

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.

)

MONDAY, THE 29<sup>th</sup> DAY

)

JUSTICE MORAWETZ

)

OF JUNE, 2009

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

**ORDER**



**THIS MOTION**, made by InterTAN Canada Ltd. ("InterTAN") and Tourmalet Corporation (collectively, the "Applicants") for an Order: (i) extending the Stay Period (as defined in the Initial Order) from July 3, 2009 until October 31, 2009 and (ii) for certain relief ancillary to the closing of the Sale Transaction (as defined in the Wong Affidavit as defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Affidavit of Mark Wong sworn June 25, 2009 and the Exhibits thereto (the "Wong Affidavit") and the Eighth Report of the Monitor dated June 25, 2009 and the Appendices thereto (the "Eighth Report"), and on hearing the submissions of counsel for the Applicants, the Monitor, Bank of America, N.A. (Canada Branch), in its capacity as a lender and agent (the "Canadian Agent"), 4458729 Canada Inc. and Bell Canada, no one

else appearing although duly served as set out in the Affidavit of Service of Gillian Scott dated June 25, 2009.

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged so that this Motion is properly returnable today and any further service of the Notice of Motion and the Motion Record is hereby dispensed with.

### **EXTENSION OF THE STAY PERIOD**

2. **THIS COURT ORDERS** that the Stay Period, as defined in the Amended and Restated Initial Order dated November 10, 2008 (the "Initial Order"), and as subsequently extended by Orders of this Honourable Court, is hereby extended from July 3, 2009 to October 31, 2009.

### **EXPANSION OF THE ROLE OF THE MONITOR**

3. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to execute and deliver the Payment and Escrow Agreement (the "Escrow Agreement"), substantially in the form attached as Appendix "A" to the Eighth Report, and to comply with the terms thereof.

4. **THIS COURT ORDERS** that, from and after the closing of the Sale Transaction (the "Closing"), the Monitor be and it is hereby authorized and directed to hold the proceeds (the "Sale Proceeds") from the Sale Transaction, after the payment of the other amounts provided for herein, 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 hereby 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, provided that the fees and disbursements of the Monitor and its counsel shall be disbursed directly from the Sale Proceeds without the approval of the Post-Closing Officer but subject to the requirement contained in paragraph 33 of the Initial Order for the Monitor and its counsel to pass its accounts from time to time.

5. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed, 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.

6. **THIS COURT ORDERS** that the Eighth Report and all of the actions and activities of the Monitor described therein be and are hereby approved.

#### **SEALING OF CASH FLOW PROJECTIONS**

7. **THIS COURT ORDERS** 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, but rather be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

#### **APPOINTMENT OF POST-CLOSING OFFICER**

8. **THIS COURT ORDERS** that the appointment of Ms. Michelle Mosier as a director and officer of InterTAN (the "Post-Closing Officer"), 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, is hereby approved.

9. **THIS COURT ORDERS** that the Post-Closing Officer shall incur no liability or obligation as a result of the Post-Closing Officer's appointment as a director and officer of InterTAN, save and except as may result from gross negligence or wilful misconduct on the part of the Post-Closing Officer.

#### **REPAYMENT OF DIP FACILITY**

10. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed 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 on 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 the Canadian Agent with appropriate supporting documentation, 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 such Standby L/C Obligations up and until July 31, 2009.

11. **THIS COURT ORDERS** that the Canadian Agent is hereby authorized and directed 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 is hereby granted 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.

12. **THIS COURT ORDERS** that, upon the making of the DIP Payout, any and all liens, charges, mortgages, hypothecs, assignments 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 Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement dated as of November 12, 2008, as amended, supplemented, modified or restated (the "DIP Facility"), which for greater certainty shall include all guarantees given by the Applicants under or in connection with the DIP Facility, the Definitive Documents or of any of their U.S. affiliates' Obligations thereunder) shall be released and discharged, 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 in accordance with the terms of this Order.

13. **THIS COURT ORDERS** that, 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) shall be released and be of no further force or effect, subject to paragraphs 11 and 12 of this Order.

14. **THIS COURT ORDERS** that, upon the making of the DIP Payout, the Applicants forever release and discharge Bank of America, N.A. as Administrative Agent and Collateral Agent (the "Agent"), the Canadian Agent and the DIP Lenders and their affiliates, officers, directors, employees, agents and representatives of and from any and all costs, claims, proceedings and liabilities for any act or thing done or not done on or prior to the date hereof, including, without limitation, under or in connection with the Definitive Documents and/or any of the credit facilities therein described, other than the Applicants' continuing interest in the Cash Collateral and the obligation of the Canadian Agent to return any excess Cash Collateral to the Monitor after the Documentary LC Obligations are satisfied.

15. **THIS COURT ORDERS** that, upon the making of the DIP Payout, the Agent, the Canadian Agent and the DIP Lenders forever release and discharge the Applicants, the Monitor and their respective officers, directors, employees, agents and representatives from any and all costs, claims, proceedings and liabilities for any act or thing done or not done on or prior to the date hereof, including, without limitation, under or in connection with the Definitive Documents and/or any of the credit facilities therein described, other than (a) any rights and claims relating to any cheques or similar instruments for payment received and credited to InterTAN's accounts to the extent dishonoured or returned; (b) the lien and security interest in the Cash Collateral in respect of the Documentary L/C Obligations; and (c) the right to receive sufficient funds from the Sale Proceeds to satisfy the Standby L/C Obligations promptly upon demand in accordance with the terms of this Order. Notwithstanding the foregoing release of the Applicants, nothing in this Order is intended to release Circuit City Stores, Inc. and other guarantors of the obligations of the Applicants of or from any of their obligations as guarantors of or in respect of any indemnity, expense reimbursement or other obligations of the Applicants

under provisions of the Definitive Documents which by their terms survive any termination of the Definitive Documents as to the Applicants.

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

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) in respect of the Applicants or either of them and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants or either of them;

all payments made to the DIP Lenders and/or the Canadian Agent pursuant to the terms of the this Order, in connection with the DIP Facility and the Definitive Documents and in satisfaction of the DIP Lenders’ Charge, shall not be void or voidable or otherwise disgorged by creditors of the Applicants or the Applicants, nor shall such payments constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall such payments constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **PAYMENT OF KERP**

17. **THIS COURT ORDERS** that, forthwith after the Closing, the Monitor is hereby authorized and directed to pay, 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, the KERP Charge (as defined in the Initial Order) shall be released and be of no further force or effect.

#### **PAYMENT TO WEST COAST AND VENTOUX**

18. **THIS COURT ORDERS** that, forthwith after the Closing and in accordance with the Escrow Agreement, the Monitor is hereby authorized and directed to pay, from the Sale Proceeds, 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) to Circuit City Stores West Coast, Inc. and/or Ventoux International, Inc. and/or as they may otherwise so direct in writing.

#### **PAYMENT TO ROTHSCHILD**

19. **THIS COURT ORDERS** that, forthwith after the Closing, the Monitor is hereby authorized and directed to pay, in accordance with the Escrow Agreement, from the Sale Proceeds, to N M Rothschild & Sons Canada Securities Limited and/or Rothschild Inc. (collectively, "Rothschild") the "M&A Fee" as such term is defined in the agreement by and among InterTAN, Inc., on behalf of and as the sole shareholder of InterTAN, InterTAN, Inc. and Rothschild dated as of October 13, 2008.

#### **AID & RECOGNITION**

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, including the United States Bankruptcy Court for the Eastern District of Virginia, to give effect to the terms of this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT A TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO.:

JUN 30 2009

PER / PAR:



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

Court File No: 08-CL-7841

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

APPLICANTS

*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

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