

No. S080752
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.B.C. 2002 c. 57

AND

IN THE MATTER OF BACKBAY RETAILING CORPORATION, and
GRAY'S APPAREL COMPANY LTD.

PETITIONERS

ORDER

BEFORE THE HONOURABLE)
Mr. JUSTICE HINKSON) Tuesday, the 13th day
) of May, 2008.

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia this day; AND UPON HEARING Magnus C. Verbrugge and Steven Meurrens, articulated student, counsel for the Petitioners, Lisa Kerr, counsel for the Monitor, Deloitte & Touche Inc., and Sharon Urquhart, counsel for Ivanhoe Cambridge Inc., 20 VIC Management Inc., OMERS Realty Management Corporation and Morguard Investments Inc, AND UPON READING the material filed, including the Affidavit of John McNamara sworn May 8, 2008 and filed:

THIS COURT ORDERS THAT:

1. The Petitioners are at liberty to enter into, and are bound by the terms and conditions as set out in the agreement dated May 7, 2008 with Maynards Industries Ltd. (the "Agreement") for the sale of certain inventory and assets of the Petitioners, and are hereby authorized to execute such documents as may be necessary to complete the transactions contemplated thereby.

2. The Petitioners shall, and shall cause Maynards Industries Ltd., to carry out the Agreement in compliance with the Order made in these proceedings dated February 29, 2008 (the "Amended Initial Order") and the Sale Guidelines, a copy of which is attached as Appendix I hereto. In the event that there is a conflict between the terms of the Sale Guidelines and paragraph 14A of the Amended Initial Order, the Sale Guidelines shall govern.

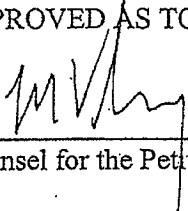
3. In the event of an inconsistency between the provisions of the Agreement and the Amended Initial Order, the Amended Initial Order shall govern.

4. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

BY THE COURT


DEPUTY DISTRICT REGISTRAR 

APPROVED AS TO FORM:


Counsel for the Petitioners

APPENDIX I

SALE GUIDELINES

The following procedures shall apply to any sale of inventory, assets or other property other than the real property leases (collectively, the "Merchandise") in connection with a sale (the "Sale") to be held by Mariposa Stores Limited Partnership ("Mariposa") and/or the Agent (as defined below) at the stores as set out in Schedule "A" and such additional stores as may be added to Schedule "A" upon 7 days notice to the applicable Landlord (as defined below) (the "Stores") provided that in no event shall such Sale end later than August 31, 2008 or such later date as the applicable Landlord (as defined below) may agree or by further Order of the Court:

1. Except as otherwise expressly set out herein, and subject to: (i) a further Order of the Court; or (ii) any written agreement between Maynards Industries Ltd. (the "Agent"), and the applicable landlord(s) (the "Landlords"), the Sale shall be conducted in accordance with the terms of the applicable lease for the Company (the "Leases").
2. The Sale shall be conducted so that the Stores remain open no longer than the normal hours of operation provided for in the respective Leases or other occupancy agreement for the Stores.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws, unless otherwise ordered by the Court.
4. All display and hanging signs used by Mariposa and the Agent in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Mariposa and Agent may advertise the Sale as a "going out of business" and "store closing" (or similar language) at the Stores. Forty-eight (48) hours prior to the commencement of the Sale, Mariposa and the Agent shall provide proposed signage packages by email or facsimile to the applicable Landlords or to counsel of record for the applicable Landlords and the applicable Landlord shall promptly notify Mariposa and the Agent of any requirement for such signage to otherwise comply with the terms of the Leases and/or these Sale Guidelines. Mariposa and the Agent shall not use neon, day-glo or handwritten signage. Furthermore, with respect to enclosed mall locations no exterior signs or signs in common areas of a mall shall be used unless permitted by the applicable Leases. Nothing contained herein shall be construed to create or impose upon Mariposa and the Agent any additional restrictions not contained in the applicable Lease or other occupancy agreement. In addition, Mariposa and the Agent shall be permitted to utilize exterior banners at non-enclosed mall Stores; provided, however, that such banners shall be located or hung so as to make clear that the Sale is being conducted only at the affected store and shall not be wider than the premises occupied by the Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the façade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of the Agent.
5. Mariposa and the Agent shall be permitted to utilize sign walkers and street signage; provided, however, such street walkers and street signage shall not be located on the shopping centre/mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final" and that customers with any questions or complaints subsequent to the conclusion of the Sale may contact a named representative of Mariposa or the Agent at a specified telephone number.

7. Neither the Agent nor Mariposa shall distribute handbills, leaflets or other written materials to customers outside of any of the Stores, unless permitted by the applicable Lease or, if distribution is customary in the shopping centre in which the Store is located. Otherwise, the Agent and/or Mariposa may solicit customers in the Stores themselves. Neither the Agent nor Mariposa shall use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable Lease or agreed to by the Landlord.
8. At the conclusion of the Sale, the Agent and Mariposa shall vacate the Stores in "broom Swept" and clean condition, and shall otherwise leave the Stores in the same condition as on the commencement of the Sales, ordinary wear and tear excepted.; provided, however, that Mariposa may abandon any furniture, fixtures and equipment ("FF&E") not sold in the Sale at the Store premises at the conclusion of the Sale and any such property left in a Store after a Lease is repudiated shall be deemed abandoned and the Landlord shall have the right to dispose of such property as the Landlord chooses without any liability whatsoever on the part of the Landlord. In any event, no property of any Landlord of a Store shall be removed or sold during the Sale.
9. Subject to paragraph 8 above, and in accordance with paragraph 12 of the Amended Initial Order, Mariposa and/or the Agent may sell furniture, fixtures and equipment ("FF&E") owned by Mariposa and located in the Stores during the Sale. Mariposa or the Agent, as the case may be, may advertise the sale of FF&E consistent with the guidelines provided in paragraphs 4 and 6 hereof on the understanding that the Landlord may require such signs to be placed in discreet locations within the Store. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove the FF&E either through the back shipping areas or through other areas after store business hours, with Landlord supervision as required by Landlord.
10. Neither the Agent nor Mariposa shall make any alterations to interior or exterior Store lighting. No property of any Landlord of a Store shall be removed or sold during the Sale. The hanging of exterior banners or other signage shall not constitute an alteration to a Store.
11. The Agent and its agents and representatives shall have the same access rights to the Stores as Mariposa (the tenant) under the terms of the applicable Leases, and the Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Leases (subject, for greater certainty, to the stay of proceedings set out in CCAA Order dated February 29, 2008).
12. Mariposa and/or the Agent shall not conduct any auctions of Merchandise or FF&E at any of the Stores. Subject to agreement of the parties or further Court Order, Mariposa and/or the Agent shall not augment the Merchandise included in the Sale save as permitted by the section 14A of the Amended Initial Order.
13. Removal of other furniture, movable fixtures and equipment shall take place before or after the regular hours of the Store or shopping centre and through service of the exits and corridors designated by the Landlord
14. Should an issue arise concerning the conduct of the Sale, the Maynards contact person for the Landlords shall be Mr. Sam Scott. If the parties are unable to resolve the dispute between themselves, the Landlord, Mariposa or Agent shall have the right to schedule a "status hearing" before the Court on no less than five (5) days written notice to the other party or parties.
15. Nothing herein or in any agreement between the Agent and Mariposa shall be deemed to be, a consent by any Landlord to the sale, assignment or transfer of any Leases or grant to the Landlord any greater rights than already exist under the terms of any applicable Leases.

Schedule A

6	Lansdowne Mall
20	Haney Place
24	Central City
36	Port Place
38	Nanaimo Northtown Centre
39	Driftwood Mall
46	North Hills Mall
48	Waneta Plaza
50	Peter Pond
52	Northgate Mall
92	Confederation Mall
96	Northgate Mall
104	Portage Place
114	Parkland Mall
118	Tecumseh Mall
122	Galleria Mall
126	Conestoga Mall
129	Centre Mall
153	Lethbridge Centre
192	City Place