

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
MR. JUSTICE NEWBOULD

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TUESDAY, THE 27TH
DAY OF DECEMBER, 2016



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

**AND IN THE MATTER OF MODULAR SPACE INTERMEDIATE HOLDINGS, INC.,
MODULAR SPACE CORPORATION, RESUN MODSPACE, INC., MODSPACE
GOVERNMENT FINANCIAL SERVICES, INC., MODSPACE FINANCIAL SERVICES
CANADA, LTD., RESUN CHIPPEWA, LLC AND MODULAR SPACE HOLDINGS,
INC. (THE "DEBTORS")**

**APPLICATION OF MODULAR SPACE CORPORATION UNDER SECTION 46 OF
THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Modular Space Corporation, in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of David Orlofsky sworn December 23, 2016, the preliminary report dated December •, 2016 of Alvarez & Marsal Canada Inc., in its capacity as the proposed information officer and upon being provided with copies of the documents required by s.46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for Alvarez & Marsal Canada Inc., in its capacity as proposed information officer (the "**Information Officer**"), counsel for Bank of America N.A., as Administrative Agent for the lenders under the Debtors' Post-Petition Credit Agreement (collectively, the "**DIP Lender**"), counsel for the Ad Hoc Group of Noteholders and upon no one appearing for any other parties although duly served as appears from the Affidavit of Service of Evita Ferreira sworn December 23, 2016:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. THIS COURT ORDERS AND DECLARES that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Debtors in respect of the jointly administered insolvency proceedings (the "**Foreign Proceeding**") of Modular Space Holdings, Inc., Modular Space Intermediate Holdings, Inc., Modular Space Corporation, Resun ModSpace, Inc., ModSpace Government Financial Services, Inc., ModSpace Financial Services Canada, Ltd. and Resun Chippewa, LLC in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under Chapter 11 of Title 11 of the United States Code.

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. THIS COURT DECLARES that the centre of its main interests for each of the Debtors is the United States of America, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. THIS COURT ORDERS that until otherwise ordered by this Court:
- (a) all proceedings taken or that might be taken against any Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
 - (b) further proceedings in any action, suit or proceeding in Canada against any Debtor are restrained; and
 - (c) the commencement of any action, suit or proceeding in Canada against any Debtor is prohibited.

NO SALE OF PROPERTY

5. THIS COURT ORDERS that, except with leave of this Court, each of the Debtors is prohibited from selling or otherwise disposing of:
- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
 - (b) any of its other property in Canada that does not relate to the business.

GENERAL

6. THIS COURT ORDERS that within 7 days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice substantially in the form attached to this Order as Schedule "A", once a week for two consecutive weeks, in *The Globe and Mail* (National Edition).
7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of 10:00 am on the date of this Order.

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

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

DEC 27 2016

PER / PAR:



Schedule "A"
Form of Newspaper Notice

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SUPERIOR COURT OF JUSTICE
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NOTICE OF INITIAL RECOGNITION ORDER

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on December 27, 2016 (the "**Initial Recognition Order**").

PLEASE TAKE NOTICE that on December 21, 2016, Modular Space Intermediate Holdings, Inc., Modular Space Corporation, Resun ModSpace, Inc., ModSpace Government Financial Services Inc., ModSpace Financial Services Canada, Ltd., Resun Chippewa, LLC and Modular Space Holdings, Inc. (collectively, the "**Chapter 11 Debtors**") each filed voluntary petitions under chapter 11 of title 11 of the United States Code (collectively, the "**Chapter 11 Proceedings**") in United States Bankruptcy Court for the District of Delaware (the "**US Court**"). In connection with the Chapter 11 Proceedings, the Chapter 11 Debtors have appointed Modular Space Corporation ("**MSC**") as their foreign representative of the estates of the Chapter 11 Debtors (the "**Foreign Representative**"). The Foreign Representative's address is 1200 Swedesford Road, Berwyn, PA 19312610. The Debtors carry on business in Canada through ModSpace Financial Services Canada Ltd.

PLEASE TAKE FURTHER NOTICE that the Initial Recognition Order and a Supplemental Order (together, the "**Recognition Orders**") have been issued by the Canadian Court under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Recognition Proceedings**"), and, among other things: (i) recognize the Chapter 11 Proceedings as a foreign main proceeding; (ii) recognizes MSC as the Foreign Representative of the Chapter 11 Proceedings; (iii) recognize certain orders granted by the US Court in the Chapter 11 Proceedings; (iv) stays claims against the Chapter 11 Debtors, their property and their directors and officers in Canada; (v) prohibit the commencement of any such proceedings in Canada

absent further order of the Canadian Court; and (vi) appoints Alvarez & Marsal Canada Inc. as the Information Officer with respect to the CCAA Recognition Proceedings.

PLEASE TAKE FURTHER NOTICE that counsel for the Foreign Representative is:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower,
22 Adelaide St W, Toronto, ON,
Canada M5H 4E3

Attention: Roger Jaipargas
Phone: 416-367-6266
Fax: 416-367-6749
Email: RJaipargas@blg.com

PLEASE TAKE FURTHER NOTICE that persons who wish to receive a copy of the Recognition Orders or obtain any further information in respect thereof or in respect of the matters set forth in this Notice, should contact the Information Officer at the address below:

Alvarez & Marsal Canada Inc. (solely in its capacity as Information Officer)

Royal Bank Plaza, South Tower,
200 Bay Street, Suite 2900
P.O. Box 22

Toronto ON M5J 2J1
Attention: Jenny Poulos
Phone: 416-847-5166
Fax: 416-847-5201
Email: jpoulos@alvarezandmarsal.com

PLEASE TAKE FURTHER NOTICE that the motions, orders and notices filed with the US Court in the Chapter 11 Proceedings are available at <http://www.kcellc.net/modspace>

Kurtzman Carson Consultants LLC

2335 Alaska Avenue
El Segundo, California 90245

Attention: Evan Gershbein
Phone: 310-823-9000
Email: egershbein@kcellc.com

PLEASE FINALLY NOTE that the Recognition Orders, and any other orders that may be granted by the Canadian Court, can be viewed at www.alvarezandmarsal.com/modspace

DATED AT TORONTO, ONTARIO this ___ day of December, 2016.

Alvarez & Marsal Canada Inc.

(solely in its capacity as Information Officer of the Chapter 11 Debtors and not in its personal or corporate capacity)

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PROCEEDINGS COMMENCED AT TORONTO

INITIAL RECOGNITION ORDER

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide St. W.

Toronto, Ontario
M5H 4E3

ROGER JAIPARGAS

Tel: (416) 367-6266

Email: rjaipargas@blg.com

LSUC# 43275C

EVITA FERREIRA

Tel: (416) 367-6708

Email: eferreira@blg.com

LSUC# 69967K

Lawyers for Modular Space Holdings, Inc., Modular Space Intermediate Holdings,
Inc., Modular Space Corporation, Resun ModSpace, Inc., ModSpace Government
Financial Services, Inc., ModSpace Financial Services Canada, Ltd. and Resun
Chippewa, LLC