



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.A. 2000, c. B-9

AND

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

PETITIONERS

AFFIDAVIT #8 OF JOHN M. MCNAMARA

I, JOHN M. MCNAMARA, Businessman, of Vancouver, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am a director and officer of Backbay Retailing Corporation and an officer of Gray's Apparel Company Ltd. and as such have personal knowledge of the facts hereinafter deposed to except where the same are stated to be based upon information and belief, which facts I verily believe to be true.
2. The Petitioners are the general partners of Mariposa Stores Limited Partnership ("Mariposa").
3. I am authorized to make this Affidavit on behalf of the Petitioners and Mariposa.

4. I am informed by the Petitioners' counsel that the Court has requested an affidavit to answer several questions raised by the Landlords. These questions are contained in paragraph 27 of the Outline of Motion for Directions (the "**Outline**") dated June 19, 2008.

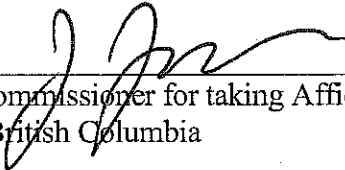
5. The Asset Purchase Agreement required the Purchaser to send to its counsel the funds required to pay the balance of the purchase price (subject to withholdings). The Purchaser's counsel is acting as escrow agent under a holdback agreement. Both the Purchase Agreement and the escrow agreement stipulate that the escrow agent shall pay such funds to Mariposa on June 25, 2008 (as may be extended up to June 30, 2008) by wire transfer to the account of Borden Ladner Gervais LLP, counsel for the Petitioners. There are no further remaining escrow conditions for the release of the funds. The interest on the funds in escrow is for the Petitioners' account.

6. In response to the first question located in paragraph 27 of the Outline, the subject leases were all assigned as of June 1, 2008. The current tenant under the leases is the Purchaser.

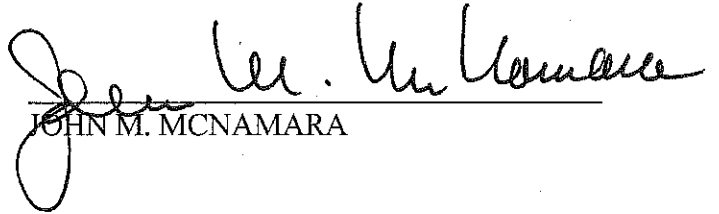
7. In response to the second and third questions, the sale of the subject assets has been completed, and is not capable of collapsing. As the sale cannot collapse, and as the leases have been assigned, the Purchaser is and shall remain the tenant under the leases.

8. In response to the fourth and fifth questions, as the sale cannot collapse, the Purchaser, as the current tenant, is liable to the landlords in the event that there is material damage to the leased premises on, before, or after June 30, 2008.

SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia, this 23rd day of June, 2008


A Commissioner for taking Affidavits
for British Columbia

JAMES D. T. JERMYN
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JOHN M. MCNAMARA

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MCV (503148/000092)

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