

1. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute the sum of \$2,700,000 to Textron Canada in partial payment of Textron Canada's secured claim against Beta Brands.

2. **THIS COURT ORDERS** that the Receiver shall reserve the sum of \$550,000 (the "Vacation Pay Reserve") in an interest-bearing account, which amount, plus any accrued interest, shall, subject to a further Order of this Court, not be distributed by the Receiver pending the determination of the entitlement of the members of Local 242G to: (a) receive a distribution or other payment from the assets and property of Beta Brands over which the Receiver has been appointed from which the Vacation Pay Reserve has been drawn, or the proceeds realized from those assets and property (the "Property") in priority to the rights or claims of Beta Brands' secured creditors; or (b) an interest in the Property ranking in priority to the interests or claims of Beta Brands' secured creditors and/or any bankruptcy trustee appointed in respect of Beta Brands, in respect of outstanding vacation pay owing by Beta Brands (the "Outstanding Vacation Pay"), provided that the segregation of the Vacation Pay Reserve by the Receiver as required herein shall not constitute an admission or otherwise evidence that funds necessary to satisfy any liability of Beta Brands for Outstanding Vacation Pay were or are held separate and apart in trust or otherwise for the purpose of establishing any trust or lien claim that might be made by Local 242G or its members for Outstanding Vacation Pay.

3. **THIS COURT ORDERS** that the Vacation Pay Reserve shall be and is deemed to have been drawn from the proceeds from the disposition by the Receiver of Beta Brands' inventory and the collection of Beta Brands' receivables.

4. **THIS COURT ORDERS** that, without prejudice to the rights of the Receiver or any bankruptcy trustee appointed over Beta Brands to disallow any proofs of claim filed by Local 242G, including any proof(s) of claim in respect of Outstanding Vacation Pay, the Receiver shall use reasonable efforts to assist and shall cooperate with Local 242G to determine the quantum of the Outstanding Vacation Pay; and upon the determination of the quantum of the Outstanding Vacation Pay being made, the Receiver may, with the consent of Local 242G, adjust the quantum of the Vacation Pay Reserve to reflect the quantum of the Outstanding Vacation Pay.

5. **THIS COURT ORDERS** that the determination of Local 242G's entitlement, if any, to:
(a) be paid or receive a distribution from the Property in priority to Beta Brands' secured creditors; or (b) an interest in the Property ranking in priority to the interests or claims of Beta Brands' secured creditors and/or any trustee appointed in respect of Beta Brands in respect of any established claim for Outstanding Vacation Pay shall be reserved to the Ontario Superior Court of Justice in London, Ontario to a date to be fixed by the Trial Coordinator.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings; and
- (b) any Application for a Bankruptcy Order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Respondent and any Bankruptcy Order issued pursuant to any such Application,

the payment authorized by paragraph 1 of this Order will not be void or voidable and shall be binding on any trustee in bankruptcy that may be appointed in respect of Beta Brands.



BETWEEN:

TEXTRON FINANCIAL CANADA LIMITED
Applicant

- AND -

BETA LIMITEE/BETA BRANDS LIMITED
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT TORONTO

INTERIM DISTRIBUTION ORDER

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Solicitors for Mintz & Partners Limited in its capacity as
Interim Receiver and Receiver of Beta Limitee/Beta
Brands Limited