Liquidating Debtors, subject to the terms set forth in paragraph 9 below.

9. With respect to the Consulting Agreements with the Core Consultants, these agreements will be effective only upon (a) the satisfaction of the Conditions Precedent and the ratification of the agreements by the Plan Administrator after the Effective Date or (b) the approval of the Bankruptcy Court after notice and a hearing. Notwithstanding the foregoing, the Core Consultants shall be entitled to their hourly rate for work performed at the request of the Debtors or the Plan Administrator on behalf of the Liquidating Debtors as set forth in their Consulting Agreements even if their Consulting Agreements do not otherwise become effective. Further, nothing herein or in the Plan shall limit the Plan Administrator's right to negotiate different arrangements with the Consultants for the Wind-up Services and the Litigation Services after the Effective Date, subject to the consent of Second Lien Agent, NBPCo and the Creditor Advisory Board.

ANNEX 1



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

November 8, 2012

Mr. Ronald Allen
2186 Miller Road
Chester Springs, PA 19425

Re: Consulting Agreement

Dear Mr. Allen,

AFA Foods, Inc. (including its affiliated chapter 11 debtors and any successors in interest, the "Company") is in the process of liquidating its assets in its pending chapter 11 bankruptcy case. The Company has liquidated its last plant and is working to sell or monetize its remaining assets and complete the wind-up process. In addition, the Company has significant litigation proceedings for which you provide critical support of the commercial claims. In connection with these efforts, the Company seeks to ensure your support and cooperation on the terms and conditions set forth in this letter agreement (this "Agreement").

Therefore, effective November 8, 2012, but subject to bankruptcy court approval of the Global Settlement as set forth below, the Company requests your services as a contractor (1) to complete the liquidation and the wind-up process ("Wind-up Services"), and (2) to assist with the pending litigation ("Litigation Services"). Your "Wind-up Services" will include, but not be limited to, collecting outstanding accounts receivable, completing the liquidation and the wind-up of the estate, and any other services (excluding Litigation Services) mutually agreed to between you and the Company Representative (defined below). Your "Litigation Services" will include assisting with ongoing Litigation Claims (defined below) as needed including testifying as a witness and supporting counsel in prosecuting such proceedings and any other services mutually agreed to between you and the Company's authorized representative, who shall be Chief Restructuring Officer David Beckman (the "Company Representative") unless and until you are informed otherwise by the Company in writing.

The Company will compensate you for "Wind-up Services" and "Litigation Services" performed at the Company Representative's request at the rate of \$250 per hour on an independent contractor basis (1099). To receive compensation, you must submit weekly invoices to the Company, clearly identifying the services, hours and amounts attributed to "Wind-up Services" and "Litigation Services." The Company Representative will review and approve your invoices and compensation will be made on a weekly basis at the approved hourly fees (the "Weekly Services Amount"). Out-of-pocket expenses that are incurred in connection with the services to be rendered (including, reasonable travel and lodging expenses, meals, and other customary expenditures) and that have been pre-approved by the Company Representative shall be included in the weekly invoices and reimbursed weekly as billed.

In addition, upon the later to occur of (i) 10 business days following the final settlement or final non-appealable adjudication of either the United Food Group LLC v. Cargill claims or the GOPAC litigation claims set forth on Annex 1 hereto (the "Litigation Claims"), and (ii) the Company's distribution of the net final proceeds received by the Company from such Litigation Claim to the applicable bankruptcy claimants in accordance with the orders of the bankruptcy court, and subject to the following proviso, the Company will pay to you an aggregate amount (the "Litigation Recovery Amount") equal to 2.5% of the excess of (a) the net final proceeds actually received by the Company on account of a Litigation Claim, over (b) the aggregate amounts paid by the Company (or invoiced to the Company and not yet paid, or set aside as a reserve to pay the costs and expenses of any Litigation Claims) in connection with such Litigation Claims (including without limitation attorney fees and court costs, amounts paid to experts or non-management consultants, and other litigation expenses), but excluding amounts paid to you under



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

this Agreement or to Barry Renninger or Rick Fahle under similar Consulting Agreements with Barry Renninger and Rick Fahle; *provided, however*, that the Litigation Recovery Amount shall be reduced on a dollar-per-dollar basis by the aggregate amount of all Weekly "Litigation Service" Amounts that have been paid to you under this Agreement for the claim being settled. The total aggregate amount payable to you under this Agreement (including the Litigation Recovery Amount and all Weekly Service Amounts paid to you) shall be capped at, and shall in no event exceed, Six Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven Dollars (\$666,667) in the aggregate.

As an independent contractor, you will not be employed by the Company and will not have any officer position at the Company. In no circumstance shall you look to the Company as your employer, or as a partner, an agent, or a principal, and nothing in this Agreement is intended to or should be construed to create a partnership, joint venture or employment relationship. You shall not have the right, power or authority to make any representation or warranty, or to assume or create any obligation, whether express or implied, on behalf of the Company, or to bind the Company in any manner whatsoever. In addition, you are not and will not be eligible to participate in any Company benefit plans, and you will be solely responsible for payment of all employment taxes and health insurance premiums. You hereby agree to indemnify and hold harmless the Company from any liabilities incurred as a result of your failure to pay taxes.

The effectiveness of this Agreement is conditioned upon, and is expressly subject to (1) the grant and approval by the United States Bankruptcy Court of the District of Delaware (and by any appellate court of competent jurisdiction on any appeal therefrom) of a proposed settlement between and among the Company, Official Committee of Unsecured Creditors, the Term B Loan Lenders, the Second Lien Agent, Beef Products Inc. and the prepetition Second Lien Lenders pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 (the "Global Settlement"), and (2) the Company's receipt of consent from each of the parties to the Global Settlement (other than the Company) to the Company's entry into this Agreement. In the event the Global Settlement is not finalized and approved by the bankruptcy court, or is modified in any manner adverse in any material respect to any of the settling parties, or if any party to the Global Settlement (other than the Company) does not consent to this Agreement, then this Agreement shall become null and void and of no further force or effect, unless otherwise agreed in writing between the Company and you (and, if necessary, approved by the bankruptcy court).

You will be free to terminate this Agreement at any time by written notice delivered to the Company, and you are free to take other work as a contractor that will not interfere with your ability to complete the contracted duties for the Company. The Company will be free to terminate this Agreement, with or without "Cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), at any time by written notice delivered to you. In the event of (a) your termination of this Agreement or (b) the Company's termination of this Agreement for Cause, you will forfeit any right to receive any Litigation Recovery Amounts and the only amount payable to you by the Company shall be any unpaid Weekly Services Amounts for approved services rendered prior to the date of termination. In the event that the Company terminates this agreement "without cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), the Company will continue to pay to you any Litigation Recovery Amounts owed to you in accordance with, and subject to the terms and conditions of, this Agreement, notwithstanding any such termination..

[Signature page follows]



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Please confirm your acceptance of this Agreement by signing this letter below. Please contact me if you have any questions. We appreciate your cooperation throughout this process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Beckman', is written over the word 'Sincerely,'.

David Beckman

Accepted by:

Ronald Allen

Date



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

ANNEX 1

[List Cargill and GOPAC litigation cases/claims]



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Annex 1: List of Litigation

1. United Food Group LLC v. Cargill, Inc., No. CV11-7752 MWF (AJWx) / 11-CV-07752-JHN (C.D. Cal.)
2. GOPAC Litigations:
 - a. Jones v. Fairbank Reconstruction Corp., et. al., No. 2:11-cv-00437-GZS (D. Me.).
 - b. Campanelli v. Greater Omaha Packing Co., et. al., No. 3:11-cv-01618-MRK (D. Conn.) (Fairbank Reconstruction Corp.)
 - c. Canella, et. al. v. Fairbank Reconstruction Corp., et. al., No. 3:11-cv-10396-CFD (D. Conn.)
 - d. Cohen v. Fairbank Farms, et. al., No. 4087/10 (N.Y. Sup. Ct.) (Fairbank Reconstruction Corp.)
 - e. Long v. Fairbank Farms, Inc., et. al., No. 1:09-cv-592-GZS (D. Me.) (Fairbank Reconstruction Corp.)
 - f. Smith v. Fairbank Farms, Inc., et. al., No. 2:10-cv-60-GZS (D. Me.) (Fairbank Reconstruction Corp.)
3. Claims or potential claims by the Company or any of its subsidiaries against GBP Australia Pty Ltd.



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

September 12, 2012

Mr. Timothy P. Biela
115 Rivercreek Ranch Road
Fort Worth, TX 76126

Dear Mr. Biela,

As you are aware, AFA Foods, Inc. and its direct and indirect subsidiaries (collectively, and together with any successors and assigns, the "Company") is in the process of liquidating their assets in their pending chapter 11 bankruptcy cases. In the coming days, the Company will be completing the liquidation of its last plant and working to complete the wind-up process for its bankruptcy estates. In addition, the Company has significant litigation proceedings asserting affirmative commercial claims for which you provide critical support. In connection with these efforts, the Company seeks to ensure your ongoing support and cooperation.

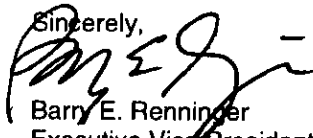
Therefore, effective November 1, 2012, the Company requests your services as a contractor to complete the liquidation, the wind-up process and assist with the pending litigation. Your duties will include, but not be limited to, collecting outstanding accounts receivable, completing the with the wind-up of the estate and assisting with ongoing litigation proceedings as needed, and any other services mutually agreed to between you and the Company representatives.

The Company will compensate you \$150 per hour on an independent contractor basis (1099), with a minimum guarantee of payment for 400 hours over the first 75 days as long as you continue to work on behalf of the Company and have not terminated this agreement. The Company will also reimburse you for reasonable and direct expenses which are likely to be incurred during your tenure as a contractor, such expenses include: airfare, transportation, accommodations, and travel meals. To receive hourly compensation and expense reimbursement, you must submit invoices to the Company for your services and direct expenses (including receipts), and a Company representative will approve the hours and expenses and compensate you on a weekly basis.


As an independent contractor, you will no longer be employed by the Company. You will relinquish your officer positions at the Company. In addition, you will not be eligible to participate in any Company benefit plans, and you will be solely responsible for payment of all employment taxes and health insurance premiums. You agree to indemnify and hold harmless the Company from any liabilities incurred as a result of your failure to pay taxes.

You will be free to terminate this contractor arrangement at any time, and you are free to take other work as a contractor that will not interfere with your ability to complete the contracted duties for the Company.

Please confirm your acceptance of these terms by signing this letter below. Please contact me if you have any questions. We appreciate your cooperation throughout this process.

Sincerely,

Barry E. Renninger
Executive Vice President

Accepted by:


Timothy P. Biela

9/12/2012

Date



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

November 8, 2012

Mr. Rickey Fahle
3220 Meadow Lane
Collegeville, PA 19426

Re: Consulting Agreement

Dear Mr. Fahle,

AFA Foods, Inc. (including its affiliated chapter 11 debtors and any successors in interest, the "Company") is in the process of liquidating its assets in its pending chapter 11 bankruptcy case. The Company has liquidated its last plant and is working to sell or monetize its remaining assets and complete the wind-up process. In addition, the Company has significant litigation proceedings for which you provide critical support of the commercial claims. In connection with these efforts, the Company seeks to ensure your support and cooperation on the terms and conditions set forth in this letter agreement (this "Agreement").

Therefore, effective November 8, 2012, but subject to bankruptcy court approval of the Global Settlement as set forth below, the Company requests your services as a contractor (1) to complete the liquidation and the wind-up process ("Wind-up Services"), and (2) to assist with the pending litigation ("Litigation Services"). Your "Wind-up Services" will include, but not be limited to, collecting outstanding accounts receivable, completing the liquidation and the wind-up of the estate, and any other services (excluding Litigation Services) mutually agreed to between you and the Company Representative (defined below). Your "Litigation Services" will include assisting with ongoing Litigation Claims (defined below) as needed including testifying as a witness and supporting counsel in prosecuting such proceedings and any other services mutually agreed to between you and the Company's authorized representative, who shall be Chief Restructuring Officer David Beckman (the "Company Representative") unless and until you are informed otherwise by the Company in writing.

The Company will compensate you for "Wind-up Services" and "Litigation Services" performed at the Company Representative's request at the rate of \$250 per hour on an independent contractor basis (1099). To receive compensation, you must submit weekly invoices to the Company, clearly identifying the services, hours and amounts attributed to "Wind-up Services" and "Litigation Services." The Company Representative will review and approve your invoices and compensation will be made on a weekly basis at the approved hourly fees (the "Weekly Services Amount"). Out-of-pocket expenses that are incurred in connection with the services to be rendered (including, reasonable travel and lodging expenses, meals, and other customary expenditures) and that have been pre-approved by the Company Representative shall be included in the weekly invoices and reimbursed weekly as billed.

In addition, upon the later to occur of (i) 10 business days following the final settlement or final non-appealable adjudication of either the United Food Group LLC v. Cargill claims or the GOPAC litigation claims set forth on Annex 1 hereto (the "Litigation Claims"), and (ii) the Company's distribution of the net final proceeds received by the Company from such Litigation Claim to the applicable bankruptcy claimants in accordance with the orders of the bankruptcy court, and subject to the following proviso, the Company will pay to you an aggregate amount (the "Litigation Recovery Amount") equal to 2.5% of the excess of (a) the net final proceeds actually received by the Company on account of a Litigation Claim, over (b) the aggregate amounts paid by the Company (or invoiced to the Company and not yet paid, or set aside as a reserve to pay the costs and expenses of any Litigation Claims) in connection with such Litigation Claims (including without limitation attorney fees and court costs, amounts paid to experts or non-management consultants, and other litigation expenses), but excluding amounts paid to you under

RJ
11/8/12



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

this Agreement or to Barry Renninger or Ron Allen under similar Consulting Agreements with Barry Renninger and Ron Allen; *provided, however,* that the Litigation Recovery Amount shall be reduced on a dollar-per-dollar basis by the aggregate amount of all Weekly "Litigation Service" Amounts that have been paid to you under this Agreement for the claim being settled. The total aggregate amount payable to you under this Agreement (including the Litigation Recovery Amount and all Weekly Service Amounts paid to you) shall be capped at, and shall in no event exceed, Six Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven Dollars (\$666,667) in the aggregate.

As an independent contractor, you will not be employed by the Company and will not have any officer position at the Company. In no circumstance shall you look to the Company as your employer, or as a partner, an agent, or a principal, and nothing in this Agreement is intended to or should be construed to create a partnership, joint venture or employment relationship. You shall not have the right, power or authority to make any representation or warranty, or to assume or create any obligation, whether express or implied, on behalf of the Company, or to bind the Company in any manner whatsoever. In addition, you are not and will not be eligible to participate in any Company benefit plans, and you will be solely responsible for payment of all employment taxes and health insurance premiums. You hereby agree to indemnify and hold harmless the Company from any liabilities incurred as a result of your failure to pay taxes.

The effectiveness of this Agreement is conditioned upon, and is expressly subject to (1) the grant and approval by the United States Bankruptcy Court of the District of Delaware (and by any appellate court of competent jurisdiction on any appeal therefrom) of a proposed settlement between and among the Company, Official Committee of Unsecured Creditors, the Term B Loan Lenders, the Second Lien Agent, Beef Products Inc. and the prepetition Second Lien Lenders pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 (the "Global Settlement"), and (2) the Company's receipt of consent from each of the parties to the Global Settlement (other than the Company) to the Company's entry into this Agreement. In the event the Global Settlement is not finalized and approved by the bankruptcy court, or is modified in any manner adverse in any material respect to any of the settling parties, or if any party to the Global Settlement (other than the Company) does not consent to this Agreement, then this Agreement shall become null and void and of no further force or effect, unless otherwise agreed in writing between the Company and you (and, if necessary, approved by the bankruptcy court).

You will be free to terminate this Agreement at any time by written notice delivered to the Company, and you are free to take other work as a contractor that will not interfere with your ability to complete the contracted duties for the Company. The Company will be free to terminate this Agreement, with or without "Cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), at any time by written notice delivered to you. In the event of (a) your termination of this Agreement or (b) the Company's termination of this Agreement for Cause, you will forfeit any right to receive any Litigation Recovery Amounts and the only amount payable to you by the Company shall be any unpaid Weekly Services Amounts for approved services rendered prior to the date of termination. In the event that the Company terminates this agreement "without cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), the Company will continue to pay to you any Litigation Recovery Amounts owed to you in accordance with, and subject to the terms and conditions of, this Agreement, notwithstanding any such termination.

[Signature page follows]

RJ
1/8/12



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Please confirm your acceptance of this Agreement by signing this letter below. Please contact me if you have any questions. We appreciate your cooperation throughout this process.

Sincerely

A handwritten signature in blue ink, appearing to read 'David Beckman', written over the word 'Sincerely'.

David Beckman

Accepted by:

A handwritten signature in black ink, appearing to read 'Rickey Fahle', written over the name 'Rickey Fahle'.

Rickey Fahle

November 8, 2012

Date



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

ANNEX 1

[List Cargill and GOPAC litigation cases/claims]



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Annex 1: List of Litigation

1. United Food Group LLC v. Cargill, Inc., No. CV11-7752 MWF (AJWx) / 11-CV-07752-JHN (C.D. Cal.)
2. GOPAC Litigations:
 - a. Jones v. Fairbank Reconstruction Corp., et. al., No. 2:11-cv-00437-GZS (D. Me.).
 - b. Campanelli v. Greater Omaha Packing Co., et. al., No. 3:11-cv-01618-MRK (D. Conn.) (Fairbank Reconstruction Corp.)
 - c. Canella, et. al. v. Fairbank Reconstruction Corp., et. al., No. 3:11-cv-10396-CFD (D. Conn.)
 - d. Cohen v. Fairbank Farms, et. al., No. 4087/10 (N.Y. Sup. Ct.) (Fairbank Reconstruction Corp.)
 - e. Long v. Fairbank Farms, Inc., et. al., No. 1:09-cv-592-GZS (D. Me.) (Fairbank Reconstruction Corp.)
 - f. Smith v. Fairbank Farms, Inc., et. al., No. 2:10-cv-60-GZS (D. Me.) (Fairbank Reconstruction Corp.)
3. Claims or potential claims by the Company or any of its subsidiaries against GBP Australia Pty Ltd.



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

November 8, 2012

Mr. Barry Renninger
102 Atlee Circle
Berwyn, PA 19312

Re: Consulting Agreement

Dear Mr. Renninger,

AFA Foods, Inc. (including its affiliated chapter 11 debtors and any successors in interest, the "Company") is in the process of liquidating its assets in its pending chapter 11 bankruptcy case. The Company has liquidated its last plant and is working to sell or monetize its remaining assets and complete the wind-up process. In addition, the Company has significant litigation proceedings for which you provide critical support of the commercial claims. In connection with these efforts, the Company seeks to ensure your support and cooperation on the terms and conditions set forth in this letter agreement (this "Agreement").

Therefore, effective November 8, 2012, but subject to bankruptcy court approval of the Global Settlement as set forth below, the Company requests your services as a contractor (1) to complete the liquidation and the wind-up process ("Wind-up Services"), and (2) to assist with the pending litigation ("Litigation Services"). Your "Wind-up Services" will include, but not be limited to, collecting outstanding accounts receivable, completing the liquidation and the wind-up of the estate, and any other services (excluding Litigation Services) mutually agreed to between you and the Company Representative (defined below). Your "Litigation Services" will include assisting with ongoing Litigation Claims (defined below) as needed including testifying as a witness and supporting counsel in prosecuting such proceedings and any other services mutually agreed to between you and the Company's authorized representative, who shall be Chief Restructuring Officer David Beckman (the "Company Representative") unless and until you are informed otherwise by the Company in writing.

The Company will compensate you for "Wind-up Services" and "Litigation Services" performed at the Company Representative's request at the rate of \$250 per hour on an independent contractor basis (1099). To receive compensation, you must submit weekly invoices to the Company, clearly identifying the services, hours and amounts attributed to "Wind-up Services" and "Litigation Services." The Company Representative will review and approve your invoices and compensation will be made on a weekly basis at the approved hourly fees (the "Weekly Services Amount"). Out-of-pocket expenses that are incurred in connection with the services to be rendered (including, reasonable travel and lodging expenses, meals, and other customary expenditures) and that have been pre-approved by the Company Representative shall be included in the weekly invoices and reimbursed weekly as billed.

In addition, upon the later to occur of (i) 10 business days following the final settlement or final non-appealable adjudication of either the United Food Group LLC v. Cargill claims or the GOPAC litigation claims set forth on Annex 1 hereto (the "Litigation Claims"), and (ii) the Company's distribution of the net final proceeds received by the Company from such Litigation Claim to the applicable bankruptcy claimants in accordance with the orders of the bankruptcy court, and subject to the following proviso, the Company will pay to you an aggregate amount (the "Litigation Recovery Amount") equal to 2.5% of the excess of (a) the net final proceeds actually received by the Company on account of a Litigation Claim, over (b) the aggregate amounts paid by the Company (or invoiced to the Company and not yet paid, or set aside as a reserve to pay the costs and expenses of any Litigation Claims) in connection with such Litigation Claims (including without limitation attorney fees and court costs, amounts paid to experts or non-management consultants, and other litigation expenses), but excluding amounts paid to you under



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

this Agreement or to Rick Fahle or Ron Allen under similar Consulting Agreements with Rick Fahle and Ron Allen; *provided, however*, that the Litigation Recovery Amount shall be reduced on a dollar-per-dollar basis by the aggregate amount of all Weekly "Litigation Service" Amounts that have been paid to you under this Agreement for the claim being settled. The total aggregate amount payable to you under this Agreement (including the Litigation Recovery Amount and all Weekly Service Amounts paid to you) shall be capped at, and shall in no event exceed, Six Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven Dollars (\$666,667) in the aggregate.

As an independent contractor, you will not be employed by the Company and will not have any officer position at the Company. In no circumstance shall you look to the Company as your employer, or as a partner, an agent, or a principal, and nothing in this Agreement is intended to or should be construed to create a partnership, joint venture or employment relationship. You shall not have the right, power or authority to make any representation or warranty, or to assume or create any obligation, whether express or implied, on behalf of the Company, or to bind the Company in any manner whatsoever. In addition, you are not and will not be eligible to participate in any Company benefit plans, and you will be solely responsible for payment of all employment taxes and health insurance premiums. You hereby agree to indemnify and hold harmless the Company from any liabilities incurred as a result of your failure to pay taxes.

The effectiveness of this Agreement is conditioned upon, and is expressly subject to (1) the grant and approval by the United States Bankruptcy Court of the District of Delaware (and by any appellate court of competent jurisdiction on any appeal therefrom) of a proposed settlement between and among the Company, Official Committee of Unsecured Creditors, the Term B Loan Lenders, the Second Lien Agent, Beef Products Inc. and the prepetition Second Lien Lenders pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 (the "Global Settlement"), and (2) the Company's receipt of consent from each of the parties to the Global Settlement (other than the Company) to the Company's entry into this Agreement. In the event the Global Settlement is not finalized and approved by the bankruptcy court, or is modified in any manner adverse in any material respect to any of the settling parties, or if any party to the Global Settlement (other than the Company) does not consent to this Agreement, then this Agreement shall become null and void and of no further force or effect, unless otherwise agreed in writing between the Company and you (and, if necessary, approved by the bankruptcy court).

You will be free to terminate this Agreement at any time by written notice delivered to the Company, and you are free to take other work as a contractor that will not interfere with your ability to complete the contracted duties for the Company. The Company will be free to terminate this Agreement, with or without "Cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), at any time by written notice delivered to you. In the event of (a) your termination of this Agreement or (b) the Company's termination of this Agreement for Cause, you will forfeit any right to receive any Litigation Recovery Amounts and the only amount payable to you by the Company shall be any unpaid Weekly Services Amounts for approved services rendered prior to the date of termination. In the event that the Company terminates this agreement "without cause" (as such term is defined in your expired Employment Agreement with the Company, dated June 12, 2008), the Company will continue to pay to you any Litigation Recovery Amounts owed to you in accordance with, and subject to the terms and conditions of, this Agreement, notwithstanding any such termination..

[Signature page follows]



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Please confirm your acceptance of this Agreement by signing this letter below. Please contact me if you have any questions. We appreciate your cooperation throughout this process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Beckman', is written over the word 'Sincerely,'.

David Beckman

Accepted by:

Barry Renninger

Date



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

ANNEX 1

[List Cargill and GOPAC litigation cases/claims]



Corporate Office: 860 First Avenue, Suite 9A • King of Prussia, PA 19406
800-523-5068 • www.afafoods.com

Annex 1: List of Litigation

1. United Food Group LLC v. Cargill, Inc., No. CV11-7752 MWF (AJWx) / 11-CV-07752-JHN (C.D. Cal.)
2. GOPAC Litigations:
 - a. Jones v. Fairbank Reconstruction Corp., et. al., No. 2:11-cv-00437-GZS (D. Me.).
 - b. Campanelli v. Greater Omaha Packing Co., et. al., No. 3:11-cv-01618-MRK (D. Conn.) (Fairbank Reconstruction Corp.)
 - c. Canella, et. al. v. Fairbank Reconstruction Corp., et. al., No. 3:11-cv-10396-CFD (D. Conn.)
 - d. Cohen v. Fairbank Farms, et. al., No. 4087/10 (N.Y. Sup. Ct.) (Fairbank Reconstruction Corp.)
 - e. Long v. Fairbank Farms, Inc., et. al., No. 1:09-cv-592-GZS (D. Me.) (Fairbank Reconstruction Corp.)
 - f. Smith v. Fairbank Farms, Inc., et. al., No. 2:10-cv-60-GZS (D. Me.) (Fairbank Reconstruction Corp.)
3. Claims or potential claims by the Company or any of its subsidiaries against GBP Australia Pty Ltd.