

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

**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**

SECOND REPORT OF THE INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC.

FEBRUARY 16, 2017

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INTRODUCTION

1. On December 21, 2016 (the “**Filing Date**”), Modular Space Holdings, Inc. (“**MSH**”) and certain of its subsidiaries and affiliates (collectively, “**ModSpace**” or the “**Chapter 11 Debtors**”), each commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) by filing a voluntary petition for relief under Chapter 11 of Title 11 of the *United States Code*, 11 U.S.C. 101-1532. (the “**Bankruptcy Code**”). The seven Chapter 11 Debtors are as follows:
 - MSH;
 - Modular Space Intermediate Holdings, Inc.;
 - Modular Space Corporation (“**MSC**” or the “**Foreign Representative**”);
 - Resun ModSpace, Inc.;
 - ModSpace Government Financial Services, Inc.;
 - ModSpace Financial Services Canada, Ltd. (the only Chapter 11 Debtor that is incorporated in Canada, “**ModSpace Canada**”); and
 - Resun Chippewa, LLC.
2. On December 22, 2016, the US Court made various orders in the Chapter 11 Proceedings (the “**First Day Orders**”), including an order authorizing MSC to act as foreign representative of the Chapter 11 Proceedings and an interim order authorizing the Chapter 11 Debtors to obtain debtor-in-possession financing.
3. On December 27, 2016, this Court made two orders that, among other things: (i) recognized MSC as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the Chapter 11 Proceedings to be a “foreign main proceeding” under the *Companies’*

Creditors Arrangement Act (“**CCAA**”); (iii) stayed all proceedings against the Chapter 11 Debtors; (iv) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**” or the “**Information Officer**”) as the information officer in respect of these proceedings under Part IV of the CCAA (the “**CCAA Recognition Proceedings**”); and (v) recognized and gave effect in Canada to the First Day Orders.

4. A&M Canada, in its capacity as proposed Information Officer, filed with this Court a report dated December 24, 2016 (the “**Preliminary Report**”), to provide this Court with, among other things, information relating to the Chapter 11 Debtors’ business and operations and their debt and capital structure.
5. On December 29, 2016, ModSpace filed several motions (the “**Second Day Motions**”) with the US Court. A formal hearing with respect to the Second Day Motions that was scheduled for January 19, 2017, was not held as there were no unresolved objections filed by any parties so as to necessitate the hearing. As such, the US Court made the Second Day Orders on January 17 and 18, 2017.
6. On January 25, 2017, this Court recognized several Second Day Orders and approved the Preliminary Report and the First Report of the Information Officer (the “**First Report**”) and the activities described therein. A copy of the First Report (without appendices) is attached hereto as **Appendix A**.
7. On February 15, 2017, the US Court made an order (the “**Confirmation Order**”): (i) confirming ModSpace’s plan of reorganization, as originally distributed on or about December 20, 2016, and as filed in revised form with the US Court on February 3, 2017 (including all amendments, modifications and supplements, the “**Plan**”) pursuant to the

Bankruptcy Code; and (ii) approving ModSpace's disclosure statement in respect of the Plan.

8. MSC has brought a motion to this Court returnable on February 21, 2017, to, among other things, seek recognition of the Confirmation Order in Canada.

TERMS OF REFERENCE AND DISCLAIMER

9. In preparing this Second Report of the Information Officer (the "**Second Report**"), A&M Canada has relied solely on information and documents provided by the Foreign Representative, the other Chapter 11 Debtors and their Canadian legal counsel (collectively, the "**Information**").
10. The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
11. This Second Report should be read in conjunction with the Affidavit of David Orlofsky, Senior Managing Director of Zolfo Cooper LLP ("**Zolfo**"), financial advisor to the Chapter 11 Debtors, sworn on February 16, 2017 (the "**Third Orlofsky Affidavit**").
12. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.
13. Terms not otherwise defined in this Second Report have the meanings ascribed to them in the First Report and/or the Third Orlofsky Affidavit.

PURPOSE OF REPORT

14. The purpose of this Second Report is to provide the Court with information regarding the following:

- (a) the motion brought by MSC for an order, among other things:
 - i. recognizing and giving full force and effect in Canada to the Confirmation Order;
 - ii. recognizing, implementing and giving full force and effect in Canada to the Plan;
 - iii. authorizing and permitting ModSpace to take all such steps and actions necessary or appropriate to implement the Plan, including the transactions contemplated by the Plan;
 - iv. amending the articles of ModSpace Canada in accordance with the Plan;
 - v. directing the Registrar of Corporations of the Alberta Corporate Registry to give effect to the Canadian Recognition of the Confirmation Order and to implement the Articles of Reorganization (as defined below) contemplated by the Plan, pursuant to Section 192 of the *Business Corporations Act* (Alberta);
 - vi. approving the Second Report of the Information Officer and the activities of the Information Officer as set out therein;
 - vii. approving the fees and disbursements of the Information Officer and its legal counsel, Torys LLP, including estimated fees and disbursements up to the Information Officer's date of discharge, as described in this Second Report;

- viii. terminating, discharging and releasing the Administration Charge upon filing of the Certificate of Discharge (the “**Certificate**”) with the Court certifying that the Information Officer has attended to the Remaining Matters (as defined below);
 - ix. terminating the CCAA Recognition Proceedings, effective upon the filing of the Certificate; and
 - x. discharging A&M Canada in its capacity as Information Officer upon the filing of the Certificate;
- (b) the activities of the Information Officer since filing the First Report;
 - (c) the fees and disbursements of the Information Officer and its counsel; and
 - (d) the Information Officer’s recommendations with respect to the aforementioned motion by MSC.

CONFIRMATION ORDER

- 15. On February 15, 2017, the US Court made the Confirmation Order confirming the Plan and approving ModSpace’s disclosure statement in respect of the Plan.
- 16. As indicated in the Third Orlofsky Affidavit, in making the Confirmation Order, the US Court was satisfied that, among other things, the Plan satisfied the requirements of the Bankruptcy Code, including that at least one impaired class (as defined in the Bankruptcy Code) for each Debtor accepted the Plan and there are adequate means in place for the Plan’s implementation. A copy of the Confirmation Order is attached as Exhibit H to the Third Orlofsky Affidavit.

THE PLAN

17. A copy of the Plan filed with the US Court on February 3, 2017, is attached as Exhibit E to the Third Orlofsky Affidavit. The Plan involves, among other things, a consensual exchange of approximately \$400 million in secured notes (the “**Notes**”) for equity in reorganized MSH and a rights offering through which holders of Notes may purchase additional equity in reorganized MSH (the “**Rights Offering**”). The Rights Offering includes an agreement (the “**Backstop Agreement**”) whereby certain holders of Notes have agreed to back-stop the Rights Offering in exchange for a commitment premium to ensure liquidity for ModSpace. The proceeds of the Rights Offering will facilitate ModSpace’s emergence from the Chapter 11 Proceedings and the CCAA Recognition Proceedings.

Unanimous Stakeholder Support

18. The Declaration of David Orlofsky dated February 3, 2017 (the “**Orlofsky February 3 Declaration**”, attached as Exhibit D to the Third Orlofsky Affidavit), provides greater detail regarding the contents of the Plan and the unanimous support that it received from the Chapter 11 Debtors’ creditors. While some objections to confirmation of the Plan were filed in the Chapter 11 Proceedings, those objections were resolved and subsequently withdrawn by the objecting parties. There are no unresolved objections in respect of the Plan. The voting members of the classes of creditors and equityholders entitled to vote on the Plan, voted unanimously in favour of the Plan.

Canadian Unsecured Creditors

19. Canadian unsecured creditors having valid claims are unaffected by the Plan and will receive payment for their claims. To the extent that Canadian creditors are not repaid in full prior to or upon implementation of the Plan, their claims will remain due and owing following implementation of the Plan and paid in the ordinary course.

Canadian Disputed Claims

20. Disputed claims, including outstanding litigation claims as described in the First Orlofsky Affidavit, will not be paid as part of the Plan. These claims are not compromised, however, and ModSpace will continue to dispute such claims following implementation of the Plan.

Secured Lenders

21. The only creditors of ModSpace Canada that are impaired (as defined in the Bankruptcy Code) are the Secured Lenders under ModSpace's pre-Filing Date ABL Facility. The Secured Lenders have also provided the DIP Financing to ModSpace.

Releases

22. The Plan, among other things, includes releases in favour of the Secured Lenders, ModSpace, the signatories to the RSA and the Backstop Agreement and other parties. The releases are discussed in greater detail in the Third Orlofsky Affidavit. ModSpace believes that the releases are standard, appropriate, reasonable and necessary to implement the Plan, and they have been approved by the US Court. The Information

Officer understands that the releases under the Plan were negotiated among, and agreed upon by, the Chapter 11 Debtors' primary stakeholders.

Articles of Reorganization

23. Pursuant to supplements to the Plan filed with the US Court on or about January 18, 2017, and February 13, 2017, ModSpace will amend and restate the articles of incorporation of each of the Chapter 11 Debtors, including ModSpace Canada. This is being done so as to comply with the requirements of the Bankruptcy Code.
24. The amendments to the ModSpace Canada articles (the "**Articles of Reorganization**") restrict its ability to issue non-voting equity securities, except to the extent permitted by the Bankruptcy Code and done in compliance with the requirements of the Bankruptcy Code. A copy of ModSpace Canada's Articles of Reorganization is attached as Exhibit G to the Third Orlofsky Affidavit.
25. ModSpace Canada's registered head office is located in Alberta. ModSpace's Canadian legal counsel has advised the Information Officer that the Alberta Corporate Registry requires an Order of the Alberta Court of Queen's Bench in order to implement the Articles of Reorganization. ModSpace is seeking: (i) approval to amend the articles of ModSpace Canada in accordance with the Plan; and (ii) a direction to the Registrar of Corporations of the Alberta Corporate Registry to permit the filing of the Articles of Reorganization. It is anticipated by MSC that a further application to the Alberta Court of Queen's Bench will be required in order to meet the technical requirements of the *Business Corporations Act* (Alberta).

Effective Date

26. The Plan is currently expected to be implemented in early March 2017 (the “**Effective Date**”). At that time, ModSpace expects to file and serve notice of the Effective Date of the Plan in the Chapter 11 Proceedings, which will be posted on the KCC web-site at: <http://www.kccllc.net/modspace>

REQUEST FOR APPROVAL OF FEES AND DISBURSEMENTS

27. The Information Officer and its counsel, Torys LLP, have maintained detailed records of their professional time and costs since the Information Officer’s appointment.
28. Pursuant to paragraph 17 of the Supplemental Recognition Order, the Information Officer and its counsel shall each be paid their reasonable fees and disbursements both before and after the making of the Supplemental Recognition Order by ModSpace.
29. Paragraph 18 of the Supplemental Recognition Order provides that the Information Officer and its legal counsel shall pass their accounts from time to time, and that the accounts of the Information Officer and its counsel are not subject to approval in the Foreign Proceeding.
30. The total fees of the Information Officer during the period from December 12, 2016, to February 11, 2017 (“**the Information Officer’s Fee Period**”), amount to \$103,219.50, together with expenses and disbursements in the amount of \$12,059.44, both excluding HST (collectively, the “**Information Officer’s Fees and Disbursements**”). The time spent by the Information Officer’s personnel during the Information Officer’s Fee Period, including an estimate to completion, is provided in the Affidavit of Alan J. Hutchens (the “**Hutchens Affidavit**”), sworn in support hereof and attached hereto as **Appendix B**. Exhibit C to the Hutchens Affidavit is a summary of the personnel, hours and hourly rates

charged by the Information Officer in respect of the CCAA Recognition Proceedings, for the Information Officer's Fee Period.

31. The total fees for services provided by Torys during the period December 13, 2016 to February 14, 2017 (the "**Torlys Fee Period**"), amount of \$63,289.00, together with expenses and disbursements in the amount of \$499.79, both excluding HST (collectively, the "**Torlys Fees and Disbursements**"). The time spent by Torys personnel during the Torlys Fee Period, including an estimate to completion, is provided in the Affidavit of Adam Slavens (the "**Slavens Affidavit**"), sworn in support hereof and attached hereto as **Appendix C**. Exhibit C to the Slavens Affidavit provides a summary of the personnel, hours, and hourly rates charged by Torys in respect of the CCAA Recognition Proceedings for the Torlys Fee Period.
32. The Information Officer respectfully submits that the Information Officer's Fees and Disbursements and Torys Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Supplemental Recognition Order.
33. The Information Officer also requests that the Court authorize and approve the estimated fees and disbursements of the Information Officer and Torys for services that have been or will be provided up to the Information Officer's date of discharge as set forth in the Hutchens Affidavit and the Slavens Affidavit (the "**Fee Estimates to Completion**").
34. The Fee Estimates to Completion were determined by the Information Officer in consultation with Torys on the assumption that the Effective Date of the Plan will be in early March 2017. The Information Officer will submit further accounts to the Foreign Representative for fees and disbursements actually incurred by it and Torys. In the event

the Fee Estimates to Completion are exceeded, no further court approval will be sought provided that ModSpace consents to payment of such fees and disbursements. In this manner, the costs and delays that would arise from a further hearing to approve the residual fees and disbursements prior to the Effective Date will be avoided. Given the consensual nature of the Plan and the fact that unsecured creditors are being paid in full or otherwise rendered unimpaired, the payment of fees and disbursements in this manner does not prejudice any stakeholder.

35. To the extent all or any portion of the approved fees and disbursements has not been paid, the Information Officer and Torys intend to apply their respective retainers to such amounts. The remainder of the retainers will be returned to the Foreign Representative following the discharge of the Information Officer.

ACTIVITIES OF THE INFORMATION OFFICER

36. The activities of the Information Officer since its First Report have included:
- (a) updating the Information Officer's website;
 - (b) monitoring the KCC website for activity in the Chapter 11 Proceedings;
 - (c) reviewing key Plan documents;
 - (d) discussions with legal counsel and the Chapter 11 Debtors' Canadian legal counsel regarding matters relevant to the CCAA Recognition Proceedings and the Chapter 11 Proceedings, including the substance of the Plan, the treatment of Canadian creditors pursuant to the Plan, and implementation of the Plan; and
 - (e) preparing the Second Report, the Hutchens Affidavit and the Slavens Affidavit, and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

37. The Foreign Representative is seeking approval of the Second Report, and the activities of the Information Officer set out therein.

DISCHARGE OF THE INFORMATION OFFICER AND TERMINATION OF THESE PROCEEDINGS

38. ModSpace has requested that the Information Officer be discharged once it files the Certificate indicating that the Remaining Matters (as defined below) have been completed and the Plan has been implemented. The Information Officer anticipates its remaining activities will primarily consist of monitoring the implementation of the Plan to its Effective Date, including ongoing review of the materials posted on the KCC website, ensuring that all obligations under the Administration Charge are satisfied, updating the Information Officer's website as necessary and responding to any enquiries regarding the Chapter 11 Proceedings and the CCAA Recognition Proceedings (the "**Remaining Matters**"). As noted above, the Monitor anticipates that the Remaining Matters will be completed on or about the Effective Date, and that the Certificate will be filed by the Monitor at that time or shortly thereafter.
39. ModSpace has also requested a termination of the CCAA Recognition Proceedings, the removal of the Administration Charge and the discharge of the Information Officer upon the Certificate being filed.
40. The Information Officer is of the view that the foregoing will enable the CCAA Recognition Proceedings to be efficiently concluded.

RECOMMENDATIONS

41. The Canadian recognition of the Confirmation Order is necessary in order for ModSpace to complete the reorganization process and implement the Plan. It will also allow for the efficient conclusion of the CCAA Recognition Proceedings.
42. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by MSC.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Toronto, Ontario this 16th
day of February, 2017.

ALVAREZ & MARSAL CANADA INC.

in its capacity as the Court-Appointed Information Officer of
Modular Space Corporation, et al and not in its personal or corporate capacity

Per: Alan J. Hutchens
Alan J. Hutchens
Senior Vice-President

APPENDIX A

Court File No. : CV-16-11656-00CL

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

**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 "CHAPTER 11 DEBTORS")**

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

FIRST REPORT OF THE INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC.

JANUARY 20, 2017

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APPENDIX A	Report of the Proposed Information Officer – December 24, 2016 (without Appendices)
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INTRODUCTION

1. On December 21, 2016 (the “**Filing Date**”), Modular Space Holdings, Inc. (“**MSH**”) and its subsidiaries and affiliates (collectively, “**ModSpace**” or the “**Chapter 11 Debtors**”), commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) in the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) by each filing a voluntary petition for relief under Chapter 11 of Title 11 of the *United States Code*, 11 U.S.C. 101-1532. The seven Chapter 11 Debtors are as follows:
 - MSH;
 - Modular Space Intermediate Holdings, Inc.;
 - Modular Space Corporation (“**MSC**” or the “**Foreign Representative**”);
 - Resun ModSpace, Inc.;
 - ModSpace Government Financial Services, Inc.;
 - ModSpace Financial Services Canada, Ltd. (the only Chapter 11 Debtor that is incorporated in Canada, “**ModSpace Canada**”); and
 - Resun Chippewa, LLC.
2. On December 22, 2016, the US Court made various orders in the Chapter 11 Proceedings (the “**First Day Orders**”), including an order authorizing MSC to act as foreign representative of the Chapter 11 Proceedings and an interim order authorizing the Chapter 11 Debtors to obtain debtor-in-possession financing.
3. On December 27, 2016, this Court made two orders that, among other things: (i) recognized MSC as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the Chapter 11 Proceedings to be a “foreign main proceeding” under the *Companies’ Creditors Arrangement Act* (“**CCAA**”); (iii) stayed all proceedings against the Chapter

11 Debtors; (iv) appointed Alvarez & Marsal Canada Inc. ("**A&M Canada**" or the "**Information Officer**") as the information officer in respect of these proceedings under Part IV of the CCAA (the "**CCAA Recognition Proceedings**"); and (v) recognized and gave effect in Canada to the First Day Orders.

4. A&M Canada, in its capacity as Proposed Information Officer, filed with this Court a report dated December 24, 2016 (the "**Preliminary Report**") to provide this Court with, among other things, information relating to the Chapter 11 Debtors' business and operations and their debt and capital structure. A copy of the Preliminary Report (without appendices) is attached hereto as **Appendix A**.
5. On December 29, 2016, ModSpace filed several motions (the "**Second Day Motions**") with the US Court. A formal hearing with respect to the Second Day Motions that was scheduled for January 19, 2017 was not held as there were no unresolved objections filed by any parties to necessitate the hearing. As such, the US Court made the Second Day Orders on January 17 and 18, 2017. The Second Day Orders are described and defined below.

TERMS OF REFERENCE AND DISCLAIMER

6. In preparing this First Report of the Information Officer (the "**First Report**"), A&M Canada has relied solely on information and documents provided by the Foreign Representative, the other Chapter 11 Debtors and their Canadian legal counsel (collectively, the "**Information**").
7. The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of

the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CASs”) pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

8. This First Report should be read in conjunction with the Affidavit of David Orlofsky, Senior Managing Director of Zolfo Cooper LLP (“Zolfo”), financial advisor to the Chapter 11 Debtors, sworn on January 20, 2017 (the “**Second Orlofsky Affidavit**”).
9. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.
10. Terms not otherwise defined in this First Report have the meanings ascribed to them in the Preliminary Report and the Second Orlofsky Affidavit.

PURPOSE OF REPORT

11. The purpose of this First Report is to provide the Court with information regarding the following:
 - (a) certain Second Day Orders that the Foreign Representative is seeking to have recognized and given effect in Canada by this Court pursuant to s. 49 of the CCAA;
 - (b) other orders made in the US Chapter 11 Proceedings; and
 - (c) a summary of the activities of the Information Officer since the date of its appointment.

SECOND DAY ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT IN CANADA

12. On January 17 and 18, 2017, the US Court made a number of orders with respect to the Second Day Motions (the “**Second Day Orders**”). The Second Day Orders, for which recognition is being sought in Canada, are as follows:

- (a) a final order made on January 18, 2017: (i) approving post-Filing Date financing (the “**DIP Financing**”); (ii) granting liens and super-priority administrative status of the DIP Financing expenses; (iii) authorizing use of the DIP Financing proceeds to pay certain US pre-Filing Date obligations; and (iv) granting adequate protection to certain of the Chapter 11 Debtors’ pre-Filing Date secured creditors (the “**Final DIP Order**”);
- (b) an order made on January 17, 2017, authorizing the Chapter 11 Debtors’ assumption of the restructuring support agreement dated as of December 20, 2016 (the “**RSA Order**”);
- (c) an order made January 17, 2017, approving the Chapter 11 Debtors’ entry into and performance of their obligations under a stock purchase and backstop agreement dated as of December 28, 2016 (the “**SPBA**”) and authorizing them to pay certain fees and expenses in connection with the SPBA (the “**SPBA Order**”);
- (d) an order made January 17, 2017, authorizing the Chapter 11 Debtors to employ and pay certain professionals in the ordinary course of business, *nunc pro tunc*, to December 21, 2016 (the “**OCP Order**”);
- (e) a final order made January 17, 2017, authorizing ModSpace to pay pre-Filing Date wages, compensation and employee benefits (the “**Final Wages Order**”);

- (f) a final order made January 18, 2017, authorizing, but not directing ModSpace to maintain their existing bank accounts and cash management system, and authorizing the continuation of (and administrative expense priority status of) intercompany transactions (the “**Final Cash Management Order**”);
- (g) a final order made January 17, 2017, with respect to utility providers: (i) approving ModSpace’s 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**”); and
- (h) a final order made January 17, 2017, establishing notification procedures and approving restrictions on certain transfers or claims for worthlessness with respect to equity securities (the “**Final NOL Order**”).

Final DIP Order

- 13. On December 22, 2016, the US Court made an interim order authorizing the Chapter 11 Debtors to borrow pursuant to the DIP Financing with limits on amounts available to the Chapter 11 Debtors prior to entry of a final DIP Financing order. The interim order was recognized by this Court on December 27, 2016. A summary of the DIP Financing, including amounts available to the Chapter 11 Debtors, prior to entry of the Final DIP Order, was provided in the Preliminary Report.
- 14. The Final DIP Order grants on a final basis substantially the same relief that was granted on an interim basis by the US Court and authorizes the full amount available to the Chapter 11 Debtors under the various components of the DIP Financing. Specifically, the Final DIP Order provides as follows:

- (a) the US Debtors are authorized to borrow up to \$568 million, subject to borrowing base and availability reserves, pursuant to a US revolving loan facility;
 - (b) ModSpace Canada is authorized to borrow up to \$200 million, subject to borrowing base and availability reserves, pursuant to a Canadian revolving loan facility; and
 - (c) the US Debtors are authorized to borrow a US term loan in the amount of the unpaid principal balance of a US term loan owed under the pre-Filing Date ABL Facility up to \$25,000,000.
15. Pursuant to the DIP Financing Documents, and consistent with the pre-Filing Date financing terms, the US Debtors guarantee the obligations of ModSpace Canada but ModSpace Canada does not guarantee the obligations of the US Debtors.
16. The US Debtors are authorized to use advances under the DIP Financing to repay pre-Filing Date amounts owed by them under the pre-Filing Date ABL Facility. However, ModSpace Canada is not authorized to use advances under the DIP Financing to repay pre-Filing Date amounts owed by it. For ModSpace Canada, the DIP Financing employs a “creeping roll up” whereby the cash generated by ModSpace Canada’s business will be used to reduce the balance of the outstanding pre-Filing Date debt owed by ModSpace Canada under the pre-Filing Date ABL Facility.

RSA Order

17. Key terms of the restructuring plan (the “**Plan**”) were summarized in the Preliminary Report, together with the efforts that led to the restructuring support agreement dated December 20, 2016 between ModSpace, the ABL Lenders, the Ad Hoc Group of

Noteholders and Calera (the “**RSA**”) in support of a pre-packaged Chapter 11 plan of reorganization.

18. As described in the Second Orlofsky Affidavit, based on the RSA, ModSpace will likely have sufficient members of each class entitled to vote on the Plan to achieve positive vote results for the Plan.
19. The RSA Order authorizes the parties to the RSA to perform under the RSA, including taking all actions, executing all documents and making all payments that may be necessary to give effect to the RSA.

SPBA Order

20. The Plan includes a rights offering expected to raise approximately \$90 million (the “**Rights Offering**”). In the event the Rights Offering is under-subscribed and does not raise sufficient funds, the SPBA ensures that ModSpace will have the liquidity necessary to implement the Plan, as certain noteholders have agreed to purchase equity interests in the reorganized entity under the SPBA.
21. The SPBA Order authorizes the Chapter 11 Debtors to enter into the SPBA and to execute, deliver and implement the SPBA, including performing the obligations contemplated under the SPBA and pay the costs and expenses associated with the SPBA.

OCP Order

22. As indicated in the Second Orlofsky Affidavit, the OCP Order authorizes the Chapter 11 Debtors to pay certain professionals (the “**OCPs**”) in the ordinary course of their business, *nunc pro tunc*, to December 21, 2016 so that services can continue on an uninterrupted basis. Exhibit 1 to the OCP Order includes three parties located in Canada that have provided legal services to ModSpace.

23. Pursuant to the OCP Order, the Chapter 11 Debtors are authorized to retain, pay compensation to, and reimburse the expenses of the OCPs without requiring the OCPs to file applications with the US Court.
24. The OCP order also sets out two classifications of OCPs based on fee thresholds and sets out the method through which the Chapter 11 Debtors can retain additional OCPs.
Final Wages Order, Final Cash Management Order, Final Utilities Order and Final NOL Order
25. The Final Wages Order, the Final Cash Management Order, the Final Utilities Order and the Final NOL Order are discussed in the Second Orlofsky Affidavit. These final orders grant on a final basis substantially the same relief that was granted on an interim basis by the US Court on December 22, 2016 and recognized by this Court on December 27, 2016.
26. Copies of the Second Day Orders discussed above are attached as Exhibits D to K of the Second Orlofsky Affidavit.

OTHER ORDERS IN THE CHAPTER 11 PROCEEDINGS

27. Certain other Second Day Orders were granted by the US Court on January 17 and 18, 2017 that authorized the Chapter 11 Debtors' retention and payment of professionals used in the ordinary course of business to December 21, 2016, including Cleary Gottlieb Steen & Hamilton LLP (US counsel), Young Conaway Stargatt & Taylor LLP (US co-counsel), Borden Ladner Gervais LLP (Canadian counsel), Zolfo (financial advisor), Lazard Middle Market LLC and Lazard Freres & Co LLC (investment bankers) and Kurtzman Carson Consultants LLC ("KCC") (administrative advisor). Further information regarding these orders is contained in the Second Orlofsky Affidavit.

ACTIVITIES OF THE INFORMATION OFFICER

28. The activities of the Information Officer to date have included:

- (a) establishing a website at www.alvarezandmarsal.com/modspace to make available copies of the orders granted in the CCAA Recognition Proceedings and other relevant motion materials and reports. In addition, there is a link on the Information Officer's website to the Chapter 11 Debtors' restructuring website maintained by KCC that includes copies of the US Court materials and orders, petitions and notices and other materials relevant to the Chapter 11 Proceedings;
- (b) coordinating the publication of a notice of the Chapter 11 Proceedings and CCAA Recognition Proceedings (the "Notice") in *The Globe and Mail* newspaper (National Edition) on Thursday, January 5, 2017 and on Thursday, January 12, 2017, as required of the Foreign Representative by s. 53(b) of the CCAA. The initial publication date of the Notice was scheduled for Saturday, December 31, 2016; however, due to a production error at *The Globe and Mail*, the Notice was published on January 5, 2017, the next available publishing date;
- (c) responding to inquiries regarding the CCAA Recognition Proceedings and the Chapter 11 Proceedings;
- (d) monitoring the KCC website for activity in the Chapter 11 Proceedings;
- (e) corresponding with the Office of the Superintendent of Bankruptcy regarding information filing requirements;
- (f) discussions with legal counsel and the Chapter 11 Debtors' Canadian legal counsel regarding matters relevant to the CCAA Recognition Proceedings and the Chapter 11 Proceedings; and

(g) preparing the Preliminary Report and this First Report and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

29. The Foreign Representative is seeking approval of the Preliminary Report and the First Report, and the activities of the Information Officer set out therein.

RECOMMENDATIONS

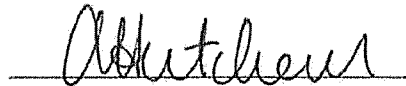
30. The Information Officer understands that the Second Day Orders for which recognition is being sought in Canada are necessary to the Chapter 11 Debtors' continued business operations and that absent these orders, the reorganization efforts would be impaired.
31. The Information Officer has reviewed the Second Day Orders and believes they are reasonable and appropriate in the circumstances. Without limitation, such orders do not, in the Information Officer's view, treat Canadian stakeholders of ModSpace in an unfair or prejudicial matter as compared to non-Canadian stakeholders of ModSpace.
32. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by MSC.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at Toronto, Ontario this 20th
day of January, 2017.

ALVAREZ & MARSAL CANADA INC.

in its capacity as the Court-Appointed Information Officer of
Modular Space Corporation, et al and not in its personal or corporate capacity

Per:

A handwritten signature in dark ink, appearing to read "A. Hutchens", is written over a horizontal line.

Alan J. Hutchens

Senior Vice-President

APPENDIX B

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

**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**

**AFFIDAVIT OF ALAN J. HUTCHENS
(Sworn February 15, 2017)**

I, Alan J. Hutchens, of the Town of Oakville, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a Senior Vice-President of Alvarez & Marsal Canada Inc. ("A&M"). As such, I have personal knowledge of the matters to which I herein depose, except where my knowledge is based upon information and belief, in which case I believe such information to be true.
2. This affidavit is sworn in support of Modular Space Corporation's motion for, *inter alia*, an order approving the fees and disbursements of A&M, in its capacity as the Court-appointed Information Officer in these proceedings (the "Information Officer"), and not in its personal capacity.
3. I confirm that the accounts attached hereto as Exhibit "A" are true copies of the accounts of the Information Officer (collectively, the "Accounts") during the Fee Period (as defined below) and affirm that the Accounts accurately reflect the services provided by the Information Officer in this matter during the Fee Period and the fees and disbursements

claimed by it. I also affirm that the time summaries attached to the Accounts relate to the Accounts, and were generated by the Information Officer.

4. A summary of the Information Officer's fees and disbursements (inclusive of HST) from and after December 12, 2016, through to and including February 11, 2017, (the "Fee Period") is attached hereto as Exhibit "B". Accordingly, the Information Officer's Accounts for which approval is being sought are in the total amount of \$130,265.20 for fees and disbursements (inclusive of HST).

5. Attached hereto as Exhibit "C" is a summary of additional information with respect to all members of the Information Officer who have worked on this matter during the Fee Period, their title and their rates, and I confirm that the list represents an accurate account of such information.

6. On the assumption that there are no delays, disputes or unforeseen developments in connection with this matter and taking into account the remaining work to be done in connection with this matter, the Information Officer intends to issue one or more additional invoices for the period from and after February 12, 2017, through to the date of its discharge, which invoice(s) in the aggregate is not expected to exceed \$20,000.00 (inclusive of HST) (the "Estimated Fee Ceiling"). Subject to any direction to the contrary by this Court, the Information Officer's expectations as to its further fees and disbursements in completing its mandate prior to its discharge are as follows: (i) provided that the Information Officer's further fees and disbursements do not exceed the Estimated Fee Ceiling, no further court approval of fees and disbursements is anticipated; and (ii) in the event that the Information Officers' further fees and disbursements do exceed the Estimated Fee Ceiling, the Debtors may elect to pay such additional amounts without a further application to this Court for approval of such fees and disbursements.

7. The legal costs and expenses incurred by the Information Officer in this matter as set out in the Accounts were properly incurred and, together with the process by which subsequently issued invoices are to be paid, are fair and reasonable considering the circumstances of these proceedings. I also confirm that the Information Officer has not

received, nor expects to receive, nor has the Information Officer been promised, any remuneration or consideration other than the amounts claimed in the Accounts or this affidavit.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 15th day of February, 2017.



Commissioner for Taking Affidavits

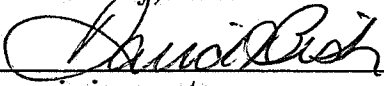


ALAN J. HUTCHENS

**This is Exhibit "A" referred to in the
Affidavit of Alan J. Hutchens**

sworn before me, this 15th

day of February, 2017.



A Commissioner, etc.



Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

January 11, 2017

ModSpace Financial Services Canada, Ltd.
c/o David Orlofsky
Zolfo Cooper, LLP
1114 Avenue of the Americas, 41st Floor
New York, NY
10036 USA

Re: MODULAR SPACE HOLDINGS, INC., ET AL
INVOICE #1 - 810345

For professional services rendered in connection with our role as Court-appointed Information Officer under the *Companies' Creditors Arrangement Act* pursuant to the Supplemental Order granted by the Ontario Superior Court of Justice (Commercial List) on December 27, 2016 (and prior to the granting of the Supplemental Order, pursuant to our engagement letter dated December 12, 2016).

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
A. Hutchens, Managing Director	27.7	\$765	\$21,190.50
J. Poulos, Senior Director	60.5	\$675	40,837.50
R. Grunier, Associate	8.3	\$375	3,112.50
	<u>96.5</u>		<u>\$65,140.50</u>
Add: Out of pocket expenses			19.92
			<u>\$65,160.42</u>
Add: HST @ 13%			8,470.85
TOTAL INVOICE			<u>\$73,631.27</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: Modular Space – Inv #1
HST#: 83158 2127 RT0001

Modular Space Holdings, Inc.

DETAILED SUMMARY – December 12, 2016 to January 7, 2017

<u>A. Hutchens</u>	<u>Hrs.</u>
Dec 13 Internal discussions and emails/emails with BLG and Torys on engagement start-up matters; review the draft Canadian application materials (Notice of Application, Initial Recognition Order and Supplemental Order).	2.8
Dec 14 Internal emails/emails with BLG and Torys on engagement start-up matters; review the draft Declaration of David Orlofsky in support of the Chapter 11 Petitions and First Day Pleadings, and internal emails regarding same.	2.0
Dec 15 Internal emails/emails with BLG and Torys on engagement start-up matters.	0.5
Dec 16 Finalize the Consent to act as CCAA Information Officer; discussion with Torys on the draft application materials and related matters; internal discussion and emails on engagement start-up matters.	1.4
Dec 19 Review the draft Affidavit of David Orlofsky in support of the CCAA application (the "Orlofsky Affidavit") and the revised draft application materials, and discussion and emails with Torys on same; review and revise the draft Report of the Proposed Information Officer (the "Pre-Filing Report") and internal discussion on same.	3.7
Dec 21 Teleconference with BLG and Torys on the Chapter 11 filing, timing for first-day motions, recognition hearing, related Court materials, etc.; further discussions and emails with BLG and Torys on timing for the initial Court hearing in Canada and related matters; review certain of the Chapter 11 First Day Pleadings relevant to the CCAA proceedings, and internal discussions and emails on same; review the revised draft Orlofsky Affidavit and internal emails on same.	4.5
Dec 22 Emails with BLG and Torys on the draft Orlofsky Affidavit, draft CCAA materials, etc.; internal discussions and emails regarding the draft Pre-Filing Report.	0.8
Dec 23 Review iterations of the draft Initial Recognition Order and draft Supplemental Order, and emails with BLG and Torys on same; review and revise iterations of the draft Pre-Filing Report, and internal discussions and emails/emails with Torys on same.	6.5



Modular Space Holdings, Inc.

DETAILED SUMMARY – December 12, 2016 to January 7, 2017

Dec 24	Review the revised draft Pre-Filing Report and internal emails/emails with Torys to finalize same for service.	1.7
Dec 27	Attend at Court for the hearing for the Initial Recognition Order and the Supplemental Order.	1.0
Dec 28	Teleconference with BLG on CCAA start-up matters; internal emails/emails with BLG on the website and newspaper advertisements.	0.8
Dec 29	Enter required information for Forms 1 and 2 into the Office of the Superintendent of Bankruptcy's CCAA On-line Filing System and internal emails on same.	2.0
TOTAL – A. Hutchens		27.7 hrs.

J. Poulos

Hrs.

Dec 13	Review draft Notice of Application, Interim Order, Initial Recognition Order and Supplemental Order re: CCAA (foreign main proceeding).	1.0
Dec 14	Discussion with D. Bish of Torys re: draft Court materials and email to R. Jaipargas at BLG re: same; review of draft Declaration; attendance on conference call with H. Silverman, L. Hiebert and E. Ferreira and D. Bish re: DIP matters and subsequent discussion with D. Bish re: same; update to A. Hutchens.	2.8
Dec 15	Review of Blocked Account Agreement re: ModSpace Financial Services Canada, Ltd. and parts of draft Post-Petition Credit Agreement and draft Post-Petition Security Agreement.	1.0
Dec 16	Discussion with A. Hutchens re: consent; attendance on conference call with R. Jaipargas, L. Hiebert, E. Ferreira and D. Bish re: draft Court materials and related matters, subsequent discussion with A. Hutchens of A&M re: same; e-mails with Torys re: BLG request re: e-mail comments/additional information.	2.0
Dec 17	Review draft Declaration, revised drafts of Initial Recognition and Supplemental Orders, Notice of Application; attended to Information Officer's draft Court Report.	7.2
Dec 18	Attended to draft Court Report and related matters.	6.3
Dec 19	Attended to draft Court Report, emails with Torys re: draft Court materials, discussion with A. Hutchens re: additional information.	1.5



Modular Space Holdings, Inc.

DETAILED SUMMARY – December 12, 2016 to January 7, 2017

Dec 21	Emails with BLG re: Chapter 11 filing; attendance on conference call with A. Hutchens, BLG and Torys re: filing and related matters, next steps; review of information regarding the DIP financing; review of revised consent; review of email from BLG regarding Court hearing for CCAA application; e-mails with Torys and A. Hutchens re: Court Report and related matters; review of certain information on Kurtzman Carlson Consultants web-site re: US proceedings; review of draft Court materials and financial statements from BLG; attended to draft Court Report.	5.6
Dec 22	Internal discussions re: fee letters and DIP financing matters; conference call with BLG re: fee motion; review of updated draft Affidavit; review of e-mail from BLG re: Restructuring Support Agreement; review of A. Hutchens' comments on draft Court materials and email to Torys re: combined A&M comments; review of Notice of Application; discussion with R. Grunier re: numbers in the revised draft Affidavit and sources; review of Torys' comments on draft Affidavit, Notice of Application and service matters; attendance on conference call with BLG re: fee letter motion, DIP budget and Court Report-related matters; review of certain first day orders re: Court Report; emails with BLG re: Court hearing date change; review of BLG responses to A&M/Torys' comments on draft materials and updated Affidavit; attended to draft Court Report.	12.3
Dec 23	Emails with BLG re: further amendments to the draft Orlofsky Affidavit; review comments from A. Hutchens re: draft Court Report and discussion regarding DIP financing; discussion with R. Grunier re: draft Court Report, appendices; review of Torys' comments re: draft Court Report, service matters; emails with BLG and Torys re: draft Court Orders; attended to further amendments to draft Court Report.	7.6
Dec 24	Review of draft Court Report comments from ModSpace's Canadian and US legal counsel and emails with A. Hutchens and Torys re: same and related matters; attended to further amendments to Court Report and finalized report for service; emails with Torys re: service and court filing; emails with BLG re: service.	4.1
Dec 27	Emails with A. Hutchens re: Court hearing; review of Orders issued and entered and endorsement of Mr. Justice Newbould; emails with R. Jaipargas re: conference call on December 28, 2016.	0.4



Modular Space Holdings, Inc.

DETAILED SUMMARY – December 12, 2016 to January 7, 2017

Dec 28	Attendance on conference call with A. Hutchens, R. Jaipargas and E. Ferreira of BLG re: status of various matters, next steps; emails with The Globe and Mail media group re: newspaper notice and related matters; review of draft notice proof and final proof, and emails with A. Hutchens and BLG re: same; review of timetable and updated service list from BLG; emails and discussions with web-site provider re: web-site set-up, postings and related matters, and related reviews; emails with A. Hutchens re: web-site timing and Office of the Superintendent of Bankruptcy ("OSB") information requirements and timing; emails BLG re: web-site.	5.4
Dec 29	Review draft forms required by the OSB prepared by R. Grunier, review financial statement information and amend the draft forms; email draft forms to A. Hutchens for review and related emails.	1.0
Jan 1	Emails with Globe Media Group representative re: newspaper notice and production error, rescheduling; email to BLG and Torsys re: revised dates for publishing notice.	0.3
Jan 3	Telephone call with R. Jaipargas re: timing of next Court Report and related matters and subsequent discussion with A. Hutchens re: same; commenced preparation of draft Court Report.	2.0

TOTAL – J. Poulos **60.5 hrs.**

R. Grunier

Hrs.

Dec 21	Email to J. Poulos and A. Hutchens to outline Court Docket 19 and paragraph that speaks to 75-day deadline to prepare SOA and SOL; prepare initial draft of Form 1: Information Pertaining to Initial Order and Form 2: Debtor Company Information Summary.	2.1
Dec 22	Complete Form 1: Information Pertaining to Initial Order and Form 2: Debtor Company Information Summary and provide to J. Poulos and A. Hutchens for review; download applicable Court Orders for IO role and provide to A. Hutchens and J. Poulos.	2.3
Dec 23	Format Appendix A: Organization Chart for Court Report; review Court Report prepared by J. Poulos and tie all dates/dollar figures to appropriate documentation to ensure accuracy; format Appendix B: DIP Budget for Court Report; review DIP Credit Agreement for fees breakdown.	3.9

TOTAL – R. Grunier **8.3 hrs.**





Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
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Fax: +1 416 847 5201

January 31, 2017

ModSpace Financial Services Canada, Ltd.
c/o David Orlofsky
Zolfo Cooper, LLP
1114 Avenue of the Americas, 41st Floor
New York, NY
10036 USA

Re: MODULAR SPACE HOLDINGS, INC., ET AL
INVOICE #2 - 810345

For professional services rendered in connection with our role as Court-appointed Information Officer under the *Companies' Creditors Arrangement Act* pursuant to the Supplemental Order granted by the Ontario Superior Court of Justice (Commercial List) on December 27, 2016, for the period January 8 to 28, 2017.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
A. Hutchens, Senior Vice-President	14.6	\$765	\$11,169.00
J. Poulos, Senior Director	18.6	\$675	12,555.00
	<u>33.2</u>		<u>\$23,724.00</u>
Add: Out of pocket expenses including web site maintenance charges and legal Notices in The Globe & Mail newspaper			<u>12,031.53</u>
			<u>\$35,755.53</u>
Add: HST @ 13%			<u>4,648.22</u>
TOTAL INVOICE			<u>\$40,403.75</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: Modular Space (810345) - Inv #2
HST#: 83158 2127 RT0001

Modular Space Holdings, Inc.

DETAILED SUMMARY – January 8 to 28, 2017

<u><i>A. Hutchens</i></u>		<u>Hrs.</u>
Jan 9	Respond to and/or route third-party inquiries; emails with BLG, Torys and others on Court scheduling and related matters.	0.8
Jan 10	Review the draft Affidavit of David Orlofsky (the “Second Orlofsky Affidavit”) in support of the CCAA motion to recognize certain of the “Second Day Orders” to be made by the US Court and related draft application materials, and emails with Torys and BLG on same; respond to and/or route third-party inquiries.	2.7
Jan 16	Review the revised draft Second Orlofsky Affidavit and related draft application materials, and emails with BLG and Torys on same.	2.0
Jan 18	Internal emails/emails with BLG on Second Day Orders granted/to be granted by the US Court; respond to a third-party inquiry; review the further revised draft Second Orlofsky Affidavit, related draft application materials and certain of the Second Day Orders granted by the US Court.	2.8
Jan 19	Review and revise iterations of the draft First Report of the Information Officer (the “First Report”) and internal discussions on same; review comments from Torys on the draft First Report and internal discussion on same; emails with BLG and Torys on a matter raised by Bennett Jones.	3.3
Jan 20	Review iterations of the draft First Report, internal discussions/emails and emails with Torys to finalize same for service.	1.9
Jan 23	Review the revised Order recognizing the Second Day Orders and emails with Torys and BLG on same; internal emails on next steps/timeline and next Court report.	0.7
Jan 25	Internal emails on the outcome of today’s Court hearing, and next steps/timeline and related matters going forward.	0.4
TOTAL – A. Hutchens		14.6 hrs.



Modular Space Holdings, Inc.

DETAILED SUMMARY – January 8 to 28, 2017

<u><i>J. Poulos</i></u>	<u>Hrs.</u>
Jan 9 Discussion with R. Jaipargas of Borden Ladner Gervais LLP (“BLG”) re: timing of draft Court materials and related matters and re: attendance on call for US Court hearing on January 19, 2017; emails to A. Hutchens and D. Bish of Torys re: availability and subsequent email to R. Jaipargas to confirm same; telephone call with R. Jaipargas re: draft Court materials, February hearing and related matters.	0.7
Jan 10 Review of draft Order, Affidavit and Notice of Motion from BLG and emails with BLG re: same; attend to draft Court Report; e-mails with Torys re: comments on draft materials, review of Torys’ email to BLG and BLG response to same.	2.5
Jan 12 Discussion with R. Jaipargas of BLG re: timing of revised draft materials and related matters, draft First Report and email to A. Hutchens and D. Bish of Torys re: same.	0.3
Jan 16 Discussion with R. Jaipargas of BLG re: status of draft materials and related matters; review of revised draft Court materials, made further amendments to draft Court Report and discussion with A. Hutchens re: same; review of certain materials on KCC’s web-site.	1.7
Jan 18 Review KCC web-site for updates; telephone discussion with R. Jaipargas of BLG re: status of matters.	0.3
Jan 19 Review of revised draft Affidavit, Court Order and Notice of Motion from BLG, discussion with A. Hutchens re: status of matters, amendments to draft Court Report; discussion with R. Jaipargas re: certain Orders and related matters; review of A. Hutchens and Torys LLP comments on draft Report, further amendments to draft Report and email draft to BLG for comments; discussion with R. Jaipargas re: OCP Order and related matters; review of emails from Bennett Jones and BLG re: Court material and emails with A. Hutchens and Torys re: same.	3.4
Jan 20 Review of comments from BLG and ModSpace’s US counsel; further amendments to draft Court Report and discussions with A. Hutchens re: same; emails with Torys re: comments and service; finalize First Report for service and email to Torys re: Final Report; discussion with R. Jaipargas and E. Ferreira re: status update and timing of service of materials; review of emails to service list from BLG; attend to web-site updates.	4.2



Modular Space Holdings, Inc.

DETAILED SUMMARY – January 8 to 28, 2017

Jan 23	Review web-site updates and email to web-site personnel re: additional changes; review of revised draft Court Order with Norton Rose amendments and emails with BLG and Torys re: same; discussion with R. Jaipargas and E. Ferreira of BLG re: matters re: Court hearing on January 25, 2017 and February 14, 2017; email update to A. Hutchens and D. Bish of Torys re: same.	1.1
Jan 24	Review of KCC web-site updates and preliminary materials from BLG re: next Court Report.	1.5
Jan 25	Preparation for and attendance at Court hearing re: second day Orders and approval of preliminary and First Report of Information Officer; email to A. Hutchens re: same; review of Final Order and Endorsement; prepare update for web-site; e-mails with web-site provider re: posting of Court Order and Endorsement.	2.4
Jan 26	Emails with web-site provider re: web-site final changes and final review of same.	0.2
Jan 27	Review of KCC web-site for updates and email to A. Hutchens and D. Bish of Torys re: same.	0.3
TOTAL – J. Poulos		18.6 hrs.





Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Phone: +1 416 847 5200
Fax: +1 416 847 5201

February 13, 2017

ModSpace Financial Services Canada, Ltd.
c/o David Orlofsky
Zolfo Cooper, LLP
1114 Avenue of the Americas, 41st Floor
New York, NY
10036 USA

Re: MODULAR SPACE HOLDINGS, INC., ET AL
INVOICE #3 - 810345

For professional services rendered in connection with our role as Court-appointed Information Officer under the *Companies' Creditors Arrangement Act* pursuant to the Supplemental Order granted by the Ontario Superior Court of Justice (Commercial List) on December 27, 2016 (and prior to the granting of the Supplemental Order, pursuant to our engagement letter dated December 12, 2016), for the period January 29 to February 11, 2017.

BILLING SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
A. Hutchens, Managing Director	5.5	\$765	\$4,207.50
J. Poulos, Senior Director	14.7	\$675	9,922.50
R. Grunier, Associate	0.6	\$375	225.00
	<u>20.8</u>		<u>\$14,355.00</u>
Add: Out of pocket expenses – courier			<u>7.99</u>
			<u>\$14,362.99</u>
Add: HST @ 13%			<u>1,867.19</u>
TOTAL INVOICE			<u>\$16,230.18</u>

Mailing Instructions:

Alvarez & Marsal Canada ULC
Att: Audrey Singels-Ludvik
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Wiring Instructions:

Bank: TD Canada Trust
Account Name: Alvarez & Marsal Canada ULC
Swiftcode: TDOMCATTOR
Bank Address: 55 King Street West
Toronto, ON
Bank Transit #: 10202
Institution #: 0004
Account #: 5410790
Reference #: Modular Space (810345) – Inv. #3
HST#: 83158 2127 RT0001

Modular Space Holdings, Inc.

DETAILED SUMMARY – January 29 to February 11, 2017

<u>A. Hutchens</u>	<u>Hrs.</u>
Feb 1 Internal emails/emails with Torys on documents filed in the Chapter 11 proceedings; respond to an inquiry from counsel to a creditor.	0.5
Feb 3 Internal emails/emails with Torys and BLG on status/timing of next steps in Chapter 11 proceedings.	0.3
Feb 6 Review the Declaration of David Orlofsky filed in support of the Disclosure Statement and confirmation of the Plan; internal emails/emails with Torys on the rescheduling of the US confirmation hearing and corresponding CCAA hearing; review the draft Affidavit of David Orlofsky and related draft application materials to seek recognition by the Canadian Court of the U.S. Confirmation Order; internal emails regarding the A&M fee affidavit.	3.6
Feb 7 Internal emails and emails with Torys and BLG to provide comments on the draft application materials for recognition by the Canadian Court of the U.S. Confirmation Order.	0.8
Feb 9 Review the draft fee affidavits of A&M and Torys, and emails with Torys on same.	0.3
TOTAL – A. Hutchens	5.5 hrs.

<u>J. Poulos</u>	<u>Hrs.</u>
Jan 30 Review of website updates and email to BLG re: Omnibus hearing and review of response from L. Hiebert of BLG re: same.	0.4
Jan 31 Discussion with L. Hiebert of BLG re: status of matters and emails with A. Hutchens re: same.	0.4
Feb 1 Review of updated materials on KCC website; conference call with R. Jaipargas and E. Ferreira of BLG re: status of matters including Court hearing, US government objection; emails with D. Bish of Torys re: status of matters, US government objection.	1.0
Feb 3 Review of updated materials on KCC website; discussion with R. Jaipargas re: status of matters; email update to A. Hutchens and D. Bish; attendance on conference call with R. Jaipargas, L. Hiebert and E. Ferreira re: status of various matters and subsequent email to A. Hutchens and D. Bish re: same.	1.0



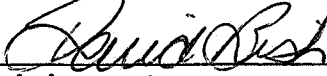
Modular Space Holdings, Inc.

DETAILED SUMMARY – January 29 to February 11, 2017

Feb 6	Review of updated materials on KCC website, including the Orlofsky Affidavit, Court hearing agenda, and draft Order; attendance on conference call with R. Jaipargas and E. Ferreira of BLG re: status of matters, timing of Court hearing and related matters; email to A. Hutchens and D. Bish of Torys LLP re: update; emails with A. Hutchens re: KCC website material; attendance on conference call with A. Hutchens and R. Jaipargas re: Court hearing and related matters; emails with D. Bish of Torys re: proposed Court timing and timing of initial draft of materials.	2.8
Feb 7	Review of draft Court materials from BLG (Third Orlofsky Affidavit, Court Order and Draft Notice of Motion); discussion with R. Jaipargas re: remaining matters, Court hearing and related matters; e-mails with A. Slavens of Torys re: invoices for fee affidavits; commenced preparation of Second Report; emails with Torys re: comments on draft materials and related matters; review of Torys' email to BLG re: preliminary comments on draft Court materials for consideration; e-mails with E. Ferreira re: Court hearing participation on February 15.	2.5
Feb 8	Attend to draft Court Report; emails with BLG re: draft articles of reorganization and review of same; emails with Torys re: draft fee affidavits.	6.3
Feb 9	Review of draft fee affidavits and email to Torys re: same.	0.2
Feb 10	Email to BLG team re: timing of revised draft Court materials and review of response.	0.1
TOTAL – J. Poulos		14.7 hrs.
 <u>R. Grunier</u>		 <u>Hrs.</u>
Feb 6	Review email correspondence with J. Poulos and A. Hutchens re: fee affidavit schedule; prepare and send fee affidavit schedule.	0.6
TOTAL – R. Grunier		0.6 hrs.



**This is Exhibit "B" referred to in the
Affidavit of Alan J. Hutchens
sworn before me, this 15th
day of February, 2017.**



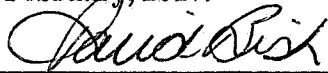
A Commissioner, etc.

EXHIBIT "B"

ALVAREZ & MARSAL CANADA INC., COURT-APPOINTED INFORMATION OFFICER OF
 MODULARSPACE HOLDINGS INC., ET AL
 (December 12, 2016 to February 11, 2017)

Invoice No.	Invoice Date	Invoice Period / Description	Total Hours	Fees	Disbursements	HST	Invoice Total (SGAD)
CIO Inv #1	January 11, 2017	December 12, 2016 to January 7, 2017	96.5	\$ 65,140.50	\$ 19.92	\$ 8,470.85	\$ 73,631.27
CIO Inv #2	January 31, 2017	January 8, 2017 to January 28, 2017	33.2	\$ 23,724.00	\$ 12,031.53	\$ 4,648.22	\$ 40,403.75
CIO Inv #3	February 13, 2017	January 29, 2017 to February 11, 2017	20.8	\$ 14,355.00	\$ 7.99	\$ 1,867.19	\$ 16,230.18
TOTAL			150.5	\$ 103,219.50	\$ 12,059.44	\$ 14,986.26	\$ 130,265.20

**This is Exhibit "C" referred to in the
Affidavit of Alan J. Hutchens
sworn before me, this 15th
day of February, 2017.**

A handwritten signature in cursive script, appearing to read "David Bisk", written over a horizontal line.

A Commissioner, etc.

EXHIBIT "C"
ALVAREZ & MARSAL CANADA INC., COURT-APPOINTED INFORMATION OFFICER OF
MODULAR SPACE HOLDINGS INC., ET AL
(December 12, 2016 to February 11, 2017)

Staff Member	Title	Total Hours	Rate (\$CAD)	Amount Billed (\$CAD)
Alan Hutchens	Managing Director	47.8	765	36,567.00
Jenny Poulos	Senior Director	93.8	675	63,315.00
Ryan Gruncir	Associate	8.9	375	3,337.50
Total Fees (excl. Disbursements and HST)		150.5	Avg Rate \$685.84	\$103,219.50

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

Court File No.
CV-16-11656-00CL

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

ONTARIO

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

Proceeding commenced at TORONTO

**AFFIDAVIT OF
ALAN J. HUTCHENS
(Sworn February 15, 2017)**

TORYS LLP

79 Wellington St. W., Suite 3000
Box 270, TD Centre
Toronto, ON M5K 1N2
Tel: 416.865.0040
Fax: 416.865.7380

David Bish (LSUC#: 41629A)
Email: dbish@torys.com

Adam M. Slavens (LSUC#: 54433J)
Email: aslavens@torys.com

Lawyers for Alvarez & Marsal Canada Inc.,
in its capacity as the Information Officer

APPENDIX C

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

**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**

**AFFIDAVIT OF ADAM SLAVENS
(Sworn February 15, 2017)**

I, Adam Slavens, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am a partner of Torys LLP ("Torys"), lawyers for Alvarez & Marsal Canada Inc., in its capacity as the court-appointed Information Officer in these proceedings (the "Information Officer"), and not in its personal capacity. As such, I have personal knowledge of the matters to which I herein depose, except where my knowledge is based upon information and belief, in which case I believe such information to be true.
2. This affidavit is sworn in support of Modular Space Corporation's motion for, *inter alia*, an order approving the fees and disbursements of Torys, as lawyers for the Information Officer in these proceedings.
3. I confirm that the accounts attached hereto as Exhibit "A" are true copies of the accounts of Torys (collectively, the "Accounts") during the Fee Period (as defined below) and affirm that the Accounts accurately reflect the services provided by Torys in this matter

during the Fee Period and the fees and disbursements claimed by it. I also affirm that the time summaries attached to the Accounts relate to the Accounts, and were generated by Torys.


4. A summary of Torys' fees and disbursements (inclusive of HST) from and after December 13, 2016, through to and including February 14, 2017, (the "Fee Period") is attached hereto as Exhibit "B". Accordingly, Torys' Accounts for which approval is being sought are in the total amount of \$72,081.34 for fees and disbursements (inclusive of HST).

5. Attached hereto as Exhibit "C" is a summary of additional information with respect to all members of Torys who have worked on this matter during the Fee Period, their title, their year of call (if applicable) and their rates, and I confirm that the list represents an accurate account of such information.

6. On the assumption that there are no delays, disputes or unforeseen developments in connection with this matter and taking into account the remaining work to be done in connection with this matter, Torys intends to issue one or more additional invoices for the period from and after February 15, 2017, through to the date of the Information Officer's discharge, which invoice(s) in the aggregate is not expected to exceed \$10,000.00 (inclusive of HST) (the "Estimated Fee Ceiling"). Subject to any direction to the contrary by this Court, Torys' expectations as to its further fees and disbursements in respect of its representation of the Information Officer prior to the Information Officer's discharge are as follows: (i) provided that Torys' further fees and disbursements do not exceed the Estimated Fee Ceiling, no further court approval of fees and disbursements is anticipated; and (ii) in the event that Torys' further fees and disbursements do exceed the Estimated Fee Ceiling, the Debtors may elect to pay such additional amounts without a further application to this Court for approval of such fees and disbursements.

7. The legal costs and expenses incurred in respect of Torsys' representation of the Information Officer in this matter as set out in the Accounts were properly incurred and, together with the process by which subsequently issued invoices are to be paid, are fair and reasonable considering the circumstances of these proceedings.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 15th day of February, 2017.



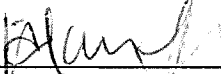
Commissioner for Taking Affidavits



ADAM SLAVENS

**Hilary Anne Brown,
A Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires October 31, 2019..**

**This is Exhibit "A" referred to in the
Affidavit of Adam Slavens
sworn before me, this 15th
day of February, 2017.**



A Commissioner, etc.

**Hilary Anne Brown,
A Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires October 31, 2019..**



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

January 10, 2017

Invoice: 1386790
Matter: 39108-2001

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, ON
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Re: Modspace

TO PROFESSIONAL SERVICES RENDERED, for the period ending December 31, 2016 as described on the attached Schedule.

Fee		\$33,728.50
Disbursements Subject to HST		
Copies	\$6.02	
Laser Printing	323.68	
Wire Charges	<u>17.50</u>	347.20
HST		<u>4,429.84</u>
TOTAL		<u>\$38,505.54</u>

All accounts are payable on receipt. Please retain this copy for your files. Interest will be charged on all accounts overdue one month or more.



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GST / HST Registration R119420685

January 10, 2017

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, ON
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Invoice Number: 1386790
Matter Number: 39108-2001
Invoice Total: **\$38,505.54**

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTTOR

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA
Bank Swift Code BOFAUS3N
ABA 026 009 593

All accounts are payable on receipt. Please return this with your payment. Interest will be charged on all accounts overdue one month or more.

January 10, 2017

39108 - Alvarez & Marsal Canada Inc.

Re: 2001 - Modspace

Date	Lawyer	Description	Hours
13 Dec 2016	A. Slavens	Reviewing draft CCAA court documents; considering description of roll-up DIP and reporting re same; office conference with D. Bish re: same;	1.0
13 Dec 2016	D. Bish	Emails and call with A. Hutchens and J. Poulos re: commencement of engagement, filing timeline and identification of preliminary issues; emails from BLG re: draft Notice of Application, Initial Order and Supplemental Order, and discuss with A. Slavens and re: view same; review draft timeline from R. Jaipargas;	2.5
14 Dec 2016	A. Slavens	Reviewing draft CCAA and chapter 11 court documents; reviewing proposed case timeline; office conference and email correspondence with D. Bish re: same;	1.7
14 Dec 2016	D. Bish	Emails with A. Hutchens and J. Poulos and calls with J. Poulos re: review of draft materials and preliminary comments on same; review and comment on proposed consent to act from BLG; emails with A&M, BLG and Torys re: draft materials, timeline and information requests; prepare and send to client summary of preliminary issues and comments on draft materials; call with A&M, BLG and Torys re: DIP agreement and proposed "roll-up"; review U.S. first day declaration from BLG; email from H. Silverman re: draft U.S. DIP documentation;	3.0
15 Dec 2016	A. Slavens	Reviewing DIP documents; office conference with D. Bish re same;	1.0
15 Dec 2016	D. Bish	Emails and calls with A. Hutchens and J. Poulos re: filing preparations, retainer arrangements, communications with BLG;	1.0
16 Dec 2016	A. Slavens	Reviewing comments on draft CCAA court materials and issues lists; email correspondence with J. Poulos and D. Bish re: same;	0.8
16 Dec 2016	D. Bish	Call with A. Hutchens re: filing preparations; emails with A. Hutchens, J. Poulos and A. Slavens re: preliminary issues identified and outstanding Canadian information required, and call with BLG, Torys and A&M re: same; provide draft list of outstanding considerations to A&M and settle same, and forward final draft to BLG;	3.3
17 Dec 2016	A. Slavens	Reviewing and commenting on CCAA application court documents;	1.1

Date	Lawyer	Description	Hours
17 Dec 2016	D. Bish	Email from L. Hiebert re: revised Canadian filing materials and forms of Orders;	0.1
19 Dec 2016	D. Bish	Call with A. Hutchens re: draft Canadian materials and U.S. inquiries re: Information Officer role; review draft Canadian affidavit in support of recognition application, and emails with A&M re: comments on same;	1.3
20 Dec 2016	D. Bish	Emails with J. Poulos and A. Hutchens re: status of filing preparations;	0.2
21 Dec 2016	D. Bish	Extensive emails and calls with A&M, BLG and Torys re: preparations for Canadian filing, confirmation of U.S. filing, review of filing materials, A&M consent to act, and further information gathering, and emails with A. Slavens re: same;	3.3
22 Dec 2016	A. Slavens	Reviewing CCAA recognition application documents;	0.7
23 Dec 2016	A. Slavens	Reviewing CCAA court documents; reviewing and commenting on2.6 draft report; preparing affidavit; telephone calls and email correspondence with D. Bish and S. Danis re: same; email correspondence with A. Hutchens, J. Poulos and BLG team re: same; coordinating service and filing of report;	2.6
23 Dec 2016	D. Bish	Extensive emails and calls with A. Hutchens, J. Poulos and with A.4.8 Slavens re: preparation for filing of Canadian materials, pre-filing report, filing and service logistics and timing, and planning for court hearing; review and comment on draft pre-filing report, and emails with client re: same; emails with BLG re: draft report and review by company counsel (Canada and U.S.); emails with BLG re: revised court orders, and review and comment on same, and finalize with BLG and client;	4.8
23 Dec 2016	S. Danis	Preparing documents for filing;	1.4
24 Dec 2016	A. Slavens	Reviewing CCAA court documents; reviewing and commenting on2.5 draft report; email correspondence with A. Hutchens, J. Poulos, D. Bish and S. Danis re: same; coordinating service of report; preparing email correspondence to Justice Newbould; email correspondence with BLG team;	2.5
24 Dec 2016	D. Bish	Emails with BLG, Torys and A&M re: comments on draft Information Officer's Report, and finalize same with A&M, and arrange for service on service list and delivery to Justice Newbould;	2.4
27 Dec 2016	A. Slavens	Email correspondence with D. Bish and S. Danis re: application	0.4

Date	Lawyer	Description	Hours
		returnable December 27, 2016, and preparation re: same;	
27 Dec 2016	D. Bish	Prepare for and attend at court for initial CCAA recognition hearing; emails with S. Zweig re: court attendance; meet with S. Danis re: swearing of affidavit of service and preparation of USB stick for court; emails with service list re: issued orders;	2.1
28 Dec 2016	A. Slavens	Reviewing Application Record; email correspondence with S. Danis re: filing of report;	1.1
28 Dec 2016	D. Bish	Email from BLG re: revised U.S. timeline and steps memo, and review same;	0.1
28 Dec 2016	S. Danis	Preparing filing materials;	0.3
29 Dec 2016	A. Slavens	Email correspondence with S. Danis re: filing of report;	0.2
29 Dec 2016	S. Danis	Filing report;	0.2

TIMEKEEPER SUMMARY

Timekeeper	Hours	Rate	Total
A. Slavens	13.1	775.00	10,152.50
D. Bish	24.1	955.00	23,015.50
S. Danis	1.9	295.00	560.50

Proforma ID # 1534571
Bill # 1386790



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

January 31, 2017

Invoice: 1388905
Matter: 39108-2001

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, ON
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Re: Modspace

TO PROFESSIONAL SERVICES RENDERED, for the period ending January 31, 2017 as described on the attached Schedule.

Fee		\$12,402.00
Disbursements Subject to HST		
Copies	\$9.94	
Laser Printing	71.12	
Miscellaneous	14.10	
Process Servers	45.00	
Taxi & Travel	<u>8.93</u>	149.09
HST		<u>1,631.64</u>
TOTAL		<u>\$14,182.73</u>

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GST / HST Registration R119420685

January 31, 2017

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, ON
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Invoice Number: 1388905
Matter Number: 39108-2001
Invoice Total: **\$14,182.73**

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTTOR

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA
Bank Swift Code BOFAUS3N
ABA 026 009 593

All accounts are payable on receipt. Please return this with your payment. Interest will be charged on all accounts overdue one month or more.

January 31, 2017

39108 - Alvarez & Marsal Canada Inc.

Re: 2001 - Modspace

Date	Lawyer	Description	Hours
01 Jan 2017	D. Bish	Emails with A&M and BLG re: publication of notice;	0.2
04 Jan 2017	D. Bish	Emails with BLG, A&M and Torys re: scheduling of further recognition hearings;	0.2
09 Jan 2017	D. Bish	Emails with A&M and BLG re: upcoming recognition hearings in January and February, and substance of same and status of U.S. proceedings, emails with service list re: scheduling of hearings;	0.5
10 Jan 2017	D. Bish	Review draft court materials for recognition of U.S. Second Day Orders, and provide comments to client re: same and further emails re: same; emails with BLG, A&M and Torys re: planning for pending Canadian hearings and prospective discharge and fee approval hearing;	1.8
12 Jan 2017	D. Bish	Email from J. Poulos re: status of draft court materials and pending Canadian court application;	0.1
15 Jan 2017	D. Bish	Email from L. Hiebert re: revised draft court materials for recognition hearing;	0.1
16 Jan 2017	D. Bish	Emails with J. Poulos, L. Hiebert et al re: recognition hearing and court materials; review draft court materials;	1.0
18 Jan 2017	D. Bish	Emails with A&M re: status of U.S. orders granted, resolution of objections and status of U.S. approval hearing; emails from BLG re: updated draft court materials for recognition hearing, and review same;	0.8
19 Jan 2017	D. Bish	Emails with BLG and A&M re: status of U.S. hearings and draft Information Officer's Report for next recognition hearing; review and comment on draft report; emails with BLG re: sign-off on company's draft court materials; emails with R. Jaipargas and S. Zweig re: service of court materials and approval of Information Officer's report; call with A. Hutchens re: status of file and emails with A. Hutchens re: approval of Information Officer's report;	1.6
20 Jan 2017	A. Slavens	Coordinating service of information officer's report; reviewing drafts of same and related motion record of company;	1.5
20 Jan 2017	D. Bish	Review comments on draft report of Information Officer from BLG and Cleary, and emails with A&M re: same; finalize Information Officer's report with A&M and emails and discussions with A.	1.4

Date	Lawyer	Description	Hours
		Slavens re: service of same and filing of same with court; email from BLG serving motion record re: further recognition hearing; emails with BLG, A&M and Torgs re: DIP draws to date and outstanding balances;	
23 Jan 2017	D. Bish	Review email and revised recognition order from L. Hiebert re: Norton Rose comments; emails with J. Poulos re: sign-off from U.S. counsel and Norton Rose re: Canadian form of Order, and confirm with R. Jaipargas no further comments from Information Officer; emails with J. Poulos re: planned February 14 hearing;	1.0
24 Jan 2017	A. Slavens	Email correspondence with D. Bish re: upcoming motions;	0.1
24 Jan 2017	D. Bish	Emails and discussion with A. Slavens re: planning for February recognition hearing, taxation and discharge hearing;	0.2
25 Jan 2017	D. Bish	Prepare for and attend at court for recognition hearing, and emails with BLG re: issued order and endorsement; emails with A. Hutchens and J. Poulos re: preliminary planning for final recognition and discharge hearing;	1.5
27 Jan 2017	D. Bish	Email from J. Poulos re: status of US proceedings and objections filed to date;	0.1
30 Jan 2017	D. Bish	Emails from J. Poulos re: March US omnibus hearing;	0.1

TIMEKEEPER SUMMARY

Timekeeper	Hours	Rate	Total
A. Slavens	1.6	795.00	1,272.00
D. Bish	10.6	1050.00	11,130.00

Proforma ID # 1537483
Bill # 1388905



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

February 14, 2017

Invoice: 1389760
Matter: 39108-2001

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, Ontario
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Re: Modspace

TO PROFESSIONAL SERVICES RENDERED, for the period ending February 28, 2017 as described on the attached Schedule.

Fee		\$17,158.50
Disbursements Subject to HST		
Copies	\$1.68	
Laser Printing	<u>1.82</u>	3.50
HST		<u>2,231.06</u>
TOTAL		<u>\$19,393.06</u>

All accounts are payable on receipt. Please retain this copy for your files. Interest will be charged on all accounts overdue one month or more.



79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2 Canada
P. 416.865.0040 | F. 416.865.7380
www.torys.com
GST / HST Registration R119420685

February 14, 2017

Alvarez & Marsal Canada
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2000
Toronto, Ontario
M5J 2J1

Attention: Alan J. Hutchens
Email: ahutchens@alvarezandmarsal.com

Invoice Number: 1389760
Matter Number: 39108-2001
Invoice Total: **\$19,393.06**

Please mail remittance to:

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2
Canada

Remittance by Electronic Banking (please include invoice number):

TD Canada Trust	Account Name:	Torys LLP
55 King Street	Bank ID:	004
West	Branch Number:	10202
Toronto, Ontario	Account (CAD):	5364535
M5K 1A2	Account (USD):	7389354
Canada	Bank Swift Code:	TDOMCATTTOR

Intermediary Bank (only needed for USD wiring from outside of Canada):

Bank of America New York, NY USA
Bank Swift Code BOFAUS3N
ABA 026 009 593

All accounts are payable on receipt. Please return this with your payment. Interest will be charged on all accounts overdue one month or more.

February 14, 2017

39108 - Alvarez & Marsal Canada Inc.

Re: 2001 - Modspace

Date	Lawyer	Description	Hours
01 Feb 2017	D. Bish	Emails with J. Poulos and A. Hutchens re: planning for further Canadian recognition hearing and status of U.S. hearing and open issues;	0.2
02 Feb 2017	D. Bish	Email with J. Poulos re: timing and status of next U.S. hearing;	0.1
03 Feb 2017	A. Slavens	Reviewing Chapter 11 Case court documents;	1.7
03 Feb 2017	D. Bish	Emails with J. Poulos and A. Hutchens re: scheduling of Canadian and U.S. hearings, timing of receipt of draft court materials, resolution of U.S. objections, and discussions with debtor counsel re: status;	0.3
06 Feb 2017	A. Slavens	Email correspondence with A. Hutchens, J. Poulos and D. Bish re recognition motion and court documents re same;	0.5
06 Feb 2017	D. Bish	Emails with BLG, J. Poulos, A. Hutchens and A. Slavens re: pending Canadian and U.S. hearings, draft court materials for hearing, remaining workstreams and path to discharge, and fee affidavits to be prepared;	0.5
07 Feb 2017	A. Slavens	Reviewing and commenting on draft recognition motion materials; reviewing previous court orders; preparing fee affidavits for Torsys and A&M; email correspondence with BLG team, A. Hutchens, J. Poulos and D. Bish re same;	2.4
07 Feb 2017	D. Bish	Review and comment on draft court materials for recognition of U.S. Plan Confirmation Order and fee approvals, discharge and termination of proceedings, and emails with A&M and A. Slavens re: same; emails with BLG passing on comments on draft court materials and further discussion of same; emails with J. Dutton and R. Li (Zolfo Cooper) re: fee approvals; emails with A. Slavens re: draft fee approval affidavits;	3.4
08 Feb 2017	D. Bish	Emails with J. Poulos re: draft fee affidavits and revised timeline of U.S. proceedings; review draft fee affidavits and provide comments to A. Slavens; emails with J. Poulos and L. Hiebert re: revised Articles of Reorganization, and review same;	1.4
09 Feb 2017	A. Slavens	Revising fee affidavits; email correspondence with A&M team and BLG team re same; reviewing draft motion materials and email correspondence re same;	1.8

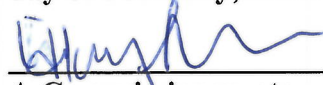
Date	Lawyer	Description	Hours
09 Feb 2017	D. Bish	Emails from A. Slavens and J. Poulos re: fee affidavits and feedback from BLG re: comments on draft court materials; emails with BLG re: draft fee affidavits;	0.3
10 Feb 2017	D. Bish	Emails from J. Poulos and R. Jaipargas re: timing draft Canadian recognition court materials;	0.1
12 Feb 2017	D. Bish	Emails from BLG re: comments on draft fee affidavits and recirculating updated draft court materials;	0.2
13 Feb 2017	A. Slavens	Reviewing Chapter 11 Case court documents; reviewing and commenting on draft report; reviewing comments of BLG team on draft affidavits; preparing affidavits;	1.3
13 Feb 2017	D. Bish	Review and comment on draft Information Officer's Report, and emails with J. Poulos and A. Hutchens re: same; review revised court materials from BLG and emails with J. Poulos and A. Hutchens re: same;	2.8
14 Feb 2017	A. Slavens	Reviewing Chapter 11 Case court documents; revising and finalizing affidavits; email correspondence with A. Hutchens, J. Poulos and D. Bish re same;	1.6

TIMEKEEPER SUMMARY

Timekeeper	Hours	Rate	Total
A. Slavens	9.3	795.00	7,393.50
D. Bish	9.3	1050.00	9,765.00

Proforma ID # 1543828
Bill # 1389760

**This is Exhibit "B" referred to in the
Affidavit of Adam Slavens
sworn before me, this 15th
day of February, 2017.**



A Commissioner, etc.


**Hilary Anne Brown,
A Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires October 31, 2019..**

**TORYS LLP
ACCOUNT SUMMARY**

(December 13, 2016 – February 14, 2017)

Invoice No.	Invoice Date	Total Hours	Fees	Disbursements	HST	Invoice Total
1386790	January 10, 2017	39.1	\$33,728.50	\$347.20	\$4,429.84	\$38,505.54
1388905	January 31, 2017	12.2	\$12,402.00	\$149.09	\$1,631.64	\$14,182.73
1389760	February 14, 2017	18.6	\$17,158.50	\$3.50	\$2,231.07	\$19,393.07
Total		69.9	\$63,289.00	\$499.79	\$8,292.55	\$72,081.34

**This is Exhibit "C" referred to in the
Affidavit of Adam Slavens
sworn before me, this 15th
day of February, 2017.**



A Commissioner, etc.

**Hilary Anne Brown,
A Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires October 31, 2019..**

**TORYS LLP
PERSONNEL SUMMARY**

(December 13, 2016 – February 14, 2017)

Staff	Title/Year of Call	Total Hours	Hourly Rate (\$CDN)	Amount Billed (\$CDN)
David Bish	Partner/1999	44.0	955/1050	43,910.50
Adam Slavens	Partner/Associate/2007	24.0	775/795	18,818.00
Stacey Danis	Articling Student	1.9	295	560.50
Total Fees (excludes disbursements and HST)				63,289.00

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF
ADAM SLAVENS
(Sworn February 15, 2017)

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Lawyers for Alvarez & Marsal Canada Inc.,
in its capacity as the Information Officer