

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

JUSTICE MORAWETZ

) WEDNESDAY, THE 12th
)
) DAY OF MAY, 2010



**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
EDDIE BAUER OF CANADA, INC. AND EDDIE BAUER CUSTOMER SERVICES INC.**

ORDER

THIS MOTION, made by Tenere of Canada, Inc. (formerly Eddie Bauer of Canada, Inc.) ("**Tenere**") and Yuma Customer Services Inc. (formerly Eddie Bauer Customer Services Inc.) (collectively, the "**Applicants**") for certain of the relief set out in the Applicants' notice of motion dated April 20, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Kelly Green sworn April 20, 2010, and the exhibits thereto (the "**Green Affidavit**") and the Eighth Report of RSM Richter Inc. dated April 20, 2010 (the "**Eighth Report**"), in its capacity as monitor (the "**Monitor**") of the Applicants, and on hearing submissions of counsel for the Applicants, the Monitor, Wilmington Trust Company and Her Majesty the Queen in Right of Canada, as represented by the Minister of National Revenue, no one appearing for any other person on the service list, although duly served as appears from

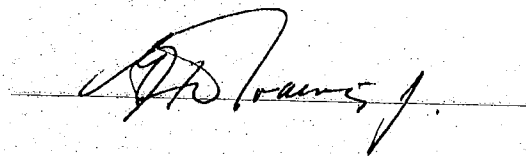
the Affidavit of Service of Christopher G. Armstrong sworn April 21, 2010, filed, the Affidavit of Service of Deborah S. Murphy sworn April 21, 2010, filed, and the letter from Goodmans LLP to the service list dated April 29, 2010, filed.

1. **THIS COURT ORDERS** that the time for the service of the Applicants' motion record and the Eighth Report is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that, unless otherwise specified, capitalized terms used herein shall have the meaning ascribed to them in the Initial Order of the Honourable Mr. Justice Morawetz dated June 17, 2009, as amended and restated (the "**Initial Order**").
3. **THIS COURT ORDERS** that the Sale Proceeds Allocation (as defined in the Green Affidavit) be and is hereby approved.
4. **THIS COURT ORDERS** the Monitor be and is hereby authorized and directed to distribute a portion of the Sale Proceeds (as defined in the Green Affidavit) as follows:
 - (a) US\$7,800,000 to Amargosa, Inc.; and
 - (b) an aggregate of \$1,200 to the holders of three admitted unsecured claims against Tenere.
5. **THIS COURT ORDERS** that, pending further Order of this Court, the Monitor be and is hereby authorized and directed to establish a holdback of the Sale Proceeds in the amount of \$2,500,000.

6. **THIS COURT ORDERS** that the Intercompany Charge on the Property provided for in the Initial Order be and is hereby released, expunged and discharged as against the Property.

7. **THIS COURT ORDERS** that the Administration Charge on the Property provided for in the Initial Order be and is hereby amended such that it shall not exceed an aggregate amount of \$500,000.

V5846283



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAY 12 2010

PER / PAR:



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
EDDIE BAUER OF CANADA, INC. AND EDDIE BAUER CUSTOMER SERVICES INC.

Court File No. 09-8240-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

L. Joseph Latham LSUC#: 32326A
Christopher G. Armstrong LSUC #: 55148B

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Applicants

May 12, 2010

L. J. Lathan for Time Yuma

G. Falayon for Wilmington Trust

M.P. Gottlieb for RST Rechte Inc.

C. Lee for CORA.

Issues relating to allocation of proceeds, distribution
of proceeds, attorneys' change and
administrative change had previously been
adjourned to today so as to provide
the parties, and in particular, each with
the opportunity to consider their
respective positions.

The matter proceeded on a capped
basis and I am satisfied that
the record supports the
reported ruling and that the
~~case~~ ~~now~~ shall issue.

The points of Wilmington Trust have
been summarized in this fashion.

The issues raised by

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
EDDIE BAUER OF CANADA, INC. AND EDDIE BAUER CUSTOMER SERVICES INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

L. Joseph Latham LSUC#: 32326A
Christopher G. Armstrong LSUC #: 55148B

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Applicants

with title be the subject of further
negotiation and, if possible, a hearing.
I am available to deal with
this matter, ^{if necessary,} at 9:30 am ~~on~~ ^{on} ~~the~~ ^{the} ~~day~~ ^{day} ~~of~~ ^{of} ~~the~~ ^{the} ~~week~~ ^{week} ~~of~~ ^{of} ~~the~~ ^{the} ~~17th~~ ^{17th} ~~of~~ ^{of} ~~the~~ ^{the} ~~month~~ ^{month} ~~of~~ ^{of} ~~May~~ ^{May} ~~2010~~ ²⁰¹⁰
The order shall issue in the form
presented

[Signature]