Court File No. 08-CL-7841

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF INTERTAN CANADA LTD. AND TOURMALET CORPORATION

APPLICANTS

NOTICE OF MOTION
(Motion Returnable June 29, 2009)

THE APPLICANTS, InterTAN Canada Ltd. ("InterTAN") and Tourmalet Corporation (collectively, the "Applicants") will make a motion before the Honourable Mr. Justice Morawetz on June 29, 2009 at 2:15 p.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order, if necessary, abridging the time for service of this Notice of Motion and the Motion Record herein, and directing that any further service of the Notice of Motion and the Motion Record be dispensed with;

2. An Order extending the Stay Period, as defined in the Amended and Restated Initial Order dated November 10, 2008 (the "Initial Order"), and as subsequently extended, from July 3, 2009 until October 31, 2009;

3. An Order, substantially in the form attached as Exhibit "A" to the Affidavit of Mark Wong, sworn June 25, 2009 (the "Wong Affidavit"), *inter alia*:

(a) authorizing and directing the Monitor to execute and deliver the Payment and Escrow Agreement (the "Escrow Agreement"), substantially in the form attached to the Eighth Report of the Monitor, dated June 25, 2009 (the "Eighth Report"), and to comply with the terms thereof;

(b) authorizing and directing that, from and after the closing of the Sale Transaction (as defined in the Wong Affidavit) (the "Closing"), the Monitor to hold the proceeds (the "Sale Proceeds") from the Sale Transaction after the payment of the other amounts provided for in the proposed Order, pending further order of this Honourable Court, provided that, after the Closing, and without further order of this Honourable Court, and subject at all times to the terms of the Escrow Agreement, the Monitor is authorized and directed to disburse funds in its possession to pay for fees, costs, expenses and disbursements incurred in connection with these proceedings upon the approval of the Post-Closing Officer (as defined below) or further Order of the Court;

(c) authorizing and directing the Monitor, in addition to its rights and obligations set out in the Initial Order, from and after the Closing, to take such administrative and other steps that it deems necessary to assist the Applicants in the administration of these proceedings and the wind-down of the business and affairs of the Applicants;

(d) approving the Eighth Report, and the actions and activities of the Monitor described therein;

(e) providing that the Applicants' cash flow projections for the weeks ended July 3, 2009 to October 30, 2009 be sealed, kept confidential and not form part of the public record until further Order of the Court;

(f) approving the appointment of Ms. Michelle Mosier as a director and officer of InterTAN to assist the Applicants in the administration of these proceedings and the wind-down of the business and affairs of the Applicants, effective upon the Closing;

(g) authorizing and directing the Monitor to pay from the Sale Proceeds: (i) forthwith after the Closing, all amounts owing to the DIP Lenders (as defined in the Initial Order) which are secured by the DIP Lenders' Charge (as defined in the Initial Order) with respect to direct advances made to InterTAN under the Definitive Documents (as defined in the Initial Order), as set out in a payout letter (the "DIP Payout Letter") to be provided by the DIP Lenders and agreed to by InterTAN and the Monitor on or before the Closing (the "DIP Payout"); and (ii) after the DIP Payout, promptly after demand by Bank of America NA Canada Branch (the "Canadian Agent"), with appropriate supporting information, any amounts that have been drawn down on standby letters of credit that expire on or before July 1, 2009, and costs and expenses in connection with such standby letters of credit (the "Standby L/C Obligations"), provided further that the Monitor is authorized and directed to hold sufficient funds from the Sale Proceeds to satisfy the Standby L/C Obligations up and until July 31, 2009;

(h) authorizing and directing the Canadian Agent to: (i) hold, as cash collateral (the "Cash Collateral"), an amount not less than 103% of the face amount of all outstanding documentary letters of credit issued by the Canadian Agent on behalf of InterTAN (the "Documentary L/Cs") (and granting a lien and security interest in such Cash Collateral as security for any and all obligations, liabilities, costs, claims and expenses, direct or indirect, matured or contingent of InterTAN, under or in connection with the Documentary L/Cs (the "Documentary L/C Obligations")); and (ii) apply such Cash Collateral in satisfaction of the Documentary L/C Obligations, including all drawings under the Documentary L/Cs, provided that any excess Cash Collateral, after the satisfaction of all Documentary L/C Obligations, is to be returned forthwith to the Monitor by the Canadian Agent;

(i) releasing and discharging, upon the making of the DIP Payout, any and all liens, charges and security interests, including the DIP Lenders' Charge,

which the Canadian Agent and/or the DIP Lenders presently hold in any Property (as defined in the Initial Order) of the Applicants to secure the Obligations (as defined in the DIP Facility as defined below), which for greater certainty shall include all guarantees given by the Applicants under or in connection with the DIP Facility, the Definitive Documents or any of their U.S. affiliates' Obligations thereunder, except for the Canadian Agent's lien and security interest in the Cash Collateral and its right to receive sufficient funds from the Sale Proceeds to satisfy the Standby L/C Obligations promptly upon demand;

(j) releasing, upon the making of the DIP Payout, the DIP Lenders' Charge and the Canadian Creditor Charge (as such terms are defined in the Initial Order) subject to the terms set out in the proposed Order;

(k) mutually releasing the Applicants and the DIP Lenders from all claims related to the DIP Facility upon the making of the DIP Payout;

(l) authorizing and directing the Monitor to pay, forthwith after the Closing, from funds provided by InterTAN to the Monitor, $261,893.90 in the manner set out in the Escrow Agreement to the employees covered by InterTAN's key employee retention plan ("KERP") who remain eligible to receive such payments pursuant to the terms of the KERP, and upon such payment, releasing the KERP Charge (as defined in the Initial Order) and rendering it of no further force or effect;

(m) authorizing and directing the Monitor, forthwith after the Closing, and in accordance with the Escrow Agreement, to pay Circuit City Stores West Coast, Inc. ("West Coast") and/or Ventoux International, Inc. ("Ventoux") and/or as they may otherwise direct in writing, the Canadian dollar equivalent of US$15 million in the aggregate (less any applicable withholding taxes in respect of the licensed trade-marks, as specified in the Escrow Agreement) from the Sale Proceeds; and

(n) authorizing and directing the Monitor, forthwith after the Closing, to pay Rothschild (as defined below), the M&A Fee (as such term is defined in the Rothschild Agreement, as defined below) from the Sale Proceeds in accordance with the Escrow Agreement.

4. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On November 10, 2008, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to the Initial Order;

2. Circuit City Stores, Inc. ("Circuit City") is InterTAN's ultimate parent company. On November 10, 2008, Circuit City and certain of its affiliates (the "U.S. Debtors") filed for and were granted bankruptcy protection pursuant to Chapter 11 of title 11 of the *United States Code* in the United States Bankruptcy Court for the Eastern District of Virginia (the "Chapter 11 Proceedings");

3. The Initial Order authorized InterTAN to enter into a cross-border credit facility along with certain of the U.S. Debtors, as joint and several borrowers, Bank of America, N.A., as Administrative Agent and Collateral Agent, the Canadian Agent and other lenders on the terms and subject to the conditions set forth in the Senior Secured, Super-Priority, Debtor-in-Possession Credit Agreement (as amended, supplemented, modified or restated, the "DIP Facility");

4. On January 16, 2009, the United States Bankruptcy Court issued an Order in the Chapter 11 Proceedings approving a going out of business sale at the U.S. Debtors' remaining stores. As a result of the liquidation sale, the U.S. Debtors no longer needed incremental borrowings under the DIP Facility. Conversely, InterTAN still required continuing availability under the DIP Facility to fund its working capital and general corporate purposes as it sought to complete a going concern transaction for the business;

5. On February 23, 2009, this Honourable Court granted an Order (the "February 23, 2009 Order") approving a Third Amendment to the DIP Facility which, *inter alia*, provided InterTAN with a direct lending commitment that is not dependant on a calculation of the "U.S. Borrowing Base";

6. On February 23, 2009, 4458729 Canada Inc. (the "Purchaser") (a direct wholly-owned subsidiary of Bell Canada), InterTAN, West Coast, Ventoux and Bell Canada entered into an asset purchase agreement providing for, *inter alia*: (i) the sale of substantially all of the assets and operations of InterTAN to the Purchaser; (ii) the sale and/or license of certain trade-marks owned by West Coast and used in InterTAN's business to the Purchaser; and (iii) the sale of all of the issued and outstanding shares of Circuit City Global Sourcing, Limited owned by Ventoux to the Purchaser (the "Asset Purchase Agreement");

7. On March 9, 2009, this Honourable Court approved the Asset Purchase Agreement and made an Approval and Vesting Order and an Additional Approvals Order to facilitate the Sale Transaction;

8. The Sale Transaction is currently scheduled to close at 12:01 a.m. on July 1, 2009;

Expansion of the Role of the Monitor

9. In order to facilitate the Closing, the parties to the Asset Purchase Agreement (other than Bell Canada) will be entering into a Payment and Escrow Agreement (the "Escrow Agreement") with the Monitor. Pursuant to the terms of the Escrow Agreement, the Purchaser has been authorized and directed to make the payments required on Closing to the Monitor in advance of the Closing and the Monitor has agreed to hold such closing payments in escrow pending receipt of written confirmation of the Closing in accordance with the terms of the Escrow Agreement. It is proposed that the Monitor will then disburse, or hold, as applicable, the payments required to be made on Closing in accordance with the terms of the Escrow Agreement and in accordance with the terms of the proposed Order;

10. The Asset Purchase Agreement provides for the assumption by the Purchaser of all of the employees of InterTAN in the manner specified in the agreement. As a result, subsequent to the Closing, senior management of InterTAN will no longer be employed by the

company. As such, it is proposed that the Monitor be provided with additional specific authority, from and after the Closing, to take such administrative and other steps that it deems necessary to assist the Applicants in the administration of these proceedings and the wind-down of the business and affairs of the Applicants;

Appointment of Post-Closing Officer

11. In addition, it is proposed that Ms. Michelle Mosier, an officer and director of InterTAN, Inc. (InterTAN's direct parent company) and the Controller and Chief Accounting Officer of Circuit City (InterTAN's ultimate parent company) be appointed as a director and officer of InterTAN to assist the Applicants in the administration of these proceedings and the wind-down of the business and affairs of the Applicants after the Closing;

Repayment of DIP Facility

12. As set out in the Third Amendment to the DIP Facility, which was approved by the February 23, 2009 Order, the "Maturity Date" of the DIP Facility with respect to the "Canadian Liabilities" is the earlier of: (i) the consummation of a sale of the "Canadian Loan Parties" or substantially all of their assets; or (ii) June 30, 2009;

13. As a result, InterTAN is obligated to repay all amounts owing to the DIP Lenders with respect to direct advances (the "DIP Payout") made to InterTAN upon the Closing and is proposing to do so (through the Monitor) based on a payout letter provided by the DIP Lenders and agreed to by InterTAN and the Monitor on or before the Closing (the "Payout Letter");

14. Pursuant to the terms of the Payout Letter, the DIP Lenders have agreed to release and discharge all liens, charges and security interests, including the DIP Lenders' Charge, against the assets and property of the Applicants. The DIP Lenders and the Applicants have also agreed to a mutual release in connection with the DIP Facility. As a result, it is proposed that, upon the making of the DIP Payout, the DIP Lenders' Charge and the Canadian Creditor Charge shall be released and be of no further force or effect, subject to the terms of the proposed Order;

Payment of KERP

15. Paragraph 43(b) of the Initial Order provides, in part, that "notwithstanding anything contained in the Definitive Documents to the contrary: the key employees referred to in the KERP shall be entitled to the benefit and are hereby granted a charge (the "KERP Charge")

on the Property in the amount of $838,000 to secure amounts owing to such key employees under the KERP";

16. The consummation of the Sale Transaction results in the amounts provided for under the KERP being payable to those employees who remain eligible to receive payments pursuant to the KERP. Four of the five original participants in the KERP remain eligible to receive payments under the KERP and it is proposed that such employees will receive combined payments totalling $458,298 (less applicable withholdings) forthwith after the Closing. After the employees are paid the amounts owing to them under the KERP, it is proposed that the KERP Charge be released and be of no further force or effect;

Payment to West Coast and Ventoux

17. The Asset Purchase Agreement provides that the Purchaser shall pay to Ventoux and West Coast, collectively or as they may otherwise together direct the Purchaser in writing, but without duplication, the Canadian dollar equivalent of US$15 million in the aggregate, less any applicable withholding taxes in respect of the licensed trade-marks, by wire transfer of immediately available funds. As set out above, in order to facilitate the Closing, it is proposed that the Purchaser provide all of the funds payable on Closing to the Monitor pursuant to the Escrow Agreement, including the funds payable to Ventoux and West Coast, and the Monitor will then disburse the funds in the manner set out in the Escrow Agreement and the proposed Order;

Payment to Rothschild

18. By Order dated January 14, 2009, this Honourable Court approved the agreement, dated as of October 13, 2008, by and among InterTAN, Inc., on behalf of and as the sole shareholder of InterTAN, InterTAN, Inc. and N M Rothschild & Sons Canada Securities Limited and Rothschild Inc. (collectively, "Rothschild") regarding the retention of Rothschild as investment banker to InterTAN (the "Rothschild Agreement");

19. Specifically, the January 14, 2009 Order provides that "the fees payable to Rothschild pursuant to and in accordance with the terms of the Rothschild Agreement, including section 4 thereof, are hereby approved and that Rothschild shall receive payment of any fees directly from the proceeds of any Transaction (as defined in the Rothschild Agreement) to the exclusion of the entitlement of any third party";

20. The transactions contemplated by the Asset Purchase Agreement meet the definition of "M&A Transaction" set out in the Rothschild Agreement resulting in the "M&A Fee" being payable to Rothschild directly from the proceeds generated by the Sale Transaction. It is proposed that the Monitor will pay Rothschild the M&A Fee pursuant to the terms of the Escrow Agreement and the proposed Order;

21. The requested relief related to the consummation of the Sale Transaction is in the best interests of the Applicants and their stakeholders as it will assist the Applicants and the Monitor with the mechanics involved in the Closing, and will ensure that the net proceeds of sale are held by the Monitor pursuant to the terms of a Court Order;

Extension of Stay Period

22. The Stay Period currently expires on July 3, 2009 and the Applicants are proposing that the Stay Period be extended to October 31, 2009;

23. The requested stay extension will allow the Applicants: (i) to deal with post-closing matters arising out of the Asset Purchase Agreement; (ii) to propose and implement a post-filing claims process (which will include a call for claims against the Applicants' directors and officers); and (iii) to propose and implement a process to resolve claims received pursuant to the pre-filing and post-filing claims processes, all with the goal of effecting stakeholder distributions in a timely and efficient manner;

Sealing of Cash Flows Projections

24. The Applicants' cash flow projections contain details concerning the purchase price payable by the Purchaser under the Asset Purchase Agreement and certain post-closing mechanics, which information is subject to a sealing order granted by this Honourable Court as part of the Additional Approvals Order dated March 9, 2009;

25. In order to respect the previous sealing order of this Honourable Court with respect to the Asset Purchase Agreement and the commercially sensitive information set out in the cash flow projections, it is proposed that the cash flow projections remain sealed until further Order of the Court;

26. The Applicants have been and continue to act in good faith and with due diligence in these CCAA proceedings;

27. It is just and convenient and in the interests of the Applicants and their stakeholders that the Order sought be granted and the Stay Period extended;

28. Section 11 of the *CCAA*;

29. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

30. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this motion:

1. The Affidavit of Mark Wong sworn June 25, 2009 and the Exhibits thereto;

2. The Eighth Report of the Monitor dated June 25, 2009;

3. The Confidential Supplement to the Sixth Report of the Monitor, previously sealed pursuant to the Additional Approvals Order dated March 9, 2009;

4. The Motion Record of the Applicants regarding the Third Amendment to the DIP Facility, previously filed with the Court, dated February 18, 2009; and

5. Such further and other materials as counsel may advise and this Honourable Court may permit.

June 25, 2009

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TO: THE SERVICE LIST

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Proceeding commenced at Toronto

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