

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

THE HONOURABLE ) WEDNESDAY THE 25<sup>TH</sup>  
 )  
MR. JUSTICE NEWBOULD ) DAY OF JANUARY, 2017

**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**

**O R D E R**

**THIS MOTION**, made by Modular Space Corporation ("**MSC**"), 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 Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of David Orlofsky sworn January 20, 2017 and the exhibits thereto (the "**Orlofsky Affidavit**"), the first report of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the Court-appointed information officer (the "**Information Officer**") dated January 20, 2017 (the "**First Report**"), and on hearing the submissions of counsel for the

Debtors, counsel for 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 such other counsel as may be present, and upon reading the affidavit of service of Evita Ferreira sworn January 20, 2017, filed,

#### **SERVICE**

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

#### **APPROVAL OF A&M'S ACTIVITIES AND REPORTS**

2. **THIS COURT ORDERS** that the Preliminary Report dated December 24, 2016 (the "**Preliminary Report**") and the activities of A&M in its capacity as the proposed Information Officer, as described in the Preliminary Report, be and are hereby approved.

3. **THIS COURT ORDERS** that the First Report and the activities of A&M in its capacity as the Information Officer, as described in the First Report, be and are hereby approved.

#### **RECOGNITION OF FOREIGN ORDERS**

4. **THIS COURT ORDERS** that the following orders (the "**Second Day Orders**") of the United States Bankruptcy Court for the District of Delaware made in the insolvency proceedings of the Debtors under Chapter 11 of Title 11 of the United States Code are hereby recognized and

given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- a. a final order (i) authorizing the Debtors to obtain post-petition financing (the “**DIP Financing**”); (ii) granting liens and super-priority administrative expense claims to the DIP Lenders; (iii) authorizing use of the DIP Financing proceeds to pay certain outstanding US pre-filing obligations; (iv) providing adequate protection to certain of the Debtors’ pre-filing credit parties; (v) modifying the automatic stay as necessary to give effect to the DIP Financing order (the “**Final DIP Order**”);
- b. an order authorizing the Debtors’ assumption of and performance under the restructuring support agreement dated as of December 20, 2016 (the “**RSA Order**”);
- c. an order approving the Debtors’ entry into and performance under a stock purchase and backstop agreement dated as of December 28, 2016 and authorizing them to pay certain fees and expenses in connection with that agreement (the “**SPBA Order**”);
- d. a final order authorizing the Debtors to pay pre-Petition wages, compensation and employee benefits (the “**Final Wages Order**”);
- e. a final order: (i) authorizing, but not directing, the Debtors to maintain their existing bank accounts; (ii) authorizing the continued use of existing cash management systems; (iii) authorizing continued use of existing business forms; (iv) authorizing the continuation of (and administrative expense priority status of) intercompany transactions; and (iv) extending the time for the Debtors’

compliance under section 345(b) of the United States Bankruptcy Code to February 28, 2017 (the “**Final Cash Management Order**”);

- f. a final order with respect to utility providers: (i) approving the Debtors’ form of adequate assurance of payment; (ii) establishing procedures to resolve objections by utility companies; and (iii) restraining utility companies from discontinuing, alternating or refusing service (the “**Final Utilities Order**”);
- g. a final order establishing notification procedures and approving restrictions on certain transfers of or claims for worthlessness with respect to equity securities (the “**Final NOL Order**”); and
- h. an order authorizing the Debtors to employ and pay professionals utilized in the ordinary course of business, *nunc pro tunc*, to December 21, 2016 and waiving certain information requirements (the “**OCP Order**”).

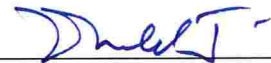
provided, however, that in the event of any conflict between the terms of the Second Day Orders and the Orders of this Court made in these proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order (Foreign Main Proceeding) of this Court made in these proceedings on December 27, 2016) in Canada. Copies of the Second Day Orders are attached as Exhibits D to K of the Orlofsky Affidavit.

#### **GENERAL**

5. **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 to give effect to this Order and to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order. All courts, tribunals,

regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Debtors, the Information Officer, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of the Foreign Representative, the Debtors and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



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

JAN 25 2017

PER / PAR: 



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AS AMENDED

**ONTARIO**

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PROCEEDINGS COMMENCED AT TORONTO

**ORDER**

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