

**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 A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**MOTION RECORD
(Re: Stay Extension and Other Relief)
(Returnable June 30, 2021)**

June 21, 2021

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N
Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

INDEX

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MOTION RECORD

INDEX

TAB	DOCUMENT
1.	Notice of Motion (Returnable June 30, 2021)
2.	Affidavit of James S. Feltman sworn June 21, 2021
A.	<i>Exhibit A</i> – Amended and Restated Initial Order dated September 10, 2021
B.	<i>Exhibit B</i> – Stay Extension Order dated March 11, 2021
C.	<i>Exhibit C</i> – Affidavit of James S. Feltman sworn August 22, 2020 in connection with the Recognition Proceeding (without exhibits)
D.	<i>Exhibit D</i> – Affidavit of James S. Feltman sworn August 30, 2020 in connection with the CCAA Proceedings (without exhibits)
E.	<i>Exhibit E</i> – Affidavit of James S. Feltman sworn November 13, 2020 in connection with the CCAA Proceedings (without exhibits)
F.	<i>Exhibit F</i> – Affidavit of James S. Feltman sworn March 5, 2021 in connection with the CCAA Proceedings (without exhibits)
G.	<i>Exhibit G</i> – Chapter 11 Debtors' Joint Plan
H.	<i>Exhibit H</i> – Disclaimer of RGN Ontario XLVII LP's Lease dated May 31, 2021
I.	<i>Confidential Exhibit I</i> – LAA between RGN BC XXIV LP and Ravine
3.	Draft Order

TAB 1

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

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**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND THE OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**NOTICE OF MOTION
(Returnable June 30, 2021)**

The Applicants will make a motion to a judge of the Ontario Superior Court of Justice (Commercial List) on Wednesday, June 30, 2021 at 11:30 a.m. EST via video conference due to the COVID-19 pandemic. The videoconference details can be found in Schedule "C" to this Notice of Motion. Please advise Lee Nicholson if you intend to join the hearing of this motion by emailing leenicholson@stikeman.com.

PROPOSED METHOD OF HEARING: The motion is to be heard via video conference due to the ongoing COVID-19 pandemic. The video conference details can be found in Schedule "C" to this Notice of Motion.

THE MOTION IS FOR:

1. An Order, substantially in the form attached at Tab 3 of the Motion Record, *inter alia*:
 - (a) extending the Stay Period (as defined below) to September 30, 2021;
 - (b) terminating and discharging the CCAA Proceedings with respect to RGN British Columbia XXIV Limited Partnership and its general partner, RGN British Columbia XXIV GP Inc.; and
 - (c) sealing an exhibit of the Affidavit of James S. Feltman sworn June 21, 2021 (the "**Seventh Feltman Affidavit**");
2. Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus (collectively, "**IWG**"). IWG offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries in over 1,000 locations in the United States and Canada;
2. Since July 30, 2020, various entities affiliated with IWG have been filing voluntary petitions for relief pursuant to the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**", and such cases, the "**Chapter 11 Cases**");
3. On August 31, 2020, this Court granted the Initial Order under the CCAA in respect of the Applicants and certain affiliated limited partnerships listed on Schedule "B" (together, the "**CCAA Debtors**");
4. On September 10, 2020, this Court granted an order that amended and restated the Initial Order and provided a stay of proceedings (the "**Stay Period**") until November 27, 2020;
5. On November 19, 2020, this Court granted an order that extended the Stay Period until March 16, 2021;
6. On March 11, 2021, this Court granted an order that extended the Stay Period until June 30, 2021;
7. On June 11, 2021, certain of the Applicants affiliates in the United States (the "**Chapter 11 Debtors**") filed a joint plan with the U.S. Court;
8. The CCAA Debtors, with the assistance of the Monitor, have been working diligently and in good faith to stabilize their business and ensure that these CCAA proceedings continue in a coordinated manner with other related proceedings in Canada and the U.S.;

Extension of the Stay Period

9. The CCAA Debtors are seeking an extension of the Stay Period to and including September 30, 2021;

10. An extension of the Stay Period will allow the CCAA Debtors to continue to operate in the ordinary course of business and to advance their restructuring efforts;

11. The contemplated extension of the Stay Period aligns with the time expected to be required for the Chapter 11 Debtors to obtain an Order from the U.S. Court confirming the U.S. Plan and for the CCAA Debtors and the Foreign Representative to obtain two Orders from this Court, the receipt of which are conditions precedent to the effectiveness of the U.S. Plan;

12. The CCAA Debtors have sufficient liquidity to operate their businesses and meet their obligations during the proposed Stay Period;

13. The CCAA Debtors have acted and continue to act in good faith and with due diligence during the course of these CCAA Proceedings;

Termination of CCAA Proceedings in respect of RGN British Columbia XXIV Limited Partnership and RGN British Columbia XXIV GP Inc.

14. The CCAA Debtors are requesting that the CCAA Proceedings be terminated in respect of RGN British Columbia XXIV Limited Partnership and its general partner, RGN British Columbia XXIV GP Inc. (collectively, “**RGN BC XXIV**”);

15. Pursuant to a Lease amendment (“**LAA**”) between RGN BC XXIV and its Landlord, the Landlord has agreed to provide a broad waiver of claims such that RGN BC XXIV’s Lease cannot be terminated as a result of the Chapter 11 Cases and the CCAA Proceedings;

16. The LAA will allow RGN BC XXIV to operate its Centre in a sustainable manner;

17. With the LAA, the CCAA Proceedings in respect of RGN BC XXIV are no longer necessary;

Sealing Order in respect of the LAA

18. The CCAA Debtors are requesting that the LAA attached to the Seventh Feltman Affidavit be sealed from the public Court record in these CCAA Proceedings;

19. The LAA contains a confidentiality clause that forbids disclosing the contents of the LAA to the public;

20. Disclosing the contents of the LAA could have significant negative effects on the CCAA Debtors' ability to negotiate LAAs with other Landlords by setting expectations related to future LAAs with other Landlords;

General

21. The provisions of the CCAA, including sections 11 and 11.02, and the inherent and equitable jurisdiction of this Honourable Court;

22. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including Rules 2.03, 3.02, and 37 thereof;

23. Section 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43; and

24. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Seventh Feltman Affidavit;
- (b) The Third Report of the Monitor, to be filed; and
- (c) Such further and other evidence as counsel may advise and this Court may permit.

June 21, 2021

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO# 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO#: 66412I
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N

Tel: (416) 869-5543

Email: bmuller@stikeman.com

Lawyers for the Applicants

SCHEDULE "A"

Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

SCHEDULE "B"

CCAA Debtors

RGN Alberta IV Limited Partnership
RGN Alberta Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
RGN Ontario II Limited Partnership
RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership

SCHEDULE "C"

Zoom Particulars

Join Zoom Meeting

<https://us06web.zoom.us/j/89942189634>

Meeting ID: 899 4218 9634

One tap mobile

+13126266799,,89942189634# US (Chicago)

+13462487799,,89942189634# US (Houston)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 646 518 9805 US (New York)

+1 646 876 9923 US (New York)

+1 213 338 8477 US (Los Angeles)

Meeting ID: 899 4218 9634

Find your local number: <https://us06web.zoom.us/u/kluTsVktI>

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C
36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON SCHEDULE "A"**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable June 30, 2021)**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO#: 66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N

Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

TAB 2

Court File No. CV-20-00646507-00CL

**ONTARIO
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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SCHEDULE "A"**

(Applicants)

**AFFIDAVIT OF JAMES S. FELTMAN
(Sworn June 21, 2021)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus (collectively, "**IWG**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by the Applicants to assist with their proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as

amended, the “**CCAA**”), and file this affidavit in support of the within motion. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”), which filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. Through this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters I depose in this affidavit, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of the motion by the Applicants seeking an Order:
 - (a) extending the Stay Period (as defined below) to September 30, 2021; and
 - (b) terminating and discharging the CCAA Proceedings (as defined below) with respect to RGN British Columbia XXIV Limited Partnership and its general partner, RGN British Columbia XXIV GP Inc.

A. Background

4. Beginning on July 30, 2020, various entities affiliated with IWG filed voluntary petitions for relief pursuant to the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”, and such cases, the “**Chapter 11 Cases**”). Currently, approximately 100 entities affiliated with IWG have filed voluntary petitions under the Bankruptcy Code as part of the Chapter 11 Cases. Three of the Chapter 11 Cases were commenced on August 17, 2020

by RGN-National Business Centers, LLC ("**RGN-NBC**"), H Work, LLC (f/k/a HQ Global Workplaces LLC) and RGN-Group Holdings, LLC (collectively, the "**Guarantor Debtors**").

5. The Guarantor Debtors guaranteed certain Leases held by the CCAA Debtors (as defined below), and the commencement of the Chapter 11 Cases by the Guarantor Debtors may have been a technical event of default under the CCAA Debtors' Leases. If any of these Leases were involuntarily terminated on account of the Guarantor Debtors' Chapter 11 Cases, then the applicable CCAA Debtor could lose access to its premises and, in turn, the ability to operate its business.

6. Accordingly, on August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of itself and certain of the other Chapter 11 Debtors, commenced the recognition proceedings (the "**Recognition Proceedings**") pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized certain of the Chapter 11 Cases as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Restructuring Inc. (f/k/a/ KSV Kofman Inc.) ("**KSV**") as Information Officer in respect of the Recognition Proceedings.

7. As part of the Chapter 11 Cases, the Chapter 11 Debtors sought an order from the U.S. Court approving certain lease termination notice procedures which would have required Landlords to provide 15 business days' notice prior to terminating a Lease held by any affiliate of the Chapter

11 Debtors that was guaranteed by a Guarantor Debtor. The U.S. Court denied the requested relief.

8. The Foreign Representative sought a temporary stay order within the Recognition Proceedings to permit the Applicants to make an application for CCAA protection in an orderly manner. This Court denied the requested relief. As a result, RGN Ontario II Limited Partnership, an affiliate of the CCAA Debtors, sought immediate protection by means of a Notice of Intention to Make a Proposal (an “**NOI**”, and such proceedings, the “**RGN Ontario II NOI Proceedings**”) to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) on August 28, 2020. KSV was appointed as Proposal Trustee for RGN Ontario II Limited Partnership.

9. On August 31, 2020, the Applicants commenced these proceedings under the CCAA (the “**CCAA Proceedings**”) and this Court granted an Initial Order in respect of the Applicants and certain affiliated limited partnerships (together, the “**CCAA Debtors**”, and each a “**CCAA Debtor**”). The CCAA Debtors subject to the Initial Order and CCAA Proceedings, other than the Applicants, are listed on Schedule “B” hereto. KSV was appointed as monitor of the CCAA Debtors (the “**Monitor**”). On September 10, 2020, this Court granted an Order amending and restating the Initial Order (as amended and restated, the “**Initial Order**”). The Initial Order provided a stay of proceedings (the “**Stay Period**”) until November 27, 2020. A copy of the Initial Order is attached hereto as **Exhibit “A”**.

10. On September 16, 2020, RGN Ontario XXXIV Limited Partnership, an affiliate of the CCAA Debtors, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN Ontario XXXIV Limited Partnership.

11. On November 5, 2020, this Court granted an Order continuing the RGN Ontario II NOI Proceedings commenced by RGN Ontario II Limited Partnership under the CCAA Proceedings

and extending all the rights, benefits and protections under the Initial Order to RGN Ontario II Limited Partnership as a “CCAA Debtor”.

12. On November 13, 2020, RGN British Columbia XXIII Limited Partnership, an affiliate of the CCAA Debtors, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN British Columbia XXIII Limited Partnership.

13. On November 19, 2020, this Court granted an Order in the CCAA Proceedings that, among other things, extended the Stay Period until March 16, 2021.

14. On January 28, 2021, RGN British Columbia XXIII Limited Partnership was deemed to have made an assignment in bankruptcy.

15. I am informed by Lee Nicholson of Stikeman Elliott LLP, counsel to the CCAA Debtors, that on March 2, 2021, RGN Ontario XXXIV Limited Partnership filed a holding proposal in order to give it additional time to work out a compromise with its creditors, particularly its Landlord. This decision was supported by RGN Ontario XXXIV Limited Partnership’s primary creditor, its Landlord.

16. On March 11, 2021, this Court granted an Order in the CCAA Proceedings that, among other things, extended the Stay Period until June 30, 2021 (the “**Stay Extension Order**”). A copy of the Stay Extension Order is attached hereto as **Exhibit “B”**.

17. I previously swore an affidavit in support of the application commencing the Recognition Proceedings, a copy of which, without exhibits, is attached hereto as **Exhibit “C”**. I also swore affidavits: (a) in support of the application by the Applicants for protection under the CCAA (the “**Second Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “D”**; (b) in support of the motion by the Applicants seeking an extension of the Stay Period under the Initial Order (the “**Fifth Feltman Affidavit**”), a copy of which, without exhibits, is attached

hereto as **Exhibit “E”**; and (c) in support of the motion by the Applicants seeking a second extension of the Stay Period under the Initial Order (the “**Sixth Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “F”**. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Second Feltman Affidavit.

18. Copies of the other Orders and filings in the Recognition Proceedings, the CCAA Proceedings and the various NOI and bankruptcy proceedings are available on KSV’s website at: <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

B. Update on Chapter 11 Cases

19. The CCAA Debtors sought protection under the CCAA due to concerns that the Leases for the Centres operated by the CCAA Debtors may be in default due to the Guarantor Debtors having commenced the Chapter 11 Cases.

20. To emerge from CCAA protection, the CCAA Debtors need to be positioned such that their Leases cannot be terminated based on a technical default by the Guarantor Debtors. Accordingly, as set out in the Second Feltman Affidavit, the Fifth Feltman Affidavit and the Sixth Feltman Affidavit, the CCAA Proceedings and the restructuring of the CCAA Debtors are significantly intertwined with the restructuring of the Guarantor Debtors and the Chapter 11 Proceedings. Accordingly, the CCAA Proceedings has advanced in parallel with the Chapter 11 Proceedings.

21. Most recently, the Stay Period was extended to June 30, 2021 to align with the key milestones in the Chapter 11 Cases (the “**Milestones**”). The Milestones have since been extended again by the Chapter 11 Debtors and certain key stakeholders in the Chapter 11 Cases. The current Milestones are summarized below:

<u>Milestone</u>	<u>Original Milestone Date</u>	<u>Second DIP Amendment Milestone Date</u>	<u>Current Milestone Date</u>
Filing of a plan of reorganization	November 25, 2020	March 31, 2021	June 11, 2021
Obtain a confirmation order from the U.S. Court confirming the plan of reorganization	February 15, 2021	June 23, 2021	August 13, 2021
“Effective Date” of the plan of reorganization	March 16, 2021	June 30, 2021	August 27, 2021
“Maturity Date” of DIP Facility	March 16, 2021	June 30, 2021	August 27, 2021

22. In accordance with the above Milestones, on June 11, 2021, the Chapter 11 Debtors filed a joint plan with the U.S. Court (the “**U.S. Plan**”).¹ The U.S. Plan provides for a “toggle” feature that effectuates the restructuring of the Chapter 11 Debtors through two separate chapter 11 plan mechanisms included in the U.S. Plan. Specifically, the U.S. Plan provides for (a) a chapter 11 plan of reorganization with respect to the vast majority of the Chapter 11 Debtors (the “**U.S. Plan of Reorganization**”) and (b) a chapter 11 plan of liquidation with respect to certain other Chapter 11 Debtors, specifically, the Liquidating SPE Debtors (as defined below) (the “**U.S. Plan of Liquidation**”). A copy of the U.S. Plan, which remains subject to change, is attached hereto as **Exhibit “G”**.

23. During these Chapter 11 Cases, the Chapter 11 Debtors have determined in their business judgment to reject certain SPE Debtor Leases, which Lease rejections have been approved by the U.S. Court. Contemporaneously with rejecting such Leases, the Debtors have closed the respective Centers and wound down operations. These SPE Debtors no longer seek to retain their sole material asset or conduct operations and, accordingly, seek to proceed to

¹ Capitalized terms used but not otherwise defined in this Section B shall have the meanings ascribed to such terms in the U.S. Plan.

Confirmation pursuant to the U.S. Plan of Liquidation. The U.S. Plan of Liquidation only applies to eight (8) of the aforementioned special purpose entities solely formed to hold a Lease for a Centre in the United States (the “**Liquidating SPE Debtors**”). Those Liquidating SPE Debtors whose Landlords with respect to their respective Liquidating SPE Debtor’s Lease object to, or vote against, the U.S. Plan will not be deemed Liquidating SPE Debtors, but rather Excluded SPE Debtors (as defined in the U.S. Plan). The Excluded SPE Debtors will not be parties to the U.S. Plan, and the Plan will therefore not govern the treatment of Claims and Interests against such Excluded SPE Debtors. For clarity, the Liquidating SPE Debtors are not CCAA Debtors and the U.S. Plan of Liquidation does not affect the CCAA Debtors nor any other Canadian stakeholders.

24. In conjunction with the filing of the U.S. Plan, the Liquidating SPE Debtors, under my direction and with the assistance of their legal and financial advisors, entered into the Liquidating SPE Debtors’ Settlement (as defined in the U.S. Plan) with Regus Corporation and the Creditors’ Committee, pursuant to which Regus Corporation will contribute cash to the Liquidating SPE Debtors in an amount equal to the Liquidating SPE Debtors’ Settlement Amount in exchange for the full and final satisfaction and release of any and all claims and/or causes of action held by the Liquidating SPE Debtors against Regus Corporation and certain of its affiliates and related parties. As further consideration for such release, Regus Corporation, in its capacity as DIP Lender and Prepetition Lender, agrees to release and waive any DIP Claims and Prepetition Credit Agreement Claims, respectively, it holds against the Liquidating SPE Debtors, solely to the extent such Liquidating SPE Debtor is not an Excluded SPE Debtor. For the avoidance of doubt, (a) contribution of the Liquidating SPE Debtors’ Settlement Amount is expressly contingent on U.S. Court approval of the Liquidating SPE Debtors’ Settlement, Consummation of the Plan of Reorganization, and any other applicable requirements and conditions in the Liquidating SPE Debtors’ Settlement Documents, and (b) Regus Corporation does not release or waive any DIP Claims or Prepetition Credit Agreement Claims against any Excluded SPE Debtors in any manner

whatsoever. The Chapter 11 Debtors intend to seek U.S. Court approval of the Liquidating SPE Settlement pursuant to the applicable provisions of the Bankruptcy Code.

25. The U.S. Plan of Reorganization applies in respect of the other Chapter 11 Debtors (except for any Liquidating SPE Debtors or Excluded SPE Debtors), including the Guarantor Debtors. The claims against the Guarantor Debtors contained within all the classes (including the subclasses) are unimpaired by the U.S. Plan of Reorganization. As a result, the holders of claims in each of the classes are deemed to have accepted the U.S. Plan of Reorganization pursuant to the Bankruptcy Code and are not entitled to a vote. In exchange for the consideration provided in the U.S. Plan, the Chapter 11 Debtors (except for any Excluded Debtors), among other parties, are granted releases.

26. The following chart summarizes the treatment of the classes of claims under the U.S Plan of Reorganization:

Class	Claim	Treatment
1	Other Secured Claims	Either payment in full in cash, delivery of collateral securing any such Allowed Other Secured Claim, reinstatement of such Allowed Other Secured Claim, or such other treatment rendering the Allowed Other Secured Claim Unimpaired
2	Other Priority Claims	Payment in full in cash or such other treatment rendering the Allowed Other Secured Claim Unimpaired
3	Prepetition Credit Agreement Claims	Reinstatement of such Allowed Prepetition Credit Agreement Claim
4A	Contingent Guaranty Claims against Guarantor Debtors	Reinstatement of such Allowed Contingency Guarantee Claim or such other treatment rendering such Allowed Claim Unimpaired
4B	Non-Contingent Guaranty Claims against Guarantor Debtors	Payment in full in cash
5A	General Unsecured Claims against Guarantor Debtors	Payment in full in cash, reinstatement of such Allowed General Unsecured Claim (if a contingent claim as of the Effective Date) or such other treatment rendering such Allowed General Unsecured Claim Unimpaired
5B	General Unsecured Claims against Assuming SPE Debtors	Payment in full in cash, reinstatement of such Allowed General Unsecured Claim (if a contingent claim as of the Effective Date) or such other treatment rendering such Allowed General Unsecured Claim Unimpaired
5C	General Unsecured Claims against Rejecting SPE Debtors	Payment in full in cash Claims on account of damages resulting from the rejection of an Unexpired Lease are capped pursuant to section 502(b)(6) of the Bankruptcy Code
6A	Intercompany Claims against Guarantor Debtors	Reinstatement of such Intercompany Claims
6B	Intercompany Claims against Assuming SPE Debtors	Reinstatement of such Intercompany Claims
6C	Intercompany Claims against Rejecting SPE Debtors	Reinstatement of such Intercompany Claims
7A	Existing Interests in Guarantor Debtors	Reinstatement of such Existing Interests in Guarantor Debtors
7B	Existing Interests in Assuming SPE Debtors	Reinstatement of such Existing Interests in Assuming SPE Debtors

7C	Existing Interests in Rejecting SPE Debtors	Reinstatement of such Existing Interests in Rejecting SPE Debtors
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27. The claims of Canadian Landlords against the Guarantor Debtors are either classified as Contingent Guaranty Claims or Non-Contingent Guaranty Claims under classes 4A and 4B of the U.S. Plan of Reorganization. Contingent Guaranty Claims (i.e. guarantee claims that have not crystallized) that are allowed are reinstated under the U.S. Plan and are left unimpaired. Non-Contingent Guaranty Claims (i.e. guarantee claims that have crystalized) that are allowed will be paid in full in cash in accordance with Section 502(b)(6) of the Bankruptcy Code as described below. Non-Contingent Guaranty Claims that arise in connection with rejected or disclaimed Leases are to be capped by Section 502(b)(6) of the Bankruptcy Code, which caps claims of Landlords at the greater of (a) rent of one (1) lease year; or (b) rent of fifteen percent (15%), not to exceed three (3) years, of the remaining lease term, plus rental arrears at the time of bankruptcy or the earlier surrender of the leased premises.

28. The treatment of Claims and Interests as it relates to the Liquidating SPE Debtors is described in Article III.B.2 of the U.S. Plan.

29. The U.S. Plan contains two conditions precedent to its effectiveness related to the CCAA Proceedings. First, it is a condition precedent that this Court enter an order recognizing and enforcing the U.S. Court's order confirming the U.S. Plan (the "**CCAA Recognition Order**"). Second, it is a condition precedent that this Court enter an order terminating and discharging the CCAA Proceedings and ordering that no Lease of the CCAA Debtors (or right or obligation thereunder) may be terminated or modified as a result of (a) the commencement of the CCAA Proceedings and (b) the insolvency or financial condition of any CCAA Debtor at any time before the termination and discharge of the CCAA Proceedings (the "**CCAA Termination Order**").

30. As a result, provided the U.S. Court confirms the U.S. Plan, it is expected that the CCAA Debtors and the Foreign Representative will bring a motion before this Court seeking the CCAA Recognition Order and the CCAA Termination Order. An extension of the Stay Period is necessary to provide the Chapter 11 Debtors to pursue confirmation of the U.S. Plan and the CCAA Debtors and the Foreign Representative with the time to prepare and bring such a motion.

C. Update on the CCAA Proceedings

31. Since the Court granted the latest Stay Extension Order, the CCAA Debtors, with the assistance and oversight of the Monitor, have worked in good faith and with due diligence to ensure the stability of their business and that the CCAA Proceedings continue in a coordinated manner with the Chapter 11 Cases, the Recognition Proceedings and the various ancillary proceedings under the BIA. Since the latest Stay Extension Order, the activities of the CCAA Debtors have included:

- (a) paying post-filing rent for each of the Leases held by the CCAA Debtors;
- (b) answering inquiries from the CCAA Debtors' Landlords;
- (c) reviewing the CCAA Debtors' cash flow statements and preparing a cash flow forecast for the purposes of the within motion;
- (d) sending a Landlord a notice of intention to disclaim a Lease;
- (e) negotiating amendments to several of the CCAA Debtors' Leases, as described below;
- (f) coordinating efforts with U.S. counsel to the Chapter 11 Debtors regarding certain activities related to the Chapter 11 Cases; and

(g) preparing this affidavit and the related materials for the within motion.

32. As set out in earlier materials filed in the CCAA Proceedings, the primary purpose of the various restructuring proceedings is to permit negotiations with Landlords in a stabilized environment. The CCAA Debtors had previously initiated a comprehensive review of their Leases to determine whether any Leases should be disclaimed as part of the CCAA Proceedings if acceptable amendments could not be achieved with the various Landlords. As part of this review, since the latest Stay Extension Order, the CCAA Debtors have continued engaging in good faith, arm's-length negotiations with their Landlords to obtain favourable lease amendments to ensure each Centre is financially viable and sustainable on a long-term basis.

33. As a result of these efforts, since the latest Stay Extension Order the CCAA Debtors and certain other Canadian Affiliates have reached an additional 14 agreements in principle with their Landlords on acceptable Lease amendments ("**LAAs**" and each a "**LAA**") and finalized 15 LAAs where agreements in principle had previously been reached. In addition to the above, since the latest Stay Extension Order the CCAA Debtors were unsuccessful in achieving a LAA with one Landlord, which resulted in one CCAA Debtor (RGN Ontario XLVII Limited Partnership) disclaiming its Lease on May 31, 2021. A copy of the disclaimer is attached hereto as **Exhibit "H"**.

34. Below is a chart summarizing the cumulative status of the CCAA Debtors' ongoing Lease review as of the date of this affidavit:

	<u>CCAA Debtors</u>	<u>NOI Debtors</u>	<u>Non-Debtor Canadian Affiliates</u>
Agreements in principle on LAA	5	1	6
Finalized LAA	14	N/A	16
Disclaimed Lease/Centre Closures	2	1	2
Ongoing active discussions with the Landlord	3	N/A	4

35. The CCAA Debtors remain focused on further negotiations with their Landlords and addressing Leases that are currently not in line with "market realities" in order to avoid further disclaimers of Leases and Centre closures. The CCAA Debtors' progress to date has been achieved in no small part due to the stability provided by the Stay Period. An extension of the Stay Period will permit the CCAA Debtors to continue to advance these restructuring efforts.

D. Extension of the Stay Period

36. The current Stay Period expires on June 30, 2021. The CCAA Debtors are requesting an extension of the Stay Period until and including September 30, 2021. The extension of the Stay Period is intended to align with the time anticipated to be necessary to obtain an order from the U.S. Court confirming the U.S. Plan and thereafter, the CCAA Recognition Order and the CCAA Termination Order.

37. As detailed in the CCAA Debtors' cash flow statement, which will be appended to a report of the Monitor to be filed in connection with this motion, the CCAA Debtors have sufficient funds

to continue operating through the proposed extension of the Stay Period. The CCAA Debtors will continue to pay their post-filing obligations, including post-filing rent obligations, as they become due.

38. During the extension of the Stay Period, the CCAA Debtors will continue to work with the Chapter 11 Debtors and other stakeholders to advance a resolution to the CCAA Proceedings.

39. I understand that the Monitor supports the CCAA Debtors' request to extend the Stay Period.

40. The CCAA Debtors have acted and continue to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of extending the Stay Period.

E. Relief Related to Lease Amendments

41. In addition to the extension of the Stay Period, the CCAA Debtors are requesting certain relief in connection with one LAA negotiated with a Landlord.

(i) LAA of RGN British Columbia XXIV Limited Partnership

42. The CCAA Debtors are seeking an order terminating and discharging the CCAA Proceedings in respect of RGN British Columbia XXIV Limited Partnership ("**RGN BC XXIV LP**") and its general partner, RGN British Columbia XXIV GP Inc. to allow it to emerge from creditor protection and continue operations in the ordinary course.

43. RGN BC XXIV LP and its Landlord, Ravine Equities Inc. and Ravine Properties Limited Partnership (collectively, "**Ravine**") are parties to a Lease dated July 11, 2018 as amended by letter agreement dated June 27, 2019 related to certain premises located at 3450 Uptown

Boulevard, Victoria, British Columbia. On April 1, 2021, RGN BC XXIV LP and Ravine entered into an LAA, a copy of which is attached hereto as **Confidential Exhibit “I”**.

44. The LAA was the culmination of extensive arm’s length negotiations with Ravine. The LAA provides various benefits to RGN BC XXIV LP, including certain rent concessions, to permit the Centre to continue operating in a financially viable manner for the benefit of both RGN BC XXIV LP and Ravine. Additionally, pursuant to the LAA, provided certain pre-filing rental arrears are satisfied, Ravine waives any default arising from the commencement of the Chapter 11 Cases by the applicable Guarantor Debtors and the CCAA Proceedings in respect RGN BC XXIV LP. Effectively, due to the consensual resolution with Ravine, following payment of the rental arrears, RGN BC XXIV LP will be in a position where its Lease cannot be terminated as a result of the Chapter 11 Cases and the CCAA Proceedings, and the CCAA Proceedings will no longer be necessary.

45. The CCAA Debtors and RGN BC XXIV LP believe this LAA and the termination and discharge of the CCAA Proceedings are in their best interests as the LAA will allow RGN BC XXIV LP to emerge from creditor protection and its Centre to remain open and continue operating in the ordinary course. This outcome will benefit Ravine, the employees working at the Centre and the Occupants who continue to license space at the Centre. No creditors of RGN BC XXIV LP are expected to be prejudiced as a result of this requested relief as Ravine is the only arm’s length creditor of RGN BC XXIV LP and it supports the requested relief.

(ii) Sealing Order in respect of the LAA

46. The CCAA Debtors are requesting that the LAA attached to this affidavit be sealed from the Court record in the CCAA Proceedings. The LAA with Ravine contains confidentiality clauses that prohibit the contents of the LAA to be disclosed to third parties.

47. The CCAA Debtors are concerned that disclosure of the contents of the LAA could have significant negative effects on their ability to negotiate LAAs with other Landlords. The material contained in the LAA could create certain expectations related to future LAAs with other Landlords. Further, I understand that Landlords are concerned with any disclosure of the specific terms of their Leases and the LAAs as it may negatively affect their ability to negotiate terms with other tenants for their properties.

48. The CCAA Debtors do not believe there will be any prejudice to their stakeholders as a result of sealing the LAA. The other Landlords involved in these CCAA Proceedings are not creditors of RGN BC XXIV LP and the LAA does not affect the other CCAA Debtors.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to the City of Toronto, in the Province of Ontario, Canada, on June 21, 2021.

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB...

LEE NICHOLSON (LSO #664121)
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
James S. Feltman
4AA1B7E83C964A2...

JAMES S. FELTMAN

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule "B" – Other CCAA Debtors

RGN Alberta IV Limited Partnership
RGN Alberta Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
RGN Ontario II Limited Partnership
RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership

EXHIBIT "A"

This is
EXHIBIT "A"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Melolson

82C0CC8E694B4AB

Commissioner for taking affidavits

Court File No. CV-20-00646507-00CL

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

THE HONOURABLE MADAM

)

THURSDAY, THE 10TH

JUSTICE DIETRICH

)

DAY OF SEPTEMBER, 2020

)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Guardian Financial Corp. and other entities listed on Schedule "A" (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, proceeded on this day by way of video-conference due to the COVID-19 pandemic.

ON READING the affidavit of James Feltman sworn August 30, 2020 (the "**Initial Feltman Affidavit**"), the affidavit of James Feltman sworn September 9, 2020 (the "**Second Feltman Affidavit**") and the Exhibits thereto, the pre-filing report of KSV Restructuring Inc. (f/k/a KSV Kofman Inc.) ("**KSV**") in its capacity as proposed monitor (the "**Monitor**") to the Applicants dated August 30, 2020, and the consent of KSV to act as the Monitor;

UPON HEARING the submissions of counsel for the Applicants and counsel to the proposed Monitor, and other parties listed on the counsel slip, no one else appearing for any other party;

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies. Although not Applicants, the limited partnerships listed on Schedule "B" hereto (together with the Applicants, the "**CCAA Debtors**") shall enjoy certain of the benefits and the protections provided herein and as subject to the restrictions as hereinafter set out.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the CCAA Debtors shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the CCAA Debtors shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the CCAA Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The CCAA Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the CCAA Debtors shall be entitled to continue to utilize the cash management system currently in place as described in the Second Feltman Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management

System, or as to the use or application by the CCAA Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the CCAA Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the CCAA Debtors shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Debtors in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the CCAA Debtors shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the CCAA Debtors following the date of this Order.

8. **THIS COURT ORDERS** that the CCAA Debtors shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be

deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the CCAA Debtors in connection with the sale of goods and services by the CCAA Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Debtors.

9. **THIS COURT ORDERS** that until a real property lease (each, a "**Lease**") is disclaimed or resiliated in accordance with the CCAA, the CCAA Debtors shall pay all amounts constituting rent or payable as rent under Leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the CCAA Debtors and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order in accordance with the applicable Lease.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the CCAA Debtors are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the CCAA Debtors to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except (i) in the ordinary course of the Business; (ii) advances from RGN Management Limited Partnership in an amount reasonably necessary to preserve and protect the Business and the Property.

RESTRUCTURING

11. **THIS COURT ORDERS** that the CCAA Debtors shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1 million in the aggregate; and
- (b) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the CCAA Debtors to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

12. **THIS COURT ORDERS** that the CCAA Debtors shall provide each of the relevant landlords with notice of the CCAA Debtors’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the CCAA Debtors’ entitlement to remove any such fixture under the provisions of the Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the CCAA Debtors, or by further Order of this Court upon application by the CCAA Debtors on at least two (2) days notice to such landlord and any such secured creditors. If the CCAA Debtors’ disclaims or resiliates the Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the Lease shall be without prejudice to the CCAA Debtors’ claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable CCAA Entity and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the CCAA Debtors

in respect of such Lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE CCAA DEBTORS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including November 27, 2020, or such later date as this Court may subsequently order (the "**Stay Period**"), no proceeding or enforcement process in or outside of any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the CCAA Debtors or the Monitor, or affecting the Business or the Property, except with the written consent of the CCAA Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the CCAA Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the CCAA Debtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (a) empower the CCAA Debtors to carry on any business which the CCAA Debtors are not lawfully entitled to carry on, (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, Lease, sublease, licence or permit in favour of or held by the CCAA Debtors, except with the written consent of the CCAA Debtors and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the CCAA Debtors for statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business, or the CCAA Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the CCAA Debtors, and that the CCAA Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the CCAA Debtors in accordance with normal payment practices of the CCAA Debtors or such other practices as may be agreed upon by the supplier or service provider and each of the CCAA Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the CCAA Debtors. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the CCAA Debtors with the powers and obligations set out in the CCAA or set forth herein and that the CCAA Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the CCAA Debtors pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the CCAA Debtors' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the CCAA Debtors in their preparation of the CCAA Debtors' cash flow statements;
- (d) advise the CCAA Debtors in their development of the Plan, if any, and any amendments to the Plan;
- (e) assist the CCAA Debtors, to the extent required by the CCAA Debtors, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the CCAA Debtors, to the extent that is necessary to adequately assess the CCAA Debtors' business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of any of the CCAA Debtors with information provided by the CCAA Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor

shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Debtors is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the CCAA Debtors may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the CCAA Debtors shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the CCAA Debtors and/or Canadian Affiliates (as defined in the Initial Feltman Affidavit) as part of the costs of these proceedings. The CCAA Debtors and/or Canadian Affiliates are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the CCAA Debtors forthwith upon receipt.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the CCAA Debtors of more than \$1,000 and known landlords of the CCAA Debtors, and (iii) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

30. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of

documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

31. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the CCAA Debtors and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the CCAA Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

32. **THIS COURT ORDERS** that the CCAA Debtors and the Monitor and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the CCAA Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

33. **THIS COURT ORDERS** that the CCAA Debtors or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

34. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the CCAA Debtors, the Business or the Property.

35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CCAA Debtors and the Monitor in any foreign proceeding, or to assist the CCAA Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that each of the CCAA Debtors and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

37. **THIS COURT ORDERS** that any interested party (including the CCAA Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
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RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule "B" – Other CCAA Debtors

RGN Alberta IV Limited Partnership
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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C 36, AS AMENDED AND IN THE MATTER OF GUARDIAN
FINANCIAL CORP. ET. AL.**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

AMENDED AND RESTATED INITIAL ORDER

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Nicholas Avis LSO#: 76781Q

Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

EXHIBIT “B”

This is
EXHIBIT "B"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Melholson

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Commissioner for taking affidavits

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

THE HONOURABLE MADAM) THURSDAY, THE 11TH
)
JUSTICE DIETRICH) DAY OF MARCH, 2020

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**ORDER
(Re: Stay Extension and Other Relief)**



THIS MOTION, made by Guardian Financial Corp. and other entities listed on Schedule "A" (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order extending the stay period and certain other relief, substantially in the form enclosed in the Motion Record, proceeded on this day by way of video-conference due to the COVID-19 pandemic.

ON READING the affidavit of James Feltman sworn March 5, 2021 (the "**Sixth Feltman Affidavit**") and the Exhibits thereto, and the Second Report of KSV Restructuring Inc. (f/k/a KSV Kofman Inc.) ("**KSV**") in its capacity as monitor (the "**Monitor**") of the CCAA Debtors (as defined below) dated March 8, 2021;

UPON HEARING the submissions of counsel for the Applicants and counsel to the Monitor, and other parties listed on the counsel slip, no one else appearing for any other party although served as appears on the affidavit of service of Lee Nicholson, filed;

SERVICE

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

EXTENSION OF THE STAY PERIOD

2. **THIS COURT ORDERS** that the stay period referred to in the Initial Order of the Honourable Justice Dietrich dated August 31, 2020 (as amended and restated, the “**Initial Order**”) is extended until and including June 30, 2021 in respect of the Applicants and other entities listed on Schedule “B” (together, the “**CCAA Debtors**”).

SURRENDER FEE

3. **THIS COURT ORDERS** that the CCAA Debtors are permitted to pay the Surrender Fee (as defined by the Sixth Feltman Affidavit) in accordance with the Second Amendment to the Office Lease Agreement dated February 22, 2021, by and between 5200 Yonge G.P. Inc., in its capacity as the general partner of 5200 Yonge Limited Partnership and RGN Ontario L Limited Partnership, by RGN Ontario L GP. Inc., its general partner, and such payment is hereby approved.

TERMINATION OF CCAA PROCEEDINGS IN RESPECT OF RGN ALBERTA

4. **THIS COURT ORDERS** that these proceedings under the CCAA (the “**CCAA Proceedings**”) solely with respect to RGN Alberta Limited Partnership and RGN Alberta GP Inc. (collectively, “**RGN Alberta**”) are hereby terminated and discharged without any other act or formality.

5. **THIS COURT ORDERS** that KSV is hereby discharged and relieved from any further obligations, liabilities, responsibilities, or duties in its capacity as Monitor pursuant to the Initial Order and any other Orders of this Court in these CCAA Proceedings with respect to RGN Alberta.

6. **THIS COURT ORDERS** that, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA Proceedings or under the CCAA, the Monitor, the Monitor’s legal counsel, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) are hereby released and discharged from any

and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of these CCAA Proceedings with respect to RGN Alberta or with respect to their respective conduct in these CCAA Proceedings with respect to RGN Alberta (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

7. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these CCAA Proceedings with respect to RGN Alberta, except with prior leave of this Court on at least seven (7) days’ prior written notice to the applicable Released Party.

8. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of these CCAA Proceedings with respect to RGN Alberta, nothing herein shall affect, vary, derogate from, limit or amend, any of the protections in favour of the Monitor at law or pursuant to the CCAA or any Order of this Court in these CCAA Proceedings, and the Monitor shall continue to benefit of any such protections.

SEALING

9. **THIS COURT ORDERS** that Confidential Exhibit “I” and Confidential Exhibit “J” of the Sixth Feltman Affidavit shall be sealed in their entirety and shall not form part of the public record unless otherwise ordered by this Court.

GENERAL

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CCAA Debtors and the Monitor

in any foreign proceeding, or to assist the CCAA Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all its provisions are effective from the date it is made without any need for entry and filing.

A handwritten signature in cursive script, reading "Dietrich J.", is positioned above a solid horizontal line that extends across the width of the signature.

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.

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RGN Services Limited

Schedule "B" – Other CCAA Debtors

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

Court File No.: CV-20-00646507-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON SCHEDULE "A"**

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

Proceeding commenced at Toronto

**ORDER
(Re: Stay Extension and Other Relief)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N
Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

EXHIBIT “C”

This is
EXHIBIT "C"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Michelson

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Commissioner for taking affidavits

Court File No. _____

**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 H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL
BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC,
RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC**

**APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, C. C-36, AS AMENDED**

(Applicant)

**AFFIDAVIT OF JAMES S. FELTMAN
(Sworn August 22, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH
AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. Duff & Phelps was retained by each of the above-captioned debtors and debtors in possession (the "**Chapter 11 Debtors**") to provide interim management services. I am the

Responsible Officer for each of the Chapter 11 Debtors, effective as of the dates of their respective filings. In this capacity, I am responsible for assisting in the management of the Chapter 11 Debtors' operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Chapter 11 Debtors' management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of an application by RGN-National Business Centers, LLC ("**RGN-NBC**"), in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of itself and the other Chapter 11 Debtors that recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the "**Bankruptcy Code**"), seeking, among other things, the following relief:

- (a) recognition of the cases commenced by the Chapter 11 Debtors in the United States (the "**Chapter 11 Cases**") as foreign main proceedings under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");
- (b) recognition of certain First Day Orders (as defined below) granted by the U.S. Court (as defined below); and
- (c) appointing KSV Kofman Inc. ("**KSV**") as Information Officer (the "**Information Officer**") in respect of these proceedings under the CCAA (the "**CCAA Recognition Proceedings**").

4. Unless otherwise indicated, all monetary amounts in this affidavit are in U.S. dollars.

A. Background

5. On August 17, 2020 (the "**Petition Date**"), RGN-NBC, H Work, LLC (f/k/a HQ Global Workplaces LLC) ("**H Work**") and RGN-Group Holdings, LLC ("**Holdings**") (collectively, the "**Guarantor Debtors**") filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). Previously, RGN-Columbus IV, LLC filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC filed its voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC filed its voluntary petition on August 3, 2020, and RGN-Fort Lauderdale III, LLC (collectively with RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC, the "**SPE Debtors**") filed its voluntary petition on August 8, 2020. I am advised by Lee Nicholson of Stikeman Elliott LLP, Canadian counsel to the Chapter 11 Debtors, that copies of the certified petitions filed by each of the Chapter 11 Debtors will be included in a Compendium of Materials Filed in the Chapter 11 Cases (the "**U.S. Compendium**").

6. Each of the Chapter 11 Debtors elected for Subchapter V of the Bankruptcy Code ("**Subchapter V**"), to apply to the Chapter 11 Cases, which is a subsection of the Bankruptcy Code for small business debtors with non-contingent liabilities less than \$7.5 million (excluding debts owed to affiliates or insiders).

7. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in my declaration sworn August 17, 2020 and filed with the U.S. Court in support of the motions filed by the Guarantor Debtors upon the commencement of the Chapter 11 Cases (the "**First Day Motions**"), a copy of which is attached as **Exhibit "A"** (the "**First Day Declaration**").

8. The First Day Declaration provides a comprehensive overview of the Chapter 11 Debtors and the events leading up to the commencement of the Chapter 11 Cases. Consequently, this affidavit provides a more general overview of the Chapter 11 Debtors and focuses on providing this Court with information on the purpose of the CCAA Recognition Proceedings, to support the finding of the centre of main interest (“**COMI**”) for each of the Chapter 11 Debtors and to support the request for recognition of the Chapter 11 Cases as a “foreign main proceeding”, the recognition of certain orders granted by the U.S. Court in connection with the First Day Motions (the “**First Day Orders**”), and an overview of the Lease Notice Procedures Motion (as defined below) which the Foreign Representative expects to seek recognition of pending the outcome of a hearing scheduled before the U.S Court on August 25, 2020.

B. The Business

(a) Overview

9. The Chapter 11 Debtors are direct or indirect subsidiaries of Regus Corporation, a Delaware corporation, that, together with its affiliates (collectively, “**IWG**” or the “**Company**”), offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries in over 1,000 locations in the United States and Canada.

10. IWG’s business model begins with entry into long-term commercial real property leases (each, a “**Lease**”) with a property owner (each, a “**Landlord**”), that provide the Company with unoccupied office space (the “**Centres**”). IWG develops and engineers each of the Centres to meet the needs of individuals, companies, and organizations who will contract for use of portions of the Centers. IWG markets its Centres under an umbrella of different brand names, each tailored to appeal to different types of clients and those clients’ specialized needs. These clients (the “**Occupants**”) enter into short-term licenses (each, an “**Occupancy Agreement**”) to use portions

of the Centres, which are customizable as to duration, configuration, services, and amenities. When operating successfully, a Centre's Occupants' license payments ("**Occupancy Fees**") will exceed the combined cost of the underlying long-term lease, management cost, and operating expenses of the Centre.

11. Generally, the lessee under each Lease is a special-purpose entity formed for this specific purpose (each, a "**Lease Holder**"). Each of the SPE Debtors is formed this way. In certain cases, the Lease Holder's obligations under the Lease are also partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors.

(b) The Chapter 11 Debtors

12. As described above, each of the Chapter 11 Debtors is either a direct or indirect subsidiary of Regus Corporation, a non-debtor Delaware corporation. Regus Corporation is a wholly-owned subsidiary of Regus Group Limited ("**RGL UK**"), a company organized under the laws of the United Kingdom. RGL UK is a wholly-owned subsidiary of IWG Group Holdings Sarl, a company organized under the laws of Luxembourg. IWG Group Holdings Sarl is a wholly-owned subsidiary of IWG Enterprise Sarl, a company also organized under the laws of Luxembourg. IWG Group Enterprise Sarl is a wholly-owned subsidiary of IWC Plc, a company organized under the laws of the Bailiwick of Jersey with a head office in Switzerland.

13. A simplified organizational chart of IWG, including the Chapter 11 Debtors, is attached hereto as **Exhibit "B"**.

14. The First Day Declaration provides an overview of the Chapter 11 Debtors' indebtedness and inter-company arrangements.

(i) **Guarantor Debtors**

15. The Guarantor Debtors are H Work, Holdings and RGN-NBC. A brief description of each of the Guarantor Debtors is set out below:

- (a) *H Work*: H Work is a Delaware company and direct subsidiary of Regus Corporation. H Work recently changed its name from HQ Global Workplaces LLC. H Work is multi-Centre tenant under Leases in the United States and has guaranteed various Leases in Canada and the United States. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of H Work is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.
- (b) *Holdings*: Holdings is a Delaware company and direct subsidiary of Regus Corporation. As described in the First Day Declaration, Holdings owns the furniture, equipment and other personal property (“**FF&E**”) used in connection with IWG’s business in the United States and leases the FF&E to each applicable Lease Holder. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of Holdings is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.
- (c) *RGN-NBC*: RGN-NBC is a Delaware company and indirect subsidiary of Regus Corporation. The share capital of RGN-NBC is owned by RGN Holdings, LLC, a non-debtor wholly-owned subsidiary of Regus Corporation.

Similar to H Work, RGN-NBC is multi-Centre tenant under Leases in the United States and has guaranteed various Leases in Canada and the United States. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of RGN-NBC is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.

16. As described above, The Guarantor Debtors are guarantors under various Leases entered into by various special purpose Lease Holders. As of the Petition Date, the Guarantor Debtors were guarantors, or co-liable as original tenant-assignor, of 653 Leases in total – 84 by Holdings, 379 by RGN-NBC, and 191 by H Work.¹ Of these Leases for which the Guarantor Debtors are liable or partially liable, 85 are in respect of Centres located in Canada - 18 by Holdings, 57 by RGN-NBC, and 10 by H Work. The Guarantor Debtors receive guarantee fees from the Lease Holders, including the Canadian Affiliates (as defined below), in consideration for providing guarantees in respect of their Leases which are paid on a semi-annual basis. The total guarantee fees received by Guarantor Debtors from Lease Holders is approximately \$15 million annually, of which \$1.4 million is from Lease Holders in Canada.

17. Despite guaranteeing various Leases in respect of Canadian Centres, the Guarantor Debtors do not carry on business in Canada, do not have any Canadian assets or property, except for the receivables owing by Canadian Affiliates (as defined below) for the guarantee fees, and they are managed solely from the United States. Their only connection to the Canadian Affiliates is through the provision of these guarantees and/or indemnities in respect of the Leases.

¹ I understand that there is a Lease in respect of a Centre in the United States guaranteed by both Holdings and RGN-NBC.

(ii) SPE Debtors

18. The SPE Debtors are RGN-Fort Lauderdale III, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC.

19. Each of the SPE Debtors are Lease Holders as described above and are special purpose entities solely formed to hold a Lease for a Centre in the United States. The SPE Debtors do not have any connection to the Canadian Affiliates. The SPE Debtors do not carry on business in Canada, do not have any Canadian assets or property, are managed solely from the United States and do not have any connection to the Canadian Affiliates (as defined below) other than being related by virtue of having the same ultimate indirect shareholders. Depending on the outcome of negotiations with Landlords in the United States described below, other similarly situated Lease Holders to the current SPE Debtors may file for protection under the Bankruptcy Code and consolidate their case with the current Chapter 11 Cases.

20. Below is a summary of the SPE Debtors' state of incorporation, principal place of business and registered head office:

SPE Debtor	State of Incorporation	Principal Place of Business	Registered Head Office
RGN-Fort Lauderdale III, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
RGN-Columbus IV, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
RGN-Chicago XVI, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808

RGN-Chapel Hill II, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
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(c) **Canadian Affiliates**

21. Canadian non-debtor affiliates of the Chapter 11 Debtors (the “**Canadian Affiliates**”) operate IWG’s business in Canada. The Canadian Affiliates are direct or indirect subsidiaries of RGL UK.

22. Generally, the Canadian business has the same structure as described above for IWG’s business. Typically, each Lease Holder in Canada is a special purpose limited partnership (the “**Canadian Tenant LPs**”) formed between RGN Limited Partner Holdings Corp. (“**RGN LP**”), as limited partner, and a different general partner. In a few instances, the Lease Holder in Canada is a special purpose company (together with the Canadian Tenant LPs, the “**Canadian Tenant SPEs**”) rather than a limited partnership. The Canadian Tenant SPEs are specifically formed to enter into individual Leases with various Landlords and to hold an individual Lease for a single Centre in Canada. Typically, the Canadian Tenant SPEs’ only assets are the Leases and any FF&E located within the Centre.

23. Occupants in each Centre enter into Occupancy Agreements with RGN Management Limited Partnership (“**RGN Management LP**”), a limited partnership formed between RGN LP, as limited partner, and RGN Management GP Inc., as general partner. RGN Management LP is also the employer of all employees of the Canadian business.

24. The Canadian Tenant LPs’ general working capital needs are financed by RGN Management LP on a secured basis. Each Canadian Tenant SPE has entered into separate intra-group loan facility agreements and general security agreements with RGN Management LP. The

obligations under the loan agreements are secured by all the present and after acquired property of the Canadian Tenant SPEs, including the FF&E.

25. A simplified organizational chart of the Canadian Affiliates is attached hereto as **Exhibit “C”**. No relief is being sought in respect of the Canadian Affiliates at this time.

(d) Canadian Centres

26. IWG, through the Canadian Affiliates, operates 137 Centres in Canada. As set out above, the Leases for 85 of these Centres are guaranteed by the Guarantor Debtors (the “**Guaranteed Canadian Leases**”) and the Guarantor Debtors receive guarantee fees from the Canadian Tenant SPEs in consideration for guaranteeing the Guaranteed Canadian Leases. The Leases in respect of the other Centres are not guaranteed or are guaranteed by other affiliates of IWG which are not debtors in the Chapter 11 Cases. The following chart summarizes the Centres in Canada, which are guaranteed by the Guarantor Debtors, by province:

Province	Canadian Centres	Canadian Centres with Lease guaranteed by the Guarantor Debtors
Ontario	69	43
British Columbia	29	16
Alberta	16	9
Quebec	17	12
Saskatchewan	1	0
Nova Scotia	3	3
Manitoba	2	2
Total	137	85

27. A list of Canadian Tenant SPEs with the Guaranteed Canadian Leases is attached hereto as **Exhibit “D”**.

28. Within the Canadian Centres, there are approximately 15,000 Occupants, each of which typically uses the space in connection with its own business. The Centres with the Canadian Guaranteed Leases house approximately 9,000 of these Occupants. IWG, through RGN Management LP, also employs approximately 190 employees across Canada to operate the Canadian Centres.

C. The Chapter 11 Cases and Path Forward

(a) Events Leading Up to the Chapter 11 Cases

29. Following a strong first quarter in 2020, the Company experienced significant challenges during the second and third quarters of 2020 as a direct result of the COVID-19 pandemic. The pandemic and associated mandatory shutdowns have severely disrupted business plans and operations for certain locations within IWG's portfolio.

30. Businesses and companies implementing work-from-home policies (either voluntary or government-mandated) has reduced the demand for temporary office space resulting in lower occupancy rates across the IWG portfolio. To attract and retain Occupants in this environment, IWG has had to cut pricing for new sales and renewals, resulting in a reduction of revenue from the space that is occupied. Other Occupants have also been untimely on payment of their Occupancy Fees which has a range of underlying causes, including the effects of the economic downturn on their businesses or as part of emergency cash-conservation measures undertaken by the Occupants.

31. To mitigate the effect of the pandemic, IWG has taken various cash flow and liquidity measures, including the deferral of rent payments and engagement with Landlords to negotiate forbearances, temporary accommodations, and, in certain instances, permanent modifications to Leases. The Company has had various successes in negotiations with Landlords to date.

However, in certain instances, the negotiations have reached an impasse. The break down of any particular negotiation with a Landlord can weaken the entire portfolio, by requiring the immediate deployment of a disproportionate amount of liquidity (e.g., to cure an accumulated Lease arrearage) in order to avoid the potential closure of a Centre and potential loss of business from Occupants at that location.

32. In the case of the SPE Debtors, the breakdown of negotiations led their respective Landlords to issue notices of their intention to lock the SPE Debtors out of their respective Centres leading the SPE Debtors to commence their respective Chapter 11 Case. The Guarantor Debtors commenced their Chapter 11 Cases shortly thereafter, to pre-empt both a potential “run on the bank” by Landlords exercising their rights under the various guarantee agreements and to attempt to restructure their obligations while maintaining the Company’s viable lease portfolio.

(b) COVID-19 and the Canadian Affiliates

33. The Canadian Affiliates have likewise been impacted by the COVID-19 pandemic with depressed occupancy rates, Occupants that have, either by necessity or strategically, failed to pay their Occupancy Fees and decreased demand at capital intensive Centres in downtown areas of metro-centres. However, despite the impact that COVID-19 has had on the Canadian business, the Canadian Tenant SPEs in the majority of cases have continued paying rent to the Landlords in respect of the Leases for the Centres in Canada.² IWG has also engaged in negotiations with certain Landlords with respect to specific accommodations and in certain cases, adjusted the terms of Leases to reflect new market realities created by the ongoing pandemic. To date, the negotiations have been primarily positive and have not resulted in lock-out notices being issued similar to the SPE Debtors’ situation. However, with the filing of the Guarantor Debtors, IWG has

² I understand from Michael Osborne, Chief Financial Officer of IWG North America, and verily believe there is approximately C\$2.2 million in rent arrears across the entire Canadian portfolio of Leases.

significant concerns that, absent relief granted by the U.S. Court and recognition from this Court, a “run on the bank” scenario could occur in Canada or Landlords may opportunistically take advantage of the technical default discussed below harming the Company’s and Guarantor Debtors’ restructuring efforts.

34. Most of the Guaranteed Canadian Leases contain events of default related to the commencement of insolvency and/or bankruptcy proceedings by any indemnitor or guarantor under the Lease. Subject to the particular terms of the Lease and provincial law, including the current eviction moratoriums in place in certain provinces, the Landlords’ rights and remedies in the case of an event of a default under their respective Guaranteed Canadian Lease may include (a) terminating the applicable Guaranteed Canadian Lease; or (b) “locking-out” the applicable Canadian Tenant SPE, including, by extension, the Occupants, and retaking possession of the Centres. I understand that these rights and remedies may be exercised with limited or no notice to the Lease Holder.

35. If any particular Landlord, relying upon an alleged event of default, purports to terminate a lease or locks out a Canadian Tenant SPE, it will cause significant adverse effects to the Canadian Affiliates, the Occupants located within the Centre, and other creditors of the individual Canadian Tenant LP. Such actions would also likely result in the triggering of various guarantee claims against the Guarantor Debtors, which will be addressed in the Chapter 11 Cases, and will adversely affect the current income that the Guarantor Debtors receive from the Canadian Tenant SPEs. Each such action by a Landlord undermines the financial stability of the Guarantor Debtors and Canadian Affiliates, the cumulative effect of which may encourage other Landlords to take similar actions. Temporarily pausing the ability of the Landlords to take such actions will provide the Chapter 11 Debtors and the Landlords with an opportunity to attempt a consensual resolution, or a resolution as part of the Chapter 11 process.

(c) Path Forward

36. As set out above, the SPE Debtors initially commenced their Chapter 11 Cases to protect their respective businesses, the Centres, and the Occupants of each Centre. The Guarantor Debtors filed for Chapter 11 shortly thereafter due to the anticipated demands from the Landlords of the SPE Debtors and potentially others. The Company intends to use the Chapter 11 process to restructure its various contractual obligations in order to stabilize the Company's North American portfolio and emerge in a financially stronger and more viable position. If these restructuring efforts prove unsuccessful, the SPE Debtors, and possibly other Lease Holders that may file for creditor protection, will have to wind down the operation of applicable Centres in an orderly manner and determine the priority of Landlords' and other creditors' claims against the SPE Debtors and/or Guarantor Debtors.

37. In Canada, the Company believes it can maintain the current portfolio of viable Canadian Centres, including where guarantees have been provided by the Guarantor Debtors, through constructive discussions with Landlords that have already begun. The Chapter 11 Debtors believe that in order to maximize the chances of a successful restructuring, the Chapter 11 Debtors require a brief period of time, prior to the Landlords being able to exercise any purported "lock-out" or termination rights, during which they can continue to engage with the Landlords. The Lease Notice Procedures Motion as discussed below is intended to provide that "breathing space". If the Landlords are permitted to terminate the leases or "lock-out" the Canadian Tenant SPEs, it could result in devastating cascading effects on the Company, the Guarantor Debtors and their stakeholders, including the Occupants.

38. To further these discussions and maximize the chance of a successful emergence of the Guarantor Debtors, as described in further detail below, the Chapter 11 Debtors will request that this Court recognize procedures, if approved by the U.S. Court, that require Landlords to give

notice to the Chapter 11 Debtors before exercising any purported termination or “lock-out” right. The Chapter 11 Debtors believe such relief will not only benefit the Chapter 11 Debtors, but will also benefit their stakeholders, including the Landlords under the Guaranteed Canadian Leases and the Occupants. The notice period contemplated by the Lease Notice Procedures Motion will allow for further discussions between the Landlords and the Chapter 11 Debtors (and/or the Canadian Affiliates) and, absent a consensual resolution, an opportunity for the Chapter 11 Debtors to pursue further relief from the U.S. Court or this Court, including the ability of any particular Lease Holder (including the Canadian Tenant SPEs) to seek creditor protection themselves.

D. Relief Sought

(a) Recognition of Foreign Main Proceedings

39. RGN-NBC, as the Foreign Representative of the Chapter 11 Debtors, is seeking recognition of the Chapter 11 Cases as “foreign main proceedings” pursuant to Part IV of the CCAA.

40. All of the Chapter 11 Debtors are incorporated or formed under United States law, have their registered head offices and corporate headquarters in the United States, carry on all of their business in the United States and all of their property and assets are located in the United States (other than the receivables owed to the Guarantor Debtors from the Canadian Affiliates). The Chapter 11 Debtors only connection to Canada is that the Guarantor Debtors guarantee or partially guarantee the Leases of certain of the Canadian Affiliates.

41. With respect to the requirements of section 46 of the CCAA, I understand that the U.S. Compendium will include:

- (a) a certified copy of the voluntary petitions filed by the Chapter 11 Debtors that commenced the Chapter 11 Cases; and
- (b) a certified copy of the Order of the U.S. Court appointing RGN-NBC as the Foreign Representative on behalf of the estates of the Chapter 11 Debtors and authorizing it to seek recognition of the Chapter 11 Cases in Canada.

42. I am not aware of any foreign insolvency proceedings involving the Chapter 11 Debtors other than the Chapter 11 Cases.

(b) Appointment of Information Officer

43. As part of its application, the Chapter 11 Debtors are seeking to appoint KSV as the information officer (the “**Information Officer**”) in the CCAA Recognition Proceedings. I understand from Bobby Kofman that KSV is a licensed insolvency trustee in Canada and its principals have acted as information officer in several previous ancillary recognition proceedings under the CCAA.

44. I understand that KSV has consented to acting as the Information Officer in this proceeding. A copy of KSV’s consent to act as the Information Officer is attached hereto as **Exhibit “E”**.

45. The Information Officer will assist in keeping the Canadian Court and stakeholders, including Landlords under the Canadian Guaranteed Leases, apprised of the status of the Chapter 11 Cases.

(c) Recognition of First Day Orders

46. By operation of the Bankruptcy Code, the Chapter 11 Debtors obtained the benefit of a stay of proceedings upon filing the voluntary petitions with the U.S. Court. A stay of proceedings in Canada is essential to preserve the *status quo* and protect the efforts of the Chapter 11 Debtors.

47. On August 17, 2020, the Chapter 11 Debtors filed certain First Day Motions with the U.S. Court, which can be summarized as follows:

- (a) *Debtors' Motion for an Order Authorizing RGN-National Business Centers, LLC to Serve as Foreign Representative on Behalf of the Debtors' Estates*: This motion is for an order authorizing RGN-NBC to act as an "authorized foreign representative" in order to seek the relief sought in this application.
- (b) *Debtor's Motion for Order Authorizing (I) Joint Administration of Chapter 11 Cases and (II) Filing of a Consolidated Creditor Matrix*: This motion is for an order directing the joint administration of the cases of the Chapter 11 Debtors for procedural purposes only.
- (c) *Application of the Debtors for Entry of an Order Appointing Epiq Corporate Restructuring, LLC as Claims and Noticing Agent Effective as of the Petition Date*: This motion seeks an order appointing Epiq Corporate Restructuring, LLC as claims and noticing agent *nunc pro tunc* to the Petition Date.
- (d) *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing Payment to Utility Companies and (II) Granting Related Relief (the "Utilities Motion")*: This motion seeks interim and final orders authorizing, but not directing, the Chapter 11 Debtors' to pay utilities companies for utilities services provided prior to the Petition Date.

48. Following a hearing by the U.S. Court on August 18, 2020, the U.S. Court granted the First Day Motions, with certain minor modifications to the draft First Day Orders. As of August 21, 2020, the First Day Orders had been entered except the order in respect of the Utilities Motion (the “**Utilities Order**”). I understand that copies of the First Day Motions and the First Day Orders will be included in the U.S. Compendium.

49. I believe the First Day Orders and recognition of them in Canada are appropriate and necessary for the protection of the Chapter 11 Debtors’ property and efficient administration of the Chapter 11 Cases and the CCAA Recognition Proceedings.

(d) Lease Notice Procedures Motion

50. In addition to the other First Day Motions, the Chapter 11 Debtors filed the *Debtors’ Motion for Interim and Final Orders Establishing Notification Procedures for Lease Termination* (the “**Lease Notice Procedures Motion**”). A copy of the Lease Notice Procedures Motion is included in the U.S. Compendium. At the hearing on August 18, 2019 before the U.S. Court, the Lease Notice Procedures Motion was adjourned until August 25, 2020. The Foreign Representative expects that it would seek to return to this Court to seek recognition of any relief granted, and possibly ancillary relief, as soon as possible following the hearing by the U.S. Court on the Lease Notice Procedure Motion.

51. The Lease Notice Procedures Motion is important to the CCAA Recognition Proceedings and maintaining the lease portfolio of the Canadian Tenant SPEs while the Company and the Guarantor Debtors restructure. The Lease Notice Procedures Motion proposes a process requiring certain notice procedures (the “**Notice Procedures**”) before any purported termination and/or “lock-out” rights are exercised by the Landlord. The proposed Notice Procedures provide that:

- (a) Not less than fifteen (15) business days prior to taking any of the following actions under a Lease in respect of a Centre guaranteed by a Chapter 11 Debtor (including, for greater certainty, the Guaranteed Canadian Leases) or holding property of a Chapter 11 Debtor³ (an “**Operating Centre**”), the Landlord shall provide notice to the Chapter 11 Debtors and their legal counsel in a specified form:
 - (i) any purported termination of the Lease of an Operating Centre;
 - (ii) any attempt to “lock out” the tenant under the Lease of an Operating Centre; or
 - (iii) any other action to obtain possession or exercise control over FF&E of a Chapter 11 Debtor located in the premises of the Operating Centre;
- (b) Notice provided by the Landlords shall specify the proposed termination action to be taken by the Landlord and legal and factual basis therefor; and
- (c) Any purported exercise of the above rights or remedies not in accordance with the Notice Procedures is void *ab initio* and in violation of the U.S. Court’s equitable powers and the automatic stay under the Bankruptcy Code.

52. The recognition of any approved Notice Procedures would ensure that the Chapter 11 Cases and the CCAA Recognition Proceedings are handled expeditiously, economically and consistently. If a Landlord intends to exercise rights and remedies as against the Lease Holder, the Notice Procedures would provide a brief but meaningful opportunity for negotiation and discussion, and the identification and narrowing of any factual or legal issues, before engaging in

³ I am informed by Joshua Nicosia, General Counsel of IWG North America, and verily believe that the Canadian Centres do not hold any property or assets of the Chapter 11 Debtors.

litigation before the U.S. Court or this Court, as appropriate, or an opportunity for the Canadian Tenant SPE to seek creditor protection itself.

E. Proposed Next Hearings

53. As noted above, the Foreign Representative intends to seek recognition of any relief granted by the U.S. Court in connection with the Lease Notice Procedures Motion as soon as possible following the hearing of the U.S. Court on August 25, 2020. The Foreign Representative would expect to recognize the Utilities Order at the same time. The Foreign Representative also intends to seek further hearings for recognition of any corresponding “final orders” and any “second day” orders that need to be recognized, if and when entered by the U.S. Court.

F. Notice

54. This application has been brought on notice only to the proposed Information Officer. The Landlords under the Guaranteed Canadian Leases were sent notice on August 19, 2020 of the Lease Notice Procedures Motion via e-mail or overnight mail at the last known address or e-mail of such Landlords in the books and records of the Chapter 11 Debtors.

55. The information regarding these proceedings will be provided to the Chapter 11 Debtors’ Canadian stakeholders by and through the Information Officer. If the orders sought are granted, the Foreign Representative proposes that a notice of the recognition orders be published once a week for two consecutive weeks in *The Globe and Mail (National Edition)* and *Le Devoir* and be sent to each of the Landlords under the Guaranteed Canadian Leases. Additionally, all Canadian Court materials in these proceedings will be available on the Information Officer’s website.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with James S. Feltman and verify that the pages are identical.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to City of Toronto, in the Province of Ontario, Canada, on August 22, 2020.

DocuSigned by:

Lee Nicholson

82C0CC8E694B4AB... OLSON (LSO #664121)

Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:

James Feltman

4AA1B7E83C964A2... S. FELTMAN

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC, RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC

Court File No.: _____

APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC 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 JAMES S. FELTMAN
SWORN AUGUST 22, 2020**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Nicholas Avis LSO#: 76781Q

Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Foreign Representative

EXHIBIT “D”

This is
EXHIBIT "D"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:
Lee Nicholson

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Commissioner for taking affidavits

Court File No. _____

**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 A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**AFFIDAVIT OF JAMES S. FELTMAN
(Sworn August 30, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The above captioned Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus ("**IWG**" or the "**Company**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by each of the Applicants to assist with their proceedings under the *Companies' Creditors Arrangement*

Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and file this affidavit in support of this application. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”) which recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of an application by the Applicants for protection from their creditors pursuant to the CCAA.

A. Background

4. On August 17, 2020, RGN-National Business Centers, LLC (“**RGN-NBC**”), H Work, LLC (f/k/a HQ Global Workplaces LLC) (“**H Work**”) and RGN-Group Holdings, LLC (“**Holdings**”) (collectively, the “**Guarantor Debtors**”) filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”). Previously, RGN-Columbus IV, LLC filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC filed its voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC filed its voluntary petition on August 3, 2020, and RGN-Fort Lauderdale III, LLC (collectively with RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC, the “**U.S. SPE Debtors**”) filed its voluntary petition on August 8, 2020.

5. On August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the “**Foreign Representative**”) of itself and the other Chapter 11 Debtors commenced the recognition proceedings (the “**Recognition Proceedings**”) pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized the Chapter 11 cases commenced by the Chapter 11 Debtors in Delaware, United States of America (the “**Chapter 11 Cases**”) as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Kofman Inc. (“**KSV**”) as Information Officer (the “**Information Officer**”) in respect of the Recognition Proceedings.

6. I previously swore an affidavit in support of the application to commence the Recognition Proceedings, (the “**Initial Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “A”**. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Initial Feltman Affidavit.

7. This affidavit provides an overview of the Part IV application and now the need for CCAA protection for the Applicants and the related CCAA LPs (as defined below) (collectively, the “**CCAA Debtors**” and each a “**CCAA Debtor**”).

B. The Business

(a) Overview

8. Both the CCAA Debtors and the Chapter 11 Debtors are part of the IWG multinational corporate group which offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries, including in over 1,000 locations in the United States and Canada.

9. IWG's business model begins with entry into long-term commercial real property leases (each, a "**Lease**") with a property owner (each, a "**Landlord**"), that provide the Company with unoccupied office space (the "**Centres**"). IWG develops and engineers each of the Centres to meet the needs of individuals, companies, and organizations who will contract for use of portions of the Centres. IWG markets its Centres under an umbrella of different brand names, each tailored to appeal to different types of clients and those clients' specialized needs. These clients (the "**Occupants**") enter into short-term licenses (each, an "**Occupancy Agreement**") to use portions of the Centres, which are customizable as to duration, configuration, services, and amenities. When operating successfully, a Centre's Occupants' license payments ("**Occupancy Fees**") will exceed the combined cost of the underlying long-term lease, management cost, and operating expenses of the Centre.

10. Generally, the lessee under each Lease is a special-purpose entity formed for this specific purpose (each, a "**Lease Holder**"). In certain cases, the Lease Holder's obligations under the Lease are also partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors which commenced the Chapter 11 Cases.

(b) Canadian Affiliates

11. The Canadian affiliates of IWG (the “**Canadian Affiliates**”) operate IWG’s business in Canada. The Canadian Affiliates are direct or indirect subsidiaries of Regus Group Limited (“**RGL UK**”), a United Kingdom corporation. RGL UK is also the sole shareholder of Regus Corporation, a Delaware corporation, which is the direct or indirect shareholder of the Chapter 11 Debtors. A simplified organizational chart of IWG, including the Chapter 11 Debtors and the CCAA Debtors, is attached hereto as **Exhibit “B”**.

12. Generally, the Canadian business has the same structure as described above for IWG’s business. Typically, each Lease Holder in Canada is a special purpose limited partnership (the “**Canadian Tenant LPs**”) formed between RGN Limited Partner Holdings Corp. (“**RGN LP**”), as limited partner, and a different general partner (the “**Canadian GPs**”). In a few instances, the Lease Holder in Canada is a special purpose company (together with the Canadian Tenant LPs, the “**Canadian Tenant SPEs**”) rather than a limited partnership. The Canadian Tenant LPs are typically formed under the *Limited Partnerships Act* (Ontario) and the Canadian GPs are formed under the *Business Corporations Act* (Ontario).

13. The Canadian Tenant SPEs are specifically formed to enter into individual Leases with various Landlords and to hold an individual Lease for a single Centre in Canada. Typically, the Canadian Tenant SPEs’ only assets are the Leases and any furniture, fixtures, equipment and other personal property (the “**FF&E**”) located within the Centre.

14. In these proceedings each of the Applicants are Canadian GPs or corporations which are Canadian Tenant SPEs. The Canadian GPs’ sole asset is their minor interest (typically, 0.00001%) in the respective Canadian Tenant LPs. The Canadian GPs’ partnership interest in the Canadian Tenant LPs were each purchased from RGN General Partner Holdings Corp., the former general partner of each of the Canadian Tenant LPs. As part of the application for relief

under the CCAA, the Applicants are seeking to extend the protections granted to their respective Canadian Tenant LPs (the “**CCAA LPs**”). A list of CCAA LPs contemplated to be covered by protections in the proposed Initial Order is attached as **Exhibit “C”**.

15. Occupants in each Centre enter into Occupancy Agreements with RGN Management Limited Partnership (“**RGN Management LP**”), a limited partnership formed between RGN LP, as limited partner, and RGN Management GP Inc., as general partner. RGN Management LP is also the employer of all employees of the Canadian business.

16. RGN Management GP Inc. and RGN Management LP are not CCAA Debtors.

(c) Canadian Centres

17. IWG, through the Canadian Affiliates, operates 137 Centres in Canada. Of these Centres, 85 are through Leases that are guaranteed by the Guarantor Debtors (the “**Guaranteed Canadian Leases**”). Of those, 38 are in respect of Centres operated by the CCAA Debtors. Further, there is one CCAA Debtor (RGN Services Limited) that has two Leases where only one is a Canadian Guaranteed Lease. The other Lease is not guaranteed by any IWG affiliate. Therefore, in total, the CCAA Debtors hold 39 Leases.

18. The distinguishing factor between the CCAA Debtors and the other Canadian Affiliates with Guaranteed Canadian Leases is that the Guaranteed Canadian Leases contain events of default related to the commencement of the Chapter 11 Cases by the Guarantor Debtors.

19. The following chart summarizes the Centres in Canada by province:

Province	Canadian Centres	Canadian Centres with Lease Guaranteed by the Guarantor Debtors	Canadian Centres with the CCAA Debtors
Ontario	69	43	22

British Columbia	29	16	5
Alberta	15	8	6
Quebec	17	12	5
Saskatchewan	1	0	0
Nova Scotia	3	3	0
Manitoba	2	2	1
Total	136	84	39

20. Within the Canadian Centres, there are approximately 15,000 Occupants, each of which typically uses the space in connection with its own business. The Centres with the Canadian Guaranteed Leases house approximately 9,000 of these Occupants and the Canadian Centres of the CCAA Debtors house approximately 3,900 Occupants. The discontinuation or interruption of the business of the CCAA Debtors could materially disrupt the business and operations of the Occupants, potentially giving rise to additional claims against the CCAA Debtors and affiliated entities.

21. IWG, through RGN Management LP, also employs approximately 190 employees across Canada to operate the Canadian Centres on behalf of the Canadian Tenant SPEs. The CCAA Debtors do not have any employees of their own.

(d) Financial Position

22. Unaudited financial statements as of July 31, 2020 for each of the CCAA Debtors are attached hereto as **Exhibit "D"**. Due the urgent nature of the CCAA application as described below, the Company and its advisors have worked quickly to produce the documents required by section 10(2) of the CCAA. As such, the CCAA Debtors, with the assistance of their advisors, continue to review and refine the financial statements attached hereto and expect that further reconciliations and adjustments will be required though such adjustments are not expected to be material.

23. The CCAA Debtors which are Canadian GPs do not have any financial statements since their only assets are minor interests in the CCAA LPs and their liabilities are only “flow through” liabilities of the CCAA LPs.

(i) Assets

24. As set out above, in most cases, the Applicants have negligible assets, with their only asset being a minor interest in their respective CCAA LP. The CCAA LPs’ only assets are typically the FF&E located within the Centre, prepaid expenses and intercompany receivables in certain instances. In the case of RGN Services Limited and Guardian Financial Corp., which are the only Applicants that are not Canadian GPs, they each own the FF&E in the Centres directly. RGN Services Limited further previously operated as the management company in respect of the Canadian business and has investments in certain affiliates.

25. Based on my experience, I believe that the realizations generated from the sale of FF&E in an insolvency process would be immaterial.

26. The CCAA Debtors do not have any bank accounts and no cash on hand.

(ii) Secured Liabilities

27. The Canadian Tenant SPEs, including the CCAA Debtors, general working capital needs are financed on a secured basis by RGN Management LP as described below. The purchase of FF&E by each Canadian Tenant SPE is also financed by RGN Management LP.

28. Each Canadian Tenant SPE has entered into a separate intra-group loan facility agreement and general security agreement with RGN Management LP. The obligations under the loan agreements are secured by all the present and after acquired property of the Canadian

Tenant SPEs, including the FF&E. An example of the intra-group loan facility agreement and general security agreement are attached hereto as Exhibits “E” and “F”, respectively.

29. The aggregate net amount owing by the CCAA Debtors to RGN Management LP is \$14,384,882.

(iii) Leases

30. The CCAA Debtors are also obligated for the amounts owing under the Leases related to their Centres. Liabilities related to the remaining term of the Lease are generally off-balance sheet liabilities and do not appear in the financial statements of the CCAA Debtors.

31. The CCAA LPs each hold a single Lease related to a Centre in Canada. Guardian Financial Corp. also holds a single Lease and RGN Services Limited holds two Leases.

32. In most cases, the CCAA Debtors have continued paying rent to the Landlords despite the liquidity challenges explained below. The below table sets out the only known arrears of the CCAA Debtors owing to Landlords:

CCAA Debtor	Arrears (CAD\$)
RGN Manitoba II Limited Partnership	\$ 213,375
RGN Alberta Limited Partnership	\$ 102,091
RGN Quebec VI Limited Partnership	\$ 249,074
RGN Ontario LV Limited Partnership	\$ 74,646
RGN Ontario XXIX Limited Partnership	\$ 23,280
RGN British Columbia XXIV Limited Partnership	\$ 96,533
RGN Services Limited	\$ 9,100
RGN Alberta XIV Limited Partnership	\$ 851

Total	\$ 768,950
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33. However, as set out below, certain CCAA Debtors may be required by their Lease to post additional security as a result of the Guarantor Debtors commencing the Chapter 11 Cases. In most cases, the CCAA Debtors, do not expect to be a position to immediately post that security and the guarantee claims will be restructured in the Chapter 11 Cases.

(iv) Inter-Company Relationships and Transactions

34. The business model employed by the Canadian Affiliates and other IWG affiliates, relies on a series of inter-company relationships more fully described below. As result of these relationships, there are a number reoccurring intercompany transactions necessary to record the operations of the Canadian Affiliates and their business activities. In Canada, RGN Management LP enters in Occupancy Agreements with Occupants and collects the applicable Occupancy Fees on behalf of the applicant Canadian Tenant SPE. RGN Management LP provides the benefit of the Occupancy Fees to the Canadian Tenant SPE by recording a payable owing to the Canadian Tenant SPE after netting applicable expenses and costs paid by RGN Management LP on behalf of the Canadian Tenant SPE. Rent to Landlords is paid by the Canadian Tenant SPEs with advances from RGN Management LP which it makes to a subaccount of the Canadian Tenant SPE before being transferred to the Landlord.

35. If the monthly expenses and costs incurred by RGN Management LP on behalf of the Canadian Tenant SPE in respect of the Centre exceed the Occupancy Fees collected at the Centre, a monthly net deficiency is recorded as an intercompany payable and drawn by the applicant Canadian Tenant SPE from RGN Management LP pursuant to the intra-group loan facility agreements described above. If the monthly Occupancy Fees exceed the expenses and

costs paid by RGN Management LP, the Canadian Tenant SPE books an intercompany receivable owing from RGN Management LP.

36. Management Services: RGN Management LP also performs various management services for the Canadian Tenant SPEs pursuant to a Master Services Management Agreement. In exchange for the services, the Canadian Tenant SPEs pay a management fee to RGN Management LP in an amount equal to 13.5% of revenue generated at the Centre. The services performed by RGN Management LP on behalf of the Canadian Tenant SPEs, including the CCAA Debtors, include, among other things:

- (a) coordinating and obtaining the various services and utilities from the Landlord or the local utility providers for the benefit of the Occupants and the Canadian Tenant SPEs;
- (b) coordinating with the Landlord or property manager for ancillary rights provided under the Lease (such as on-site storage, use of a roof or shared common space, etc.);
- (c) coordinating on behalf of the Canadian Tenant SPEs and in some cases performing the Canadian Tenant SPEs' obligations to the Landlord such as (i) identifying, engaging for services, and paying the obligations of vendors relative to a full range of operating expenses, tax and insurance requirements, (ii) payment for additional services and extra utilities, (iii) payment for parking charges and for other miscellaneous fees;
- (d) marketing to and securing the Occupants for the Centre and, where necessary, paying any broker's commission due related to identifying such Occupants;

- (e) coordinating the performance of any non-structural construction, design, or architectural alterations to a Centre;
- (f) providing various services to each of the Occupants pursuant to the Occupancy Agreements;
- (g) billing and collecting all amounts owed by Occupants as Occupancy Fees for serviced office space and other ancillary services provided;
- (h) securing on behalf of the Canadian Tenant SPEs all insurance policies, including liability, property, and workers compensation, that the Lease Holder is required to obtain under its Lease;
- (i) causing the Landlord to keep the premises in a clean and tidy condition and good operating order;
- (j) preparing and filing all tax returns, including sales and use, personal property and other like returns;
- (k) obtaining business licenses and similar government licenses necessary to run the Centre; and
- (l) hiring, contracting for and retaining employees and staff sufficient to perform the above services.

37. Franchise Fees: Franchise International GmbH, a company incorporated in Switzerland (“**Franchisor**”), is an affiliate of the CCAA Debtors. Franchisor commercializes certain IWG intellectual property and grants franchisees the right to operate an IWG business format in a given location. Pursuant to applicable franchise agreements, Franchisor provides certain services to help Canadian Tenant SPEs establish its IWG business and then provides certain continuing

business support services, advices, and information technology. The Canadian Tenant SPE in turn agrees to pay Franchisor a monthly fee.

38. Guarantee Fees: As set out in the Initial Feltman Affidavit, the Guarantor Debtors also charge applicable Canadian Tenant SPEs fees in exchange for guarantying their Leases equal to 3.44% of the guaranteed amount. The guarantee fees are paid on a semi-annual basis.

C. Need for CCAA Protection

(a) Events Leading Up to the Chapter 11 Cases

39. Following a strong first quarter in 2020, IWG experienced significant challenges during the second and third quarters of 2020 as a direct result of the COVID-19 pandemic. The pandemic and associated mandatory shutdowns have severely disrupted business plans and operations for certain locations within IWG's portfolio.

40. Businesses and companies implementing work-from-home policies (either voluntary or government-mandated) has reduced the demand for temporary office space resulting in lower occupancy rates across the IWG portfolio. To attract and retain Occupants in this environment, IWG has had to cut pricing for new sales and renewals, resulting in a reduction of revenue from the space that is occupied. Other Occupants have also been untimely on payment of their Occupancy Fees which has a range of underlying causes, including the effects of the economic downturn on their businesses or as part of emergency cash-conservation measures undertaken by the Occupants.

41. To mitigate the effect of the pandemic, IWG has taken various cash flow and liquidity measures, including the deferral of rent payments and engagement with Landlords to negotiate forbearances, temporary accommodations, and, in certain instances, permanent modifications to Leases. The Company has had various successes in negotiations with Landlords to date.

However, in certain instances, the negotiations have reached an impasse. The break down of any particular negotiation with a Landlord can weaken the entire portfolio, by requiring the immediate deployment of a disproportionate amount of liquidity (e.g., to cure an accumulated Lease arrearage) in order to avoid the potential closure of a Centre and potential loss of business from Occupants at that location.

42. The initial event triggering the commencement of the Chapter 11 Cases was the breakdown of negotiations between Landlords and the U.S. SPE Debtors. The breakdown led the respective Landlords to issue notices of their intention to lock the U.S. SPE Debtors out of their respective Centres leading to the U.S. SPE Debtors to commence their respective Chapter 11 Case. The Guarantor Debtors commenced their Chapter 11 Cases shortly thereafter, to pre-empt both a potential “run on the bank” by Landlords exercising their rights under the various guarantee agreements and to attempt to restructure their obligations while maintaining the Company’s viable lease portfolio.

(b) COVID-19 and the Canadian Affiliates

43. The Canadian Affiliates have likewise been impacted by the COVID-19 pandemic with depressed occupancy rates, Occupants that have, either by necessity or strategically, failed to pay their Occupancy Fees and decreased demand at capital intensive Centres in downtown areas of metro-centres. However, despite the impact that COVID-19 has had on the Canadian business, as set out above, the Canadian Tenant SPEs in the majority of cases have continued paying rent to the Landlords in respect of the Leases for the Centres in Canada.¹ IWG has also engaged in negotiations with certain Landlords with respect to specific accommodations and in certain cases, adjusted the terms of Leases to reflect new market realities created by the ongoing pandemic. To

¹ I understand from Michael Osborne, Chief Financial Officer of IWG North America, and verily believe there is approximately CAD\$2.2 million in rent arrears across the entire Canadian portfolio of Leases. As set out above, the rent arrears for the CCAA Debtors is approximately CAD\$850,000.

date, the negotiations have been primarily positive and have not resulted in lock-out notices being issued similar to the U.S. SPE Debtors' situation.

44. However, upon the commencement of the Chapter 11 Cases, IWG had significant concerns that the dynamics could change leading Landlords to terminate various Leases. Under approximately 39 of the Guaranteed Canadian Leases, an event of default is triggered upon the commencement of insolvency and/or bankruptcy proceedings by any indemnitor or guarantor under the Lease. Subject to the particular terms of the Lease and provincial law, the Landlords' rights and remedies in the case of an event of a default under their respective Guaranteed Canadian Lease may include (a) terminating the applicable Guaranteed Canadian Lease; or (b) "locking-out" the applicable Canadian Tenant SPE, including, by extension, the Occupants, and retaking possession of the Centres. Under 19 of these Leases, the rights and remedies upon an insolvency default may be exercised with limited or no notice to the Canadian Tenant SPE.

45. If any particular Landlord, relying upon an alleged event of default, purports to terminate a lease or locks out a Canadian Tenant SPE, it will cause significant adverse effects to the Canadian Affiliates, the Occupants located within the Centre (which total 3,900 in respect of the CCAA Debtors), and other creditors of the individual Canadian Tenant LP. Each such action by a Landlord would undermine the financial stability of the Canadian Affiliates, the Guarantor Debtors, and the Company as a whole, the cumulative effect of which may encourage other Landlords to take similar actions.

(c) Lease Notice Procedures Motion

46. In order to address this issue, the Chapter 11 Debtors originally filed the *Debtors' Motion for Interim and Final Orders Establishing Notification Procedures for Lease Termination* (the "**Lease Notice Procedures Motion**") in the Chapter 11 Cases.

47. The Lease Notice Procedures Motion contemplated that any Landlord would be required to provide the Chapter 11 Debtors with fifteen business days' notice prior to terminating a Lease guaranteed by the Guarantor Debtors (including those held by the Canadian Tenant SPEs) or "locking-out" a Lease Holder where the Lease was guaranteed by the Guarantor Debtors. The purpose of the Lease Notice Procedures Motion was to provide "breathing space" during the restructuring given the defaults caused by the commencement of the Chapter 11 Cases and protect various property or business interests of the Chapter 11 Debtors. As explained, there was a significant concern that if the Landlords are permitted to terminate the leases or "lock-out" the Canadian Tenant SPEs without notice, it could result in devastating cascading effects on the Company, the Canadian Tenant SPEs themselves, the Guarantor Debtors and their stakeholders, including the Occupants.

48. The U.S. Court had an initial hearing on the Lease Notice Procedures Motion on August 18, 2020 where it was adjourned until August 25, 2020. Following a hearing on the Lease Notice Procedures Motion on August 25, 2020, the U.S. Court denied the Lease Notice Procedures Motion on an interim basis without prejudice to the Chapter 11 Debtors' ability to seek the relief on a final basis at a later date. A copy of the transcript of the hearing relating to the decision by the U.S. Court on the Lease Notice Procedures Motion is attached hereto as **Exhibit "G"**.

(d) "At Risk" Leases

49. As result of the denial of the Leases Procedures Motion, a significant number of Leases of the Canadian Tenant SPEs are at risk of being terminated on the basis of defaults triggered by the commencement of the Chapter 11 Cases. In the case of approximately 39 Leases, either (a) no notice is required in order for the Landlord to terminate the Lease based on an insolvency default by the Guarantor Debtor; (b) the Chapter 11 Debtors are concerned, based on the drafting the Lease, that the Landlords may take the position that they are not required to give advance

notice of their intention to terminate the Leases to the Canadian Tenant SPEs or applicable Guarantor Debtor; or (c) there is a limited notice provision (between five business days and ten calendar days depending on the Lease). Certain of the Leases also contain cure provisions to permit the Canadian Tenant SPE to provide additional security or a replacement indemnifier but due to the liquidity challenges described above, the CCAA Tenants SPEs in many instances will not be in a position to provide that replacement security.

50. The concerns of the Company were heightened when on the morning of August 25, 2020, a Landlord in respect of the Centre in Edmonton posted a Notice of Termination and Notice to Quit at the Premises purporting “to terminate the Lease immediately, without prior notice and without any opportunity to cure the default.” The sole default alleged by the Landlord was commencement of the Chapter 11 Cases by RGN-NBC, the indemnifier under the Lease. In that situation, the doors to the premises were locked and the Canadian Tenant SPE and Occupants were denied access to the premises. Staff located at the premises were forced to set up a table outside the premises in order to explain to Occupants the lock out situation causing significant disruption to the operation of the Company and the Occupants.

51. The Foreign Representative sought emergency relief from this Court and was granted an order declaring the termination of the Lease void and allowing the applicable Canadian Tenant SPE an opportunity to cure the default in accordance with the terms of the Lease. However, other Leases may not permit a cure period and it would be a significant expense and distraction for the Company to be forced to bring a motion to the Court each time a Landlord does not give advance notice to the applicable Canadian Tenant SPE and Guarantor Debtor.

52. After canvassing the various options to obtain an immediate stay of proceedings to preserve the status quo and protect the Canadian business, the Company concluded that an application under the CCAA was the most efficient and practical manner to proceed. To this end,

the Foreign Representative in the Recognition Proceedings brought a motion on August 28, 2020 to temporarily extend the stay of proceedings against the Canadian Tenant SPEs which have Leases that are potentially at risk of being terminated (now the CCAA Debtors), in order to provide an opportunity to prepare an application under the CCAA. A copy of the affidavit of Joshua Nicosia sworn on August 27, 2020 in support of that motion is attached hereto without exhibits as **Exhibit “H”**.

53. On August 28, 2020, the Court denied that motion on the basis that granting the relief would have been inconsistent with the ruling by the U.S. Court on the Lease Notice Procedures Motion. A copy of the endorsement of the Court is attached hereto as **Exhibit “I”**.

54. As a result, without the benefit of a stay of proceedings, the CCAA Debtors may be in default of their obligations under their respective Leases which could be terminated with no or limited notice. If the Lease is terminated and the property of the Centres are liquidated for the benefit of creditors, there is significant destruction to the going concern value of the business and the realization from a liquidation will likely be insufficient to pay creditors, including the other Canadian Affiliates, IWG affiliates and the applicable Landlord.

55. One Canadian Tenant SPE, RGN Ontario II Limited Partnership (the **“NOI Debtor”**), already filed a Notice of Intention to Make a Proposal, immediately following the hearing before this Court on August 28, 2020 due to concerns that the Landlord may terminate its Lease. A copy of the certificate confirming the filing of the NOI is attached hereto as **Exhibit “J”**. The Canadian GP of the NOI Debtor is an Applicant under these CCAA proceedings and the CCAA Debtors will explore possibilities of advancing the proceedings in a coordinate manner or terminating the NOI proceedings in favour of these CCAA proceedings, if possible.

56. Absent relief from the Court under the CCAA, the Leases of the CCAA Debtors will continue to be “at risk” and Centres may be closed involuntarily. The termination of Leases would

cause serious and material prejudice to the CCAA Debtors, as well as the Guarantor Debtors, the Occupants and other stakeholders of the Canadian business.

D. Path Forward

57. Protection under the CCAA will bring immediate stability to a volatile situation where a significant portion of the Centres could be involuntarily closed on no or limited notice. The CCAA Debtors intend to use the “breathing room” provided by the CCAA to advance their restructuring efforts in a coordinated manner with the Chapter 11 Cases. The restructuring of the Guarantor Debtors is significantly intertwined with the restructuring of the Canadian Tenant SPEs and will need to occur in parallel.

58. The Company will also further evaluate viable Centres and continue the negotiations with Landlords that started prior to the Chapter 11 Cases so their Leases reflect “market realities” following the COVID-19 pandemic. It is possible based on negotiations, and similar to the Chapter 11 Cases, that additional Canadian Tenant SPEs may need to file for protection under the CCAA.

E. Relief Sought

(a) Stay of Proceedings

59. For the above reasons, the CCAA Debtors require an immediate stay of proceedings to provide stability to preserve their business and continue to pursue their restructuring efforts. Absent a stay of proceedings, the CCAA Debtors may start to lose Centres due to “lock outs” by Landlords effectively ending their business. If the CCAA Debtors could not operate the Centres and the CCAA Debtors’ property is liquidated in an insolvency process, there would not be sufficient realizations to enable payment of all their liabilities, including potential claims of Landlords and Occupants and debt owing to affiliates.

60. In absence of a stay, there is a potential for material prejudice to a myriad of stakeholders and significant value destruction.

(b) Appointment of Monitor

61. As part of Recognition Proceedings, KSV was appointed as Information Officer. Given KSV's familiarity with the CCAA Debtors' business, the Chapter 11 Cases, and the Recognition Proceedings, the Applicants are also seeking to appoint KSV as the Monitor (the "**Monitor**") in the CCAA proceedings. KSV has consented to acting as the Monitor in these CCAA proceedings. A copy of KSV's consent to act as the Monitor is attached hereto as **Exhibit "K"**.

62. KSV is a trustee within the meaning of section 2 of the BIA and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

(c) Cash Flow Forecast

63. The CCAA Debtors, with the assistance of its advisors and the proposed Monitor, have prepared a 90-day cashflow forecast as required by the CCAA (the "**Cash Flow Forecast**"). I understand the Cash Flow Forecast will be appended to the pre-filing report of the proposed Monitor. Due to the urgent nature of this application, the Cash Flow Forecast assumed that the only disbursement by the CCAA Debtors would be payment of rent and service charges to Landlords which are typically the only cash payments made by the Canadian Tenant SPEs. RGN Management LP will continue to advance funds to make those rent payments on a secured basis pursuant to the intra-group loan facility agreements. The CCAA Debtors may seek a charge in favour of RGN Management LP for any post-filing advances at a later date in these CCAA proceedings.

64. The CCAA Debtors, with the assistance of the Monitor, will continue to refine the Cash Flow Forecast before returning to Court on any comeback motion.

F. Notice

65. This application has been brought on notice only to the proposed Monitor. If the application is granted, the CCAA Debtors will publish the required notices and provide notice to affected Landlords.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with James S. Feltman and verify that the pages are identical.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to City of Toronto, in the Province of Ontario, Canada, on August 30, 2020.

Lee Nicholson
02C0CC98F031B14B
LEE NICHOLSON (LSO #664121)
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
James Feltman
4AA1B7E83C964A2
JAMES S. FELTMAN

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C 36, AS AMENDED AND IN THE MATTER OF GUARDIAN FINANCIAL CORP. ET. AL.**

Court File No.: _____

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JAMES S. FELTMAN
SWORN AUGUST 30, 2020**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Nicholas Avis LSO#: 76781Q

Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

EXHIBIT “E”

This is
EXHIBIT "E"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Nicholson

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Commissioner for taking affidavits

Court File No. CV-20-00646507-00CL

**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 A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**AFFIDAVIT OF JAMES S. FELTMAN
(Sworn November 13, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The above captioned Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus (collectively, "**IWG**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by each of the Applicants to assist with their proceedings under the *Companies' Creditors Arrangement Act*,

R.S.C. 1985, c. C-36 and file this affidavit in support of this motion. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”) which filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of the motion by the Applicants seeking issuance of an Order:

- (a) approving the Estate Account Agreement, described below, including the Revised Cash Management System contemplated therein, and granting customary protections to the Court Officer (as such terms are defined below);
- (b) authorizes the CCAA Debtors (as defined below) to pay pre-filing amounts owing to critical suppliers up to a maximum amount of \$1.25 million; and
- (c) extending the Stay Period (as defined below) to March 16, 2021.

A. Background

4. Beginning on July 30, 2020 and continuing on a periodic basis until October 20, 2020, 99 entities affiliated with IWG filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S.**

Court", and such cases in the U.S. Court, the "**Chapter 11 Cases**").¹ Three of the Chapter 11 Cases were commenced on August 17, 2020 by RGN-National Business Centers, LLC ("**RGN-NBC**"), H Work, LLC (f/k/a HQ Global Workplaces LLC) and RGN-Group Holdings, LLC (collectively, the "**Guarantor Debtors**").

5. The Guarantor Debtors had guaranteed certain Leases held by the CCAA Debtors (as defined below), and the commencement of the Chapter 11 Cases by the Guarantor Debtors may have been a technical event of default under the CCAA Debtors' Leases. If any of these Leases were involuntarily terminated on account of the Guarantor Debtors' Chapter 11 Cases, then the applicable CCAA Debtor could lose access to its premises and, in turn, the ability to operate its business.

6. Accordingly, on August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of itself and certain of the other Chapter 11 Debtors, commenced the recognition proceedings (the "**Recognition Proceedings**") pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized certain of the Chapter 11 Cases as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Restructuring Inc. (f/k/a/ KSV Kofman Inc.) ("**KSV**") as Information Officer in respect of the Recognition Proceedings.

¹ More Chapter 11 Cases may be commenced. Certain of the Chapter 11 Cases have been terminated.

7. As part of the Chapter 11 Cases, the Chapter 11 Debtors sought an order from the U.S. Court approving certain lease termination notice procedures which would have required Landlords to provide 15 business days' notice prior to terminating a Lease held by any affiliate of the Chapter 11 Debtors which was guaranteed by a Guarantor Debtor. The U.S. Court denied the requested relief.

8. The Foreign Representative sought a temporary stay order within the Recognition Proceedings to permit the Applicants to make an application for CCAA protection in an orderly manner. This Court denied the requested relief. As a result, RGN Ontario II Limited Partnership ("**RGN Ontario II LP**"), an affiliate of the CCAA Debtors, sought immediate protection by means of a Notice of Intention to Make a Proposal (an "**NOI**") to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") on August 28, 2020. KSV was appointed as Proposal Trustee for RGN Ontario II LP.

9. On August 31, 2020, the Applicants commenced these proceedings under the CCAA (the "**CCAA Proceedings**") and this Court granted an Initial Order in respect of the Applicants and certain affiliated limited partnerships (together, the "**CCAA Debtors**", and each a "**CCAA Debtor**"). KSV was appointed as monitor of the CCAA Debtors (the "**Monitor**"). On September 10, 2020, this Court granted an Order amending and restating the Initial Order (as amended and restated, the "**Initial Order**"). The stay of proceedings (the "**Stay Period**") under the Initial Order expires on November 27, 2020.

10. On September 16, 2020, RGN Ontario XXXIV Limited Partnership, an affiliate of the CCAA Debtors, filed a Notice of Intention to Make a Proposal pursuant to the BIA (the "**NOI Proceedings**"). KSV was appointed as Proposal Trustee of RGN Ontario XXXIV Limited Partnership.

11. On November 5, 2020, this Court granted an Order continuing the NOI proceedings commenced by RGN Ontario II LP under the CCAA Proceedings and extending all the rights, benefits and protections under the Initial Order to RGN Ontario II LP as a “CCAA Debtor”.

12. I swore an affidavit in support of the application commencing the Recognition Proceedings, a copy of which, without exhibits, is attached hereto as **Exhibit “A”**. I also swore affidavits (a) in support of the application by the Applicants for protection under the CCAA (the **“Second Feltman Affidavit”**), a copy of which, without exhibits, is attached hereto as **Exhibit “B”**; and (b) in support of the motion by the Applicants seeking an initial extension of the Stay Period under the Initial Order (the **“Third Feltman Affidavit”**), a copy of which, without exhibits, is attached hereto as **Exhibit “C”**. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Second Feltman Affidavit.

13. Copies of the Initial Order and other Orders and filings in the Recognition Proceedings, the CCAA Proceedings and the NOI Proceedings are available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

B. Update on the CCAA Proceedings

14. Since the granting of the Initial Order on September 10, 2020, the CCAA Debtors, with the assistance and oversight of the Monitor, have worked in good faith and with due diligence to ensure the stability of their business and ensure the CCAA Proceedings continue in a coordinated manner with the Chapter 11 Cases, the Recognition Proceedings and the NOI Proceedings. The activities of the CCAA Debtors have included the following:

- (a) responding to inquiries from Landlords of the CCAA Debtors’ Centres;
- (b) reviewing the CCAA Debtors’ cash flow statements and preparing a cash flow forecast for the purposes of the within motion;

- (c) paying rent for October and November 2020 for each of the Leases held by the CCAA Debtors;
- (d) reviewing and analyzing the CCAA Debtors' cash management system and developing the Estate Account Agreement and the Revised Cash Management System, as described below;
- (e) negotiating amendments to a number of their Leases, as described below;
- (f) coordinating efforts with U.S. counsel to the Chapter 11 Debtors regarding certain activities related to the Chapter 11 Cases; and
- (g) preparing this affidavit and the related materials for the within motion.

15. I am informed by Joshua Nicosia, General Counsel for IWG North America, that certain issues arose with the CCAA Debtors' Landlords. In particular, in early October, one Landlord attempted to revoke elevator access to one of the Centres operated by a CCAA Debtor in contravention of the Initial Order and further attempted to prohibit the removal of personal property owned by the CCAA Debtor's clients. This matter was resolved with the Landlord in question on a consensual basis.

16. In addition, Mr. Nicosia has informed me that certain issues also arose in late October whereby a contractor completing a project at a Centre for a CCAA Debtor refused to continue working due unpaid pre-filing arrears. Due to the urgency of the situation, I understand that the CCAA Debtors, following consultation with the Monitor, arranged for payment of the amounts to be made by RGN Management Limited Partnership ("**RGN Management**"). The payment permitted to the project to continue to improve and preserve the Centre for the benefit of the CCAA Debtor and its stakeholders.

17. I am advised by Lee Nicholson of Stikeman Elliott LLP, counsel to the Applicants, that the CCAA Debtors have been in regular contact with and have responded to a number of enquiries raised by counsel for Oxford Properties Group Inc., a Landlord to certain of the CCAA Debtors, over the course of September and October. Most of these enquiries related to the CCAA Debtors' existing cash management system and intercompany accounting.

18. I am further advised by Mr. Nicholson that on October 8, 2020, counsel for the CCAA Debtors received a notice of motion from FNC Avocats, an Occupant of a Centre, requesting that the stay of proceedings be lifted so that FNC Avocats could seek certain relief regarding their tenancy. I understand that this motion was presented to the Court on October 9, 2020; however, the motion was withdrawn on the basis that the contractual counterparty of FNC Avocats was not one of the CCAA Debtors subject to the stay of proceedings established by the Initial Order.

19. Throughout the entirety of the CCAA Proceedings, the CCAA Debtors have continued to operate their businesses and manage their property as debtors in possession.

C. Path Forward in the CCAA Proceedings

20. The CCAA Debtors sought protection under the CCAA due to concerns that the Leases for the Centres operated by the CCAA Debtors may be in default as a consequence of the commencement of the Chapter 11 Cases by the Guarantor Debtors. To emerge from CCAA protection, the CCAA Debtors need to be positioned such that their Leases cannot be terminated based on a technical default by the Guarantor Debtors.

21. The CCAA Debtors, like the Chapter 11 Debtors, have initiated and are conducting a comprehensive review of their unexpired Leases to determine whether any such Leases should be disclaimed as part of the CCAA Proceedings. In conjunction with these efforts, the CCAA Debtors continue to engage in good faith, arm's-length negotiations with their Landlords to obtain

favourable lease amendments to ensure each Centre is financially viable and sustainable on a long-term basis.

22. As of November 6, 2020, I am advised by Mr. Nicosi that the CCAA Debtors have renegotiated eight of their Leases (subject to final documentation). The CCAA Debtors are hopeful that they will not need to disclaim any of their Leases if other, potentially uneconomic Leases can be renegotiated as well.

23. The CCAA Debtors remain focused on, among other things, further negotiations with their Landlords and completing a successful restructuring in a coordinated manner with the Chapter 11 Debtors to address the obligations of the Guarantor Debtors under the Leases in Canada and the United States.

24. The CCAA Debtors' progress to date has been achieved in no small part due to the stability provided by the CCAA stay of proceedings. An extension of the Stay Period will permit the CCAA Debtors to continue to advance their restructuring efforts, as set forth above.

D. Cash Management

(a) Pre-Filing Cash Management System

25. As set out in the Second Feltman Affidavit and the Third Feltman Affidavit, the business model employed by the CCAA Debtors and other IWG affiliates relies on a series of inter-company relationships. In Canada, RGN Management enters into Occupancy Agreements with Occupants and collects the applicable Occupancy Fees on behalf of the Canadian Tenant SPEs. If the monthly expenses and costs incurred by RGN Management on behalf of a Canadian Tenant SPE and other intercompany amounts owing by the Canadian Tenant SPE exceed the Occupancy Fees collected at the Centre, the monthly net deficiency is recorded as an intercompany payable by the applicable Canadian Tenant SPE owing to RGN Management pursuant to an intra-group

loan facility agreement. If the monthly Occupancy Fees for a particular Centre exceed the expenses and costs paid by RGN Management in relation to that Centre, the Canadian Tenant SPE books an intercompany receivable owing from RGN Management.

26. The CCAA Debtors share a centralized cash management system with the other Canadian Affiliates. The CCAA Debtors have separate bank accounts with CIBC, but these accounts are used solely to facilitate the payment of rent. The CCAA Debtors do not maintain separate bank accounts to collect receipts or pay expenses. CIBC allows the CCAA Debtors' accounts to be notionally pooled with other disbursement accounts and the account of RGN Management. The pooling arrangement allowed for the disbursement accounts to be overdrawn to make the applicable rent payments as only the net amount of all pooled accounts is required to be positive.

27. The CCAA Debtors originally informed the Court that they intended to continue using their existing cash management system during the CCAA Proceedings and were authorized to do so pursuant to the Initial Order. In response to a concern raised by counsel to a landlord, the CCAA Debtors, with input from the Monitor, have decided to revise the cash management system (the **"Revised Cash Management System"**).

(b) Revised Cash Management System²

28. Attached hereto as **Exhibit "D"** is the Estate Account Agreement dated November 2, 2020 (the **"Estate Account Agreement"**) that effects the amendments to the Revised Cash Management System. The Estate Account Agreement was entered into between the entities listed on Schedule "A" thereto (collectively, the **"SPE Debtors"** and each a **"SPE Debtor"**), RGN

² Capitalized terms used in this section that are not otherwise defined shall have the meaning ascribed to them in the Estate Account Agreement.

Management and KSV, solely in its capacity as the Monitor or Proposal Trustee of the SPE Debtors (the “**Court Officer**”).

29. In brief, the Estate Account Agreement provides that any Net Operating Cash Flow generated following the Filing Dates shall be held in a separate cash account established by the Court Officer (the “**Estate Account**”) so that such amounts are available to be distributed to creditors of each of the SPE Debtors in the CCAA Proceedings or the NOI Proceedings, if necessary or required, to the extent that a SPE Debtor has a positive cash balance. The Monitor will account for the Net Operating Cash Flow of each SPE Debtor separately. The mechanisms are as follows:

- (a) **Step 1 – Initial Deposit:** The SPE Debtors and RGN Management, in consultation with the Court Officer, prepared an estimate of the Net Operating Cash Flow of each Canadian SPE Debtor from the Filing Date until October 31, 2020. RGN Management transferred an amount equal to the aggregate estimated Net Operating Cash Flow of the SPE Debtors from the applicable Filing Date until October 31, 2020 to the Court Officer to be held in the Estate Account. I understand that the estimate of Net Operating Cash Flow for this period was CAD\$321,829.76. Following the closing of the SPE Debtors’ accounting for the month of October 2020, the SPE Debtors and RGN Management, in consultation with the Court Officer, will determine the Net Operating Cash Flow of each Canadian SPE Debtor since the Filing Date and make necessary adjustments to the Estate Account depending on the actual amount of the Net Operating Cash Flow attributable to each SPE Debtor.
- (b) **Step 2 – Post-October 2020 Procedures:** Each month after October 2020, following the closing of the SPE Debtors’ accounting for the month, the SPE

Debtors and RGN Management, in consultation with the Court Officer, shall determine the Net Operating Cash Flow of each SPE Debtor for the previous month and transfer the aggregate amount of the Net Operating Cash Flow of the SPE Debtors to the Court Officer to be held in the Estate Account in accordance with the Estate Account Agreement, subject to certain considerations outlined in the Estate Account Agreement and summarized below:

- (i) To the extent the Net Operating Cash Flow of a SPE Debtor for a particular month is positive, but the Net Operating Cash Flow for that SPE Debtor since the Filing Date is negative, the amount of the Net Operating Cash Flow to be transferred by RGN Management to the Court Officer shall be reduced by the amount of the negative balance up to the amount of the Net Operating Cash Flow for that month; and
- (ii) To the extent that the Net Operating Cash Flow of a SPE Debtor for a particular month is negative and the Court Officer is holding funds on behalf of that SPE Debtor in the Estate Account from prior payments made by RGN Management, the Court Officer shall pay up to the amount of the Net Operating Cash Flow for that SPE Debtor for that month to RGN Management on behalf of the SPE Debtor from the Estate Account. The amount to be transferred from an SPE Debtor to RGN Management by the Monitor cannot exceed the accumulated positive cash flow for a specific SPE Debtor. In other words, an SPE Debtor cannot go into overdraft and any payments to RGN Management are limited to the positive Net Operating Cash Flow held by the Monitor on behalf of a SPE Debtor at a point in time.

30. The calculation of Net Operating Cash Flow and corresponding payments and disbursements from the Estate Account as set forth above are to occur individually for each SPE Debtor on an unconsolidated basis. The Court Officer will keep an accounting of the receipts and disbursements of the Estate Account on an entity by entity basis.

31. The Estate Account Agreement terminates upon the earlier of (a) an Order of this Court terminating the Estate Account Agreement; (b) termination and discharge of the NOI Proceedings and the CCAA Proceedings; and (c) dismissal of the within motion seeking approval of the Estate Account Agreement.

32. If the CCAA Proceedings or NOI Proceedings are terminated and discharged in respect of any particular SPE Debtor, such SPE Debtor shall withdraw from the Estate Account Agreement and the Court Officer shall transfer any funds held on behalf of the SPE Debtor in the Estate Account to RGN Management. The Court Officer shall also return any funds held in the Estate Account to RGN Management if the within motion to approve the Estate Account Agreement is dismissed by the Court.

33. If a SPE Debtor makes, or is deemed to have made, an assignment into bankruptcy under the BIA, the Court Officer shall transfer the amount held on behalf of such SPE Debtor in the Estate Account to the trustee-in-bankruptcy appointed to administer the estate of the SPE Debtor in accordance with the BIA.

34. Pursuant to the Estate Account Agreement, the SPE Debtors are to seek an Order from this Court (a) approving the Estate Account Agreement; and (b) providing customary protections for the Court Officer in fulfilling its duties under the Estate Account Agreement. With respect to the second point, the Estate Account Agreement and draft Order sought by the Applicants provide, among other things, that the Court Officer shall not be liable for any act or omission on the part of the Court Officer pertaining to the discharge of its duties under the Estate Account

Agreement, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Court Officer.

35. The Revised Cash Management System is intended to provide additional protections for the creditors of the SPE Debtors in the event any such entities are liquidated. At the same time, the Revised Cash Management System is designed to efficiently use administrative and accounting resources while recognizing the SPE Debtors' highly integrated nature. As a result of the Court Officer taking on the responsibilities outlined in the Estate Account Agreement, the SPE Debtors do not need to take on the burden of developing new in-house cash management capabilities and infrastructure (or, alternatively, finding a third-party provider of these services). I understand that the Court Officer already has the necessary systems and infrastructure in place to fulfill its responsibilities under the Estate Account Agreement. The role played by the Court Officer in the Revised Cash Management System is consistent with its responsibilities and duties in the CCAA Proceedings and the NOI Proceedings.

E. Pre-Filing Amounts to Suppliers

36. As described above, a situation already arose where a pre-filing supplier to the CCAA Debtors stopped working on a construction project important to the business despite the Initial Order. The CCAA Debtors have concerns that this situation could arise again in respect of other Centres. I am informed by Mr. Nicosia that currently another contractor working on an improvement project for a Centre has also recently informed the CCAA Debtors that it intends to stop working on the project due to non-payment of arrears that arose prior to the filing date notwithstanding the Initial Order.

37. These construction projects are critical to maintaining the professional appearance of Centres and improving Centres to attract sufficient Occupants in order for a Centre to remain viable. The CCAA Debtors also rely on various contractors to complete this work in a timely and

workmanlike fashion. In situations where pre-filing arrears have arisen, the contractors were midway through their project at a Centre making it difficult for the CCAA Debtors to find a replacement supplier to complete a particular project. In order to preserve the Centres and ensure the CCAA Debtors' operations remain uninterrupted during the CCAA Proceedings, the CCAA Debtors are requesting authority to pay pre-filing arrears to suppliers up to an aggregate maximum of \$1.25 million if, following consultation with the Monitor, the CCAA Debtors are of the view that the payment is critical for the preservation of their business or property. The amounts for such payments would be funded by RGN Management.

38. If authority is granted to make certain pre-filing payments, in determining whether to pay a supplier their pre-filing arrears, the CCAA Debtors, in consultation of the Monitor, would intend to consider the following:

- (a) Whether a supplier has refused to continue supplying the CCAA Debtors and if so, whether there are any practical alternatives for requiring the supplier to continue working;
- (b) Whether the project being completed by the supplier is integral to the business of the CCAA Debtors;
- (c) Whether there is urgency to the project being completed for a respective Centre;
- (d) Whether a replacement supplier could be found to complete the work, and if so, in what timeframe; and
- (e) The Monitor's view on whether the payment should be made.

F. Extension of the Stay Period

39. The current Stay Period expires on November 27, 2020. The CCAA Debtors are requesting an extension of the Stay Period until and including March 16, 2021.

40. The CCAA Debtors are seeking an extension of the Stay Period until and including March 16, 2021 to provide sufficient time for the occurrence of certain key milestones in the Chapter 11 Cases. In particular, as a condition of the Chapter 11 Debtors' US\$50 million debtor-in-possession ("**DIP**") financing facility,³ the Chapter 11 Debtors are to, among other things, (a) file a plan of reorganization no later than November 25, 2020 and (b) obtain an order confirming the plan of reorganization in a form that is reasonably acceptable to the DIP lender by no later than February 15, 2021. The "Effective Date" for the plan of reorganization is to be no later than March 16, 2021. The proposed extension to the Stay Period aligns with the outside Effective Date for the Chapter 11 Debtors' plan of reorganization and will obviate the time and expense of additional motions to extend the Stay Period until such time.

41. As detailed in the CCAA Debtors' cash flow statement, which is attached hereto as **Exhibit "E"**, the Applicants have sufficient funds to continue operating through the proposed extension of the Stay Period.

42. The CCAA Debtors are requesting an extension of the Stay Period to maintain their focus on their restructuring initiatives. During the extension of the Stay Period, the CCAA Debtors will continue to work with the Chapter 11 Debtors and other stakeholders to develop and advance a resolution to the CCAA Proceedings. The CCAA Debtors will continue to pay their debts, including post-filing rent obligations, as they become due.

³ See the *Final Order (i) Authorizing Certain Debtors to Obtain Postpetition Financing, (ii) Authorizing Certain Debtors' Use of Cash Collateral, (iii) Granting Adequate Protection, and (iv) Granting Related Relief* [Docket No. 587].

43. I understand that the Monitor intends to file a report that, among other things, is supportive of the CCAA Debtors' request to extend the Stay Period.

44. The CCAA Debtors have acted and continue to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of the extension of the Stay Period.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to the Town of Dundas, in the Province of Ontario, Canada, on November 13, 2020.

DocuSigned by:
Lee Nicholson
82C0CC8E694B4AB

LEE NICHOLSON (LSO #664121)
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
James S. Feltman
4AA1B7E83C964A2

JAMES S. FELTMAN

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C 36, AS AMENDED AND IN THE MATTER OF GUARDIAN FINANCIAL CORP. AND
OTHER ENTITIES LISTED ON SCHEDULE "A"**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JAMES S. FELTMAN
SWORN NOVEMBER 13, 2020**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO#: 66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Nicholas Avis LSO#: 76781Q

Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

EXHIBIT “F”

This is
EXHIBIT "F"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Micholson

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Commissioner for taking affidavits

Court File No. CV-20-00646507-00CL

**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 A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**AFFIDAVIT OF JAMES S. FELTMAN
(Sworn March 5, 2021)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus (collectively, "**IWG**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by the Applicants to assist with their proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as

amended, the “**CCAA**”), and file this affidavit in support of the within motion. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”), which filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. Through this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters I depose in this affidavit, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of the motion by the Applicants seeking an Order:

- (a) extending the Stay Period (as defined below) to June 30, 2021;
- (b) terminating and discharging the CCAA Proceedings (as defined below) with respect to RGN Alberta Limited Partnership and its general partner, RGN Alberta GP Inc.; and
- (c) approving the payment of a surrender fee in connection with a Lease amendment entered into by RGN Ontario L Limited Partnership.

A. Background

4. Beginning on July 30, 2020, various entities affiliated with IWG filed voluntary petitions for relief pursuant to the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”, and such cases, the “**Chapter 11 Cases**”). Currently, 106 entities affiliated with IWG have filed voluntary petitions under the Bankruptcy Code as part of the Chapter

11 Cases. Three of the Chapter 11 Cases were commenced on August 17, 2020 by RGN-National Business Centers, LLC (“**RGN-NBC**”), H Work, LLC (f/k/a HQ Global Workplaces LLC) and RGN-Group Holdings, LLC (collectively, the “**Guarantor Debtors**”).

5. The Guarantor Debtors guaranteed certain Leases held by the CCAA Debtors (as defined below), and the commencement of the Chapter 11 Cases by the Guarantor Debtors may have been a technical event of default under the CCAA Debtors’ Leases. If any of these Leases were involuntarily terminated on account of the Guarantor Debtors’ Chapter 11 Cases, then the applicable CCAA Debtor could lose access to its premises and, in turn, the ability to operate its business.

6. Accordingly, on August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the “**Foreign Representative**”) of itself and certain of the other Chapter 11 Debtors, commenced the recognition proceedings (the “**Recognition Proceedings**”) pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized certain of the Chapter 11 Cases as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Restructuring Inc. (f/k/a/ KSV Kofman Inc.) (“**KSV**”) as Information Officer in respect of the Recognition Proceedings.

7. As part of the Chapter 11 Cases, the Chapter 11 Debtors sought an order from the U.S. Court approving certain lease termination notice procedures which would have required Landlords to provide 15 business days’ notice prior to terminating a Lease held by any affiliate of the Chapter

11 Debtors that was guaranteed by a Guarantor Debtor. The U.S. Court denied the requested relief.

8. The Foreign Representative sought a temporary stay order within the Recognition Proceedings to permit the Applicants to make an application for CCAA protection in an orderly manner. This Court denied the requested relief. As a result, RGN Ontario II Limited Partnership, an affiliate of the CCAA Debtors, sought immediate protection by means of a Notice of Intention to Make a Proposal (an “**NOI**”, and such proceedings, the “**RGN Ontario II NOI Proceedings**”) to its creditors pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) on August 28, 2020. KSV was appointed as Proposal Trustee for RGN Ontario II Limited Partnership.

9. On August 31, 2020, the Applicants commenced these proceedings under the CCAA (the “**CCAA Proceedings**”) and this Court granted an Initial Order in respect of the Applicants and certain affiliated limited partnerships (together, the “**CCAA Debtors**”, and each a “**CCAA Debtor**”). The CCAA Debtors subject to the Initial Order and CCAA Proceedings, other than the Applicants, are listed on Schedule “B” hereto. KSV was appointed as monitor of the CCAA Debtors (the “**Monitor**”). On September 10, 2020, this Court granted an Order amending and restating the Initial Order (as amended and restated, the “**Initial Order**”). The Initial Order provided a stay of proceedings (the “**Stay Period**”) until November 27, 2020. A copy of the Initial Order is attached hereto as **Exhibit “A”**.

10. On September 16, 2020, RGN Ontario XXXIV Limited Partnership, an affiliate of the CCAA Debtors, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN Ontario XXXIV Limited Partnership.

11. On November 5, 2020, this Court granted an Order continuing the RGN Ontario II NOI Proceedings commenced by RGN Ontario II Limited Partnership under the CCAA Proceedings

and extending all the rights, benefits and protections under the Initial Order to RGN Ontario II Limited Partnership as a “CCAA Debtor”.

12. On November 13, 2020, RGN British Columbia XXIII Limited Partnership, an affiliate of the CCAA Debtors, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN British Columbia XXIII Limited Partnership.

13. On November 19, 2020, this Court granted an Order in the CCAA Proceedings that, among other things, extended the Stay Period until March 16, 2021 (the “**Stay Extension Order**”). A copy of the Stay Extension Order is attached hereto as **Exhibit “B”**.

14. On January 28, 2021, RGN British Columbia XXIII Limited Partnership was deemed to have made an assignment in bankruptcy.

15. I am informed by Lee Nicholson of Stikeman Elliott LLP, counsel to the CCAA Debtors, that on March 2, 2021, RGN Ontario XXXIV Limited Partnership filed a holding proposal in order to give it additional time to work out a compromise with its creditors, particularly its Landlord. This decision was supported by RGN Ontario XXXIV Limited Partnership’s primary creditor, its Landlord.

16. I previously swore an affidavit in support of the application commencing the Recognition Proceedings, a copy of which, without exhibits, is attached hereto as **Exhibit “C”**. I also swore affidavits: (a) in support of the application by the Applicants for protection under the CCAA (the “**Second Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “D”**; and (b) in support of the motion by the Applicants seeking an extension of the Stay Period under the Initial Order (the “**Fifth Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “E”**. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Second Feltman Affidavit.

17. Copies of the other Orders and filings in the Recognition Proceedings, the CCAA Proceedings and the various NOI and bankruptcy proceedings are available on KSV's website at <https://www.ksvadvisory.com/insolvency-cases/case/rqn-national-business-centers>.

B. Update on Chapter 11 Cases

18. The CCAA Debtors sought protection under the CCAA due to concerns that the Leases for the Centres operated by the CCAA Debtors may be in default due to the Guarantor Debtors having commenced the Chapter 11 Cases. To emerge from CCAA protection, the CCAA Debtors need to be positioned such that their Leases cannot be terminated based on a technical default by the Guarantor Debtors.

19. These defaults arising from the commencement of the Chapter 11 Cases by the Guarantor Debtors are expected to be resolved as part of the plan process in the Chapter 11 Cases and the Recognition Proceedings. Accordingly, as set out in the Second Feltman Affidavit and the Fifth Feltman Affidavit, the CCAA Proceedings and the restructuring of the CCAA Debtors is significantly intertwined with the restructuring of the Guarantor Debtors and the Chapter 11 Proceedings, and the CCAA Proceedings must be advanced in parallel.

20. For this reason, the original Stay Period was extended to March 16, 2021 to align with the key milestones in the Chapter 11 Cases. In particular, the Chapter 11 Debtors' US\$50 million debtor-in-possession financing facility (the "**DIP Facility**") provided, among other things, that the Chapter 11 Debtors were required to (a) file a plan of reorganization no later than November 25, 2020; (b) obtain an order confirming the plan of reorganization by no later than February 15, 2021; and (c) cause the effective date under the plan of reorganization to occur no later than March 16, 2021 (collectively, the "**Milestones**").

21. In December 2020, these Milestones for the DIP Facility were extended by the Chapter 11 Debtors and their DIP lender. The Milestone for when a plan of reorganization must become effective was extended to April 23, 2021. The extended Milestones enabled the Chapter 11 Debtors to continue negotiations with Landlords on various lease amendments and allowed investigations occurring in the Chapter 11 Cases to progress. A copy of a statement dated December 18, 2020 filed by the Chapter 11 Debtors in the Chapter 11 Cases is attached hereto as **Exhibit “F”**.

22. More recently, at the end of January 2021, the Chapter 11 Debtors agreed to another amendment to the DIP Facility (the **“Second DIP Amendment”**) with their DIP lender which further extended the Milestones and increased the availability under the DIP Facility by US\$43 million. On February 11, 2021, the U.S. Court approved the Second DIP Amendment. A copy of the Declaration of Stephen Spitzer filed by the Chapter 11 Debtors in the Chapter 11 Cases setting out the background and need for the Second DIP Amendment is attached hereto as **Exhibit “G”**. The revised Milestones contained in the Second DIP Amendment are as follows:

<u>Milestone</u>	<u>Original Date</u>	<u>New Date (Second DIP Amendment)</u>
Filing of a plan of reorganization	November 25, 2020	March 31, 2021
Obtain a confirmation order from the U.S. Court confirming the plan of reorganization	February 15, 2021	June 23, 2021
“Effective Date” of the plan of reorganization	March 16, 2021	June 30, 2021

23. In connection with the Second DIP Amendment, the Chapter 11 Debtors also obtained an option to extend each of the Milestones by an additional 30 days.

24. The Chapter 11 Debtors, including the Guarantor Debtors, currently still intend on filing a comprehensive plan of reorganization in accordance with the Milestones set out in the Second DIP Amendment.

C. Update on the CCAA Proceedings

25. Since the Court granted the latest Stay Extension Order, the CCAA Debtors, with the assistance and oversight of the Monitor, have worked in good faith and with due diligence to ensure the stability of their business and that the CCAA Proceedings continue in a coordinated manner with the Chapter 11 Cases, the Recognition Proceedings and the various ancillary proceedings under the BIA. Since the latest Stay Extension Order, the activities of the CCAA Debtors have included:

- (a) paying post-filing rent for each of the Leases held by the CCAA Debtors;
- (b) answering inquiries from the CCAA Debtors' Landlords;
- (c) reviewing the CCAA Debtors' cash flow statements and preparing a cash flow forecast for the purposes of the within motion;
- (d) negotiating amendments to several of the CCAA Debtors' Leases, as described below;
- (e) coordinating efforts with U.S. counsel to the Chapter 11 Debtors regarding certain activities related to the Chapter 11 Cases; and
- (f) preparing this affidavit and the related materials for the within motion.

26. As set out in earlier materials filed in the CCAA Proceedings, the primary purpose of the various restructuring proceedings is to permit negotiations with Landlords in a stabilized

environment. The CCAA Debtors had previously initiated a comprehensive review of their Leases to determine whether any Leases should be disclaimed as part of the CCAA Proceedings if acceptable amendments could not be achieved with the various Landlords. As part of this review, over the past 4 months since the latest Stay Extension Order, the CCAA Debtors have continued engaging in good faith, arm's-length negotiations with their Landlords to obtain favourable lease amendments to ensure each Centre is financially viable and sustainable on a long-term basis.

27. As result of these efforts, the CCAA Debtors and certain other Canadian Affiliates have reached 28 agreements in principle with their Landlords on acceptable Lease amendments (“**LAAs**” and each a “**LAA**”). Of these agreements, 15 have been finalized and the parties have executed finalized LAAs or such LAAs are awaiting execution. In addition to the above, the CCAA Debtors and the other Canadian Affiliates were unsuccessful in achieving LAAs with three Landlords which resulted in one CCAA Debtor (RGN Ontario XXI Limited Partnership) disclaiming its Lease on February 4, 2021, and two other Canadian Affiliates closing their respective Centres. RGN British Columbia XXIII Limited Partnership was also deemed to make an assignment into bankruptcy after not reaching an agreement with its Landlord. A copy of the disclaimer related to the Lease held by RGN Ontario XXI Limited Partnership is attached hereto as **Exhibit “H”**.

28. Below is a chart summarizing the current status of the CCAA Debtors' ongoing Lease review:

	<u>CCAA Debtors</u>	<u>NOI Debtors</u>	<u>Non-Debtor Canadian Affiliates</u>
Agreements in principle on LAA	7	N/A	6
Finalized LAA	9	N/A	6
Disclaimed Lease/Centre Closures	1	1	2
Ongoing active discussions with the Landlord	11	1	15

29. The CCAA Debtors remain focused on further negotiations with their Landlords and addressing Leases that are currently not in line with "market realities" in order to avoid further disclaimer of Leases and Centre closures. The CCAA Debtors' progress to date has been achieved in no small part due to the stability provided by the CCAA stay of proceedings. An extension of the Stay Period will permit the CCAA Debtors to continue to advance these restructuring efforts.

30. In addition to addressing the above, in late January as result of the closure of a Centre, one Landlord filed a Statement of Claim in Alberta naming the respective Canadian Tenant SPE and several of the Debtors' affiliates as defendants. The named defendants expect to file a Statement of Defence and vigorously oppose the allegations contained within the Statement of Claim.

D. Extension of the Stay Period

31. The current Stay Period expires on March 16, 2021. The CCAA Debtors are requesting an extension of the Stay Period until and including June 30, 2021. As set out above, the extension of the Stay Period would align with the new Milestones under the amended DIP Facility.

32. As detailed in the CCAA Debtors' cash flow statement, which will be appended to a report of the Monitor to be filed in connection with this motion, the CCAA Debtors have sufficient funds to continue operating through the proposed extension of the Stay Period. The CCAA Debtors will continue to pay their post-filing obligations, including post-filing rent obligations, as they become due.

33. The CCAA Debtors are requesting an extension of the Stay Period to maintain their focus on their restructuring initiatives, including the Lease review detailed above. During the extension of the Stay Period, the CCAA Debtors will continue to work with the Chapter 11 Debtors and other stakeholders to develop and advance a resolution to the CCAA Proceedings.

34. I understand that the Monitor supports the CCAA Debtors' request to extend the Stay Period.

35. The CCAA Debtors acted and continue to act diligently and in good faith in respect of all matters relating to the CCAA Proceedings. In the circumstances, I do not believe that any creditor will suffer material prejudice as a result of extending the Stay Period.

E. Relief Related to Lease Amendments

36. In addition to the extension of the Stay Period, the CCAA Debtors are requesting certain relief in connection with two LAAs negotiated with certain Landlords.

(i) **LAA of RGN Alberta Limited Partnership**

37. In connection with a LAA entered into between RGN Alberta Limited Partnership (“**RGN Alberta LP**”) and its Landlord, Aspen Properties (SLP) Ltd. (“**Aspen**”), the CCAA Debtors are requesting that the CCAA Proceedings in respect of RGN Alberta LP be terminated and discharged in an effort to allow the entity to emerge from creditor protection and continue operations in the ordinary course.

38. RGN Alberta LP is the Canadian Tenant SPE for a Centre located at 144-4 Avenue SW Suits 1600 in Calgary, Alberta, pursuant to a Lease with Aspen. The Lease was entered into on February 27, 2003 for an original term of 10 years and has since been extended on various occasions pursuant to Lease amendments between the parties.

39. On January 14, 2021, RGN Alberta LP and Aspen entered into a LAA, a copy of which is attached hereto as **Confidential Exhibit “I”**. The terms of the LAA are confidential. The CCAA Debtors believe the LAA will produce significant benefits for RGN Alberta LP and allow RGN Alberta LP’s Centre to operate sustainably into the future.

40. One of the conditions of the LAA with Aspen requires RGN Alberta LP to seek an order from this Court discharging the CCAA Proceedings with respect to RGN Alberta LP as soon as reasonably practicable following execution of the LAA. The purpose of discharging the CCAA Proceedings is to permit certain negotiated payments to be made to Aspen under the LAA.

41. In connection with this term, Aspen has agreed that following certain payments under the LAA, the Lease will be in good standing and any claim that the Lease is in default for acts, events or omissions of RGN Alberta LP arising prior to execution of the LAA will have been waived. Additionally, Aspen has also agreed that any default arising from the commencement of the Chapter 11 Cases by the Guarantor Debtors or the treatment of any claim of Aspen against the

Guarantor Debtors in connection with a plan of reorganization will have been waived. Effectively, following the termination and discharge of the CCAA Proceedings in respect of RGN Alberta LP, the entity will be in a position where its Lease cannot be terminated as result of the Chapter 11 Cases and the CCAA Proceedings.

42. The CCAA Debtors and RGN Alberta LP believe this LAA and the termination and discharge of the CCAA Proceedings are in their best interest as the LAA will allow the entity to emerge from creditor protection and the Centre to remain open and continue operating in the ordinary course. This outcome will benefit the Landlord, the employees working at the Centre and the Occupants who continue to license space at the Centre. No creditors of RGN Alberta LP are expected to be prejudiced as result of this requested relief as the Landlord is the only arm's length creditor of the entity and it supports the requested relief.

(ii) LAA of RGN Ontario L Limited Partnership

43. The CCAA Debtors are also seeking approval of a payment of a surrender fee in connection with a LAA entered into between RGN Ontario L Limited Partnership ("**RGN Ontario L LP**") and its Landlord, 5200 Yonge Limited Partnership ("**5200 Yonge**").

44. RGN Ontario L LP and 5200 Yonge are party to a Lease dated May 23, 2018 related to premises located at 5200 Yonge Street, Toronto, Ontario (the "**Leased Premises**"). On February 22, 2021, RGN Ontario L LP and 5200 Yonge entered into a LAA, a copy of which is attached hereto as **Confidential Exhibit "J"**.

45. The LAA modifies the Lease in several respects, the most important of which is the partial surrender of certain space located at the Leased Premises to the Landlord. The partial surrender of the Leased Premises will allow RGN Ontario L LP to "right size" its Centre and adjust the terms of the Lease accordingly to permit the Centre to operate in a sustainable manner. As a condition

of this partial surrender of the Leased Premises, RGN Ontario L LP is required to pay the Landlord a surrender fee (the “**Surrender Fee**”). The amount payable is related to tenant improvement payments that the Landlord made to RGN Ontario L LP in connection with the space that will be surrendered in connection with the LAA, some of which was received by RGN Ontario L LP prior to the commencement of the CCAA Proceedings.

46. Due to concerns that the payment of the Surrender Fee may violate the Initial Order, the LAA requires RGN Ontario L LP to seek an order from the Court in the CCAA Proceedings by no later than March 31, 2021 approving the payment of the Surrender Fee. The Surrender Fee must be paid within ten (10) business days of the Court making the order approving payment of the Surrender Fee. Similar to RGN Alberta LP, no creditors of RGN Ontario L LP are expected to be prejudiced as result of this requested relief as the Landlord is the only arm’s length creditor of the entity and it supports the requested relief.

47. The LAA was the culmination of extensive arm’s length negotiations with the Landlord. By surrendering a portion of the Centre, RGN Ontario L LP’s obligations under the Lease will be reduced accordingly and allow the vast majority of the Centre to continue operating in a financially viable manner. The CCAA Debtors believe payment of the Surrender Fee in exchange for the ongoing benefits provided by the LAA is in the best interests of the CCAA Debtors and RGN Ontario L LP. The partial surrender will better position the Centre for long term viability for the benefit of the CCAA Debtors’ stakeholders.

(iii) Sealing Order in respect of the LAAs

48. The CCAA Debtors are requesting that the LAAs attached to this affidavit be sealed from the Court record in the CCAA Proceedings. The LAAs with Aspen and 5200 Yonge contain confidentiality clauses that do not permit the contents of the LAAs to be disclosed to third parties.

49. The CCAA Debtors also have concerns that disclosure of the contents of the LAAs could have significant negative effects on their ability to negotiate LAAs with other Landlords. The material contained in the LAAs could create certain expectations related to future LAAs with other Landlords. Further, I understand that Landlords are typically concerned with any disclosure of the specific terms of their Leases and the LAAs as it may negatively affect their ability to negotiate terms with other tenants for their properties.

50. The CCAA Debtors do not believe there will be any prejudice to their stakeholders as a result of sealing the LAAs. The other Landlords involved in these CCAA Proceedings are not creditors of RGN Alberta LP or RGN Ontario L LP and the LAAs do not affect the other CCAA Debtors.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to the City of Toronto, in the Province of Ontario, Canada, on March 5, 2021.

DocuSigned by:
Lee Nicholson
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LEE NICHOLSON (LSO #664121)
Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:
James S. Feltman
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JAMES S. FELTMAN

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule “B” – Other CCAA Debtors

RGN Alberta IV Limited Partnership
RGN Alberta Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
RGN Ontario II Limited Partnership
RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C 36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JAMES S. FELTMAN
SWORN MARCH 5, 2021**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO#: 66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N

Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

EXHIBIT “G”

This is
EXHIBIT "G"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Melhson

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Commissioner for taking affidavits

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
RGN-GROUP HOLDINGS, LLC, et al.,1)
Debtors.)
Chapter 11
Case No. 20-11961 (BLS)
(Jointly Administered)

JOINT PLAN OF RGN-GROUP HOLDINGS, LLC AND ITS
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

Chad J. Husnick, P.C. (admitted pro hac vice)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: chad.husnick@kirkland.com

Patrick A. Jackson (Del. Bar No. 4976)
Ian J. Bambrick (Del. Bar No. 5455)
FAEGRE DRINKER BIDDLE & REATH LLP
222 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Telephone: (302) 467-4200
Facsimile: (302) 467-4201
Email: patrick.jackson@faegredrinker.com
ian.bambrick@faegredrinker.com

-and-

-and-

Edward O. Sassower, P.C.
Patrick Venter (admitted pro hac vice)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: esassower@kirkland.com
patrick.venter@kirkland.com

Mike T. Gustafson (admitted pro hac vice)
FAEGRE DRINKER BIDDLE & REATH LLP
311 S. Wacker Drive, Suite 4300
Chicago, Illinois 60606
Telephone: (312) 212-6500
Facsimile: (312) 212-6501
Email: mike.gustafson@faegredrinker.com

Co-Counsel to the Debtors and Debtors in Possession

Co-Counsel to the Debtors and Debtors in Possession

Dated: June 11, 2021

Nothing contained herein shall constitute an offer, acceptance, or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval by the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.

1 The mailing address for the Debtors in these chapter 11 cases is 3000 Kellway Drive, Suite 140, Carrollton, Texas 75006 (Attn: James S. Feltman, Responsible Officer). Due to the large number of Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors is not provided herein. A complete list of the Debtors along with the last four digits of their tax identification numbers, where applicable, may be obtained on the website of the Debtors' noticing and claims agent at https://dm.epiq11.com/case/rgn/info or by contacting counsel for the Debtors (Rokeysha Ramos, paralegal, at rokeysha.ramos@faegredrinker.com).

TABLE OF CONTENTS

	Page
INTRODUCTION	1
ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES.....	1
A. Defined Terms	1
B. Rules of Interpretation	13
C. Computation of Time	13
D. Governing Law	13
E. Reference to Monetary Figures	13
F. Reference to the Debtors or the Reorganized Debtors	13
G. Controlling Document.....	14
H. Nonconsolidated Plan	14
ARTICLE II. ADMINISTRATIVE AND PRIORITY CLAIMS.....	14
A. Administrative Claims	14
B. Professional Fee Claims.....	15
C. Priority Tax Claims.....	16
D. DIP Claims.....	16
ARTICLE III. CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS.....	16
A. Classification of Claims and Interests.....	16
B. Treatment of Classes of Claims and Interests	18
C. Special Provision Governing Unimpaired Claims	27
D. Elimination of Vacant Classes	27
E. Voting Classes; Presumed Acceptance by Non-Voting Classes	27
F. Subordinated Claims	27
G. Controversy Concerning Impairment.....	27
H. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code.....	28
ARTICLE IV. MEANS FOR IMPLEMENTATION OF THE PLAN	28
A. General Settlement of Claims and Interests	28
B. Restructuring Transactions	28
C. Sources of Consideration for Plan Distributions	29
D. Corporate Existence	30
E. Corporate Action.....	30
F. Vesting of Assets in the Reorganized Debtors.....	31
G. Cancellation of Notes, Instruments, Certificates, and Other Documents	31
H. Effectuating Documents; Further Transactions.....	31
I. Exemptions from Certain Taxes and Fees.....	32
J. Directors and Officers	32
K. Preservation of Causes of Action.....	32
ARTICLE V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	33
A. Assumption and Rejection of Executory Contracts and Unexpired Leases	33
B. Claims Based on Rejection of Executory Contracts or Unexpired Leases.....	34
C. Cure of Defaults and Objections to Cure and Assumption	34
D. Insurance Policies	35
E. Indemnification Provisions	35
F. Director, Officer, Manager, and Employee Liability Insurance.....	36
G. Employee and Retiree Benefits	36
H. Modifications, Amendments, Supplements, Restatements, or Other Agreements	36
I. Reservation of Rights.....	37

J.	Non-Occurrence of Effective Date.....	37
K.	Contracts and Leases Entered Into After the Petition Date.....	37
L.	Amended FF&E Contracts.....	37
ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS		37
A.	Timing and Calculation of Amounts to Be Distributed	37
B.	Distributions on Account of Obligations of Multiple Debtors.....	37
C.	Distribution Agent	38
D.	Rights and Powers of Distribution Agent	38
E.	Delivery of Distributions	38
F.	Manner of Payment.....	39
G.	Compliance Matters	39
H.	Allocation Between Principal and Accrued Interest	39
I.	Setoffs and Recoupment	39
J.	Claims Paid or Payable by Third Parties.....	39
ARTICLE VII. PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS.....		40
A.	Allowance of Claims.....	40
B.	Claims Administration Responsibilities.....	40
C.	Estimation of Claims.....	40
D.	Adjustment to Claims Without Objection.....	41
E.	Time to File Objections to Claims	41
F.	Disallowance of Claims	41
G.	Amendments to Claims	41
H.	No Distributions Pending Allowance.....	42
I.	Distributions After Allowance	42
ARTICLE VIII. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS		42
A.	Compromise and Settlement of Claims, Interests, Causes of Action, and Controversies	42
B.	Discharge of Claims.....	42
C.	Release of Liens	43
D.	Debtor Release	43
E.	Third-Party Release.....	44
F.	Exculpation	45
G.	Injunction	46
H.	Protection Against Discriminatory Treatment	46
I.	Recoupment	47
J.	Reimbursement or Contribution.....	47
K.	Term of Injunctions or Stays.....	47
L.	Document Retention	47
ARTICLE IX. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE.....		47
A.	Conditions Precedent to the Effective Date.	47
B.	Waiver of Conditions Precedent	48
C.	Substantial Consummation	48
D.	Effect of Non-Occurrence of Conditions to Consummation.....	48
ARTICLE X. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN.....		48
A.	Modification of Plan	48
B.	Effect of Confirmation on Modifications.....	49
C.	Revocation or Withdrawal of Plan.....	49

ARTICLE XI. RETENTION OF JURISDICTION49

ARTICLE XII. MISCELLANEOUS PROVISIONS50

- A. Immediate Binding Effect..... 50
- B. Additional Documents 51
- C. Statutory Fees..... 51
- D. Payment of Certain Fees and Expenses..... 51
- E. Reservation of Rights..... 51
- F. Successors and Assigns..... 51
- G. Service of Documents 51
- H. Entire Agreement 53
- I. Plan Supplement Exhibits 53
- J. Non-Severability 53
- K. Votes Solicited in Good Faith..... 53
- L. Waiver or Estoppel..... 54
- M. Closing of Chapter 11 Cases 54

INTRODUCTION

RGN-Group Holdings, LLC and its Debtor affiliates in the Chapter 11 Cases propose this joint plan of reorganization for the resolution of the outstanding Claims against and Interests in the Debtors pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in Article I.A of the Plan. The Plan does not contemplate substantive consolidation of any of the Debtors. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, businesses, properties and operations, projections, and risk factors, a summary and analysis of this Plan, and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY, PARTICULARLY HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN (IF ANY).

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

A. *Defined Terms*

1. “*Administrative Claim*” means a Claim for costs and expenses of administration of the Chapter 11 Cases pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses of preserving the Estates and operating the Debtors' businesses incurred on or after the Petition Date until and including the Effective Date; and (b) Allowed Professional Fee Claims.

2. “*Administrative Claims Bar Date*” means the deadline for Filing requests for payment of Administrative Claims (other than (a) Professional Fee Claims and (b) Administrative Claims arising in the ordinary course of business), which shall be the first Business Day that is thirty days after the Effective Date; *provided, however*, that the deadline for Filing requests for payment of Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code shall be the Claims Bar Date.

3. “*Affiliate*” has the meaning set forth in section 101(2) of the Bankruptcy Code as if such Entity was a debtor in a case under the Bankruptcy Code.

4. “*Allowed*” means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Administrative Claims Bar Date or Claims Bar Date, as applicable (or a Claim, for which, under the Plan, the Bankruptcy Code, or pursuant to a Final Order, a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order by the Bankruptcy Court. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, unless specifically Allowed by this Plan, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein unless specifically Allowed pursuant to the Plan, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor. For the avoidance of doubt: (x) a Proof

of Claim Filed after the Administrative Claims Bar Date or Claims Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. “Allow” and “Allowing” shall have correlative meanings.

5. “*Amended DIP Facility Term Sheet*” means that certain Amended DIP Facility Term Sheet, dated as of November 17, 2020, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender [Docket No. 756, Ex. 1].

6. “*Amended FF&E Contracts*” means those FF&E Contracts that will be amended as of the Effective Date by the applicable Debtors and/or applicable Reorganized Debtors.

7. “*Assumed Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors or the Reorganized Debtors, as applicable, in consultation with the DIP Lender and the Prepetition Lender, of Executory Contracts and Unexpired Leases (with proposed cure amounts) that will be assumed by the Reorganized Debtors, which list shall be included in the Plan Supplement as may be amended, modified, or otherwise supplemented from time to time by the Debtors or Reorganized Debtors, as applicable, in accordance with the Plan. For the avoidance of doubt, each of the Debtors’ management agreements with Regus Management Group, LLC and each of the Debtors’ franchise agreements with Franchise International S.A.R.L. (a) are deemed Assumed Executory Contracts and Unexpired Leases, (b) shall be included on the Assumed Executory Contract and Unexpired Lease List, (c) shall reflect a cure amount as stipulated and agreed to among the Debtors, Regus Management Group, LLC, and Franchise International S.A.R.L., and (d) shall not be rejected or removed from the Assumed Executory Contract and Unexpired Lease List without the consent of Regus Management Group, LLC or Franchise International S.A.R.L., as applicable.

8. “*Assumed Executory Contracts and Unexpired Leases*” means those Executory Contracts and Unexpired Leases to be assumed by the applicable Reorganized Debtors, as set forth on the Assumed Executory Contract and Unexpired Lease List. For the avoidance of doubt, Assumed Executory Contracts and Unexpired Leases includes each of the Debtors’ management agreements with Regus Management Group, LLC and each of the Debtors’ franchise agreements with Franchise International S.A.R.L.

9. “*Assuming SPE Debtor*” means an SPE Debtor that has previously assumed, or will assume under this Plan or an otherwise pending motion or notice to assume, all of its Unexpired Leases.

10. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

11. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Delaware or such other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.

12. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases and the general, local, and chambers rules of the Bankruptcy Court, as now in effect or hereafter amended.

13. “*Bar Date Order*” means the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, (II) Approving Procedures for Submitting Proofs of Claim, (III) Approving Notice Thereof, and (IV) Granting Related Relief* [Docket No. 696].

14. “*Business Day*” means any day, other than a Saturday, Sunday, or a legal holiday, as defined in Bankruptcy Rule 9006(a).

15. “*Cash*” or “*\$*” means the legal tender of the United States of America or the equivalent thereof, including bank deposits, checks, and cash equivalents, as applicable.

16. “*Causes of Action*” means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, Liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state or foreign law fraudulent transfer or similar claim.

17. “*CCAA*” means the Companies’ Creditors Arrangement Act, R.S.C., 1985, c. C-36, as amended.

18. “*CCAA Court*” means the Ontario Superior Court of Justice (Commercial List) having jurisdiction over the CCAA Proceedings and the CCAA Recognition Proceedings.

19. “*CCAA Debtors*” means, collectively: (a) RGN Alberta IV Limited Partnership, RGN Alberta Limited Partnership, RGN Alberta X Limited Partnership, RGN Alberta XIII Limited Partnership, RGN Alberta XIV Limited Partnership, RGN Alberta XVII Limited Partnership, RGN British Columbia XX Limited Partnership, RGN British Columbia XVI Limited Partnership, RGN British Columbia XXV Limited Partnership, RGN British Columbia XXIV Limited Partnership, RGN Manitoba II Limited Partnership, RGN Ontario L Limited Partnership, RGN Ontario LV Limited Partnership, RGN Ontario LVI Limited Partnership, RGN Ontario LVIII Limited Partnership, RGN Ontario LXII Limited Partnership, RGN Ontario XI Limited Partnership, RGN Ontario XLI Limited Partnership, RGN Ontario XLII Limited Partnership, RGN Ontario XLV Limited Partnership, RGN Ontario XLVI Limited Partnership, RGN Ontario XLVII Limited Partnership, RGN Ontario XLVIII Limited Partnership RGN Ontario XXI Limited Partnership, RGN Ontario XXIV Limited Partnership, RGN Ontario XXIX Limited Partnership, RGN Ontario XXV Limited Partnership, RGN Ontario XXVIII Limited Partnership, RGN Ontario XXXI Limited Partnership, RGN Ontario XXXII Limited Partnership, RGN Ontario XXXIII Limited Partnership, RGN Quebec V Limited Partnership, RGN Quebec VI Limited Partnership, RGN Quebec XIV Limited Partnership, and RGN Quebec XVI Limited Partnership and their respective general partners; (b) Guardian Financial Corp.; and (c) RGN Services Limited.

20. “*CCAA Proceedings*” means the proceedings commenced by the CCAA Debtors under the CCAA.

21. “*CCAA Recognition Order*” means an order of the CCAA Court recognizing and enforcing the Confirmation Order in Canada.

22. “*CCAA Recognition Proceedings*” means the proceedings commenced by RGN-National Business Centers, LLC under Part IV of the CCAA recognizing the Chapter 11 Cases as “foreign main proceedings.”

23. “*CCAA Termination Order*” means an order of the CCAA Court terminating and discharging the CCAA Proceedings and ordering that no Unexpired Lease of the CCAA Debtors may be terminated or modified, and no right or obligation under any Unexpired Lease may be terminated or modified, at any time after the Effective Date, as a result of (a) the commencement of the CCAA Proceedings and (b) the insolvency or financial condition of any CCAA Debtor at any time before the termination and discharge of the CCAA Proceedings.

24. “*Chapter 11 Cases*” means the procedurally consolidated cases filed or to be filed (as applicable) for the Debtors in the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

25. “*Claim*” means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors, whether or not assessed or Allowed.

26. “*Claims and Noticing Agent*” means Epiq Corporate Restructuring LLC, in its capacity as the claims and noticing agent retained by the Debtors for the Chapter 11 Cases.

27. “*Claims Bar Date*” means the dates established by the Bankruptcy Court by which Proofs of Claim must have been Filed with respect to such Claims (other than Claims required to be Filed by the Administrative Claims Bar Date), pursuant to (a) the Bar Date Order, (b) a Final Order of the Bankruptcy Court, or (c) the Plan.

28. “*Claims Objection Deadline*” means the deadline for objecting to a Claim, which shall be on the date that is the later of (a) with respect to (i) Administrative Claims (other than Professional Fee Claims and Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code), sixty days after the Administrative Claims Bar Date or (ii) all other Claims (other than Professional Fee Claims), 180 days after the Effective Date, (b) such date as may be fixed by the Bankruptcy Court, after notice and a hearing, upon a motion by the Reorganized Debtors, or (c) such date as may be agreed to for such objection by the Reorganized Debtors and the Holder of any asserted Disputed Claim.

29. “*Claims Register*” means the official register of Claims against and Interests in the Debtors maintained by the Claims and Noticing Agent.

30. “*Class*” means a category of Holders of Claims or Interests under section 1122(a) of the Bankruptcy Code.

31. “*Confirmation*” means entry of the Confirmation Order by the Bankruptcy Court on the docket of the Chapter 11 Cases.

32. “*Confirmation Date*” means the date on which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

33. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court pursuant to Bankruptcy Rule 3020(b)(2) and section 1128 of the Bankruptcy Code, including any adjournments thereof, at which the Bankruptcy Court will consider confirmation of the Plan.

34. “*Confirmation Objection Deadline*” means the date that is at least five (5) Business Days prior to the date first set by the Bankruptcy Court for the Confirmation Hearing, or any other date as may be proposed by the Debtors and approved by the Bankruptcy Court.

35. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which shall be in form and substance reasonably acceptable to the Prepetition Lender and the DIP Lender.

36. “*Consummation*” means the occurrence of the Effective Date.

37. “*Contingent Guaranty Claim*” means a Claim of a Landlord against a Guarantor Debtor that arises under or in connection with (a) a Guaranty for an Unexpired Lease that is not rejected, terminated, or expired by its terms as of the Effective Date or (b) an Unexpired Lease that is not rejected, terminated, abandoned, or expired by its terms as of the Effective Date under which the Guarantor Debtor was the original tenant and remained co-liable following the assignment of such Unexpired Lease to an Affiliate. For the avoidance of doubt, Contingent Guaranty Claims do not include Claims of Landlords arising under or in connection with Unexpired Leases under which the Guarantor Debtor is the current tenant.

38. “*Creditors’ Committee*” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code.

39. “*Cure Claim*” means a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor’s defaults under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

40. “*D&O Liability Insurance Policies*” means all insurance policies (including any “tail policy”) maintained by the Debtors as of the Petition Date for liabilities against any of the Debtors’ current or former directors, managers, and officers.

41. “*Debtor*” means one or more of the Debtors, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

42. “*Debtors*” means, collectively: (a) RGN-Group Holdings, LLC; RGN-National Business Centers, LLC; H Work, LLC (f/k/a HQ Global Workplaces LLC); RGN-Columbus IV, LLC; RGN-Chicago XVI, LLC; RGN-Fort Lauderdale III, LLC; RGN-Lehi I, LLC; RGN-Lehi II, LLC; RGN-Atlanta XXXV, LLC; RGN-Arlington VI, LLC; RGN-Chevy Chase I, LLC; RGN-Philadelphia IX, LLC; RGN-Denver XVI, LLC; RGN-Los Angeles XXV, LLC; RGN-New York XXXIX, LLC; RGN-San Jose IX, LLC; RGN-Culver City I, LLC; RGN-Denver XI, LLC; RGN-Austin VI, LLC; RGN-Beachwood I, LLC; RGN-Boston XIX, LLC; RGN-Houston XXV, LLC; RGN-San Antonio XIV, LLC; RGN-Huntsville II, LLC; RGN-New York XLIII, LLC; RGN-New York XLI, LLC; RGN-Alpharetta II, LLC; RGN-Baton Rouge I, LLC; RGN-Boston I, LLC; RGN-Boulder II, LLC; RGN-Beaverton II, LLC; Corporate Offices of California, LLC; RGN-Chicago XXVI, LLC; RGN-Fort Worth VI, LLC; RGN-Frisco II, LLC; RGN-Clayton I, LLC; RGN-Greenwood Village II, LLC; RGN-Jenkintown I, LLC; RGN-Dallas XIX, LLC; RGN-Jupiter II, LLC; RGN-Downers Grove I, LLC; RGN-Katy I, LLC; RGN-Lakewood I, LLC; RGN-Las Vegas VII, LLC; RGN-Englewood III, LLC; RGN-Las Vegas X, LLC; RGN-Los Angeles I, LLC; RGN-Fort Worth IV, LLC; RGN-Metairie II, LLC; RGN-Metro Dallas VI, LLC; RGN-Miami I, LLC; RGN-Oak Park I, LLC; RGN-Oklahoma City I, LLC; RGN-Pasadena I, LLC; RGN-Santa Fe I, LLC; RGN-Pasadena II, LLC; RGN-Scottsdale V, LLC; RGN-Phoenix III, LLC; RGN-Scottsdale VI, LLC; RGN-Phoenix XII, LLC; RGN-Southfield I, LLC; RGN-St. Louis II, LLC; RGN-Phoenix XIII, LLC; RGN-Sugarland I, LLC; RGN-Sacramento IV, LLC; RGN-San Diego XII, LLC; RGN-San Diego XV, LLC; RGN-San Francisco XIII, LLC; RGN-Tampa V, LLC; RGN-Tulsa III, LLC; RGN-Tucson I, LLC; RGN-Uniondale I, LLC; RGN-Washington DC XIV, LLC; RGN-Atlanta XII, LLC; RGN-Austin XV, LLC; RGN-Austin XIII, LLC; RGN-Braintree I, LLC; RGN-Cambridge III, LLC; RGN-Dallas XX, LLC; RGN-Irving II, LLC; RGN-Long Island City I, LLC; RGN-Miami Beach II, LLC; RGN-Milwaukee II, LLC; RGN-New York LVIII, LLC; RGN-New York XLVII, LLC; RGN-Novato II, LLC; RGN-Palo Alto III, LLC; RGN-San Diego XVI, LLC; RGN-San Francisco XIX, LLC; RGN-San Francisco XX, LLC; RGN-Seattle XVII, LLC; RGN-Tulsa V, LLC; RGN-Baltimore IV, LLC; RGN-Cincinnati III, LLC; RGN-New York VIII, LLC; RGN-Plano V, LLC; RGN-Portland VII, LLC; RGN-Raleigh VII, LLC; RGN-Reston II, LLC; RGN-Roseville III, LLC; RGN-Santa Monica VI, LLC; RGN-Sausalito II, LLC; RGN-Washington DC I, LLC; RGN-Baltimore V, LLC; RGN-Chicago XLIV, LLC; RGN-Milwaukee IV, LLC; and RGN-New York V, LLC;² and (b) any additional entities that have filed petitions for relief in the Chapter 11 Cases, and for which the case of such entity has not been dismissed.

43. “*Debtor Release*” means the release given on behalf of the Debtors and their Estates to the Released Parties as set forth in Article VIII.D of the Plan.

44. “*DIP Claims*” means any and all Claims held by the DIP Lender against any Debtor arising under, derived from, secured by, or based on the DIP Documents or the DIP Orders, including all principal amounts outstanding, accrued and unpaid interest, fees, expenses, costs, or other charges arising under or related to the DIP Facility, in each case, as authorized or approved by the DIP Orders.

45. “*DIP Documents*” means the DIP Facility Term Sheet and all related agreements, documents, and instruments executed in connection with the DIP Facility Term Sheet and authorized or approved by the DIP Orders, each as may be amended, modified, or supplemented from time to time.

46. “*DIP Facility*” means the senior secured superpriority term loan credit facility contemplated under the terms of the DIP Facility Term Sheet and the DIP Orders.

² For the avoidance of doubt, additional entities may be added as Debtors to these Chapter 11 Cases.

47. “*DIP Facility Term Sheet*” means that certain DIP Facility Term Sheet, dated as of November 17, 2020, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender, by the Amended DIP Facility Term Sheet and the Second Amended DIP Facility Term Sheet.

48. “*DIP Lender*” means Regus, in its capacity as lender under the DIP Documents and the DIP Orders.

49. “*DIP Orders*” means, collectively, the interim, final, and other orders of the Bankruptcy Court approving the DIP Facility and amendments thereto in form and substance consistent with the DIP Documents.

50. “*Disclosure Statement*” means the disclosure statement for this Plan, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto, and, solely to the extent the Plan requires solicitation, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

51. “*Disputed*” means with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

52. “*Distribution Agent*” means, as applicable, the Reorganized Debtors or any Entity the Reorganized Debtors select to make or to facilitate distributions in accordance with the Plan.

53. “*Distribution Record Date*” means the date for determining which Holders of Allowed Claims and Interests are eligible to receive distributions pursuant to the Plan, which date shall be the Effective Date.

54. “*Effective Date*” means the date that is the first Business Day after the Confirmation Date on which all conditions precedent to the occurrence of the Effective Date set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan.

55. “*Entity*” has the meaning set forth in section 101(15) of the Bankruptcy Code.

56. “*Estate*” means the estate of any Debtor created under sections 301 and 541 of the Bankruptcy Code upon the commencement of the applicable Debtor’s Chapter 11 Case.

57. “*Excluded SPE Debtors*” means those Liquidating SPE Debtors whose Landlord with respect to such Liquidating SPE Debtor’s Unexpired Lease objects to, or votes against, the Plan. The Excluded SPE Debtors are not parties to the Plan, and the Plan does not govern the treatment of Claims and Interests against the Excluded SPE Debtors.

58. “*Exculpated Party*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) each of the Reorganized Debtors; (c) the Creditors’ Committee and each of its members; (d) the Subchapter V Trustee; and (e) with respect to each of the foregoing in clauses (a) through (d), such Entity’s Related Parties, in each case in their capacity as such.

59. “*Executory Contract*” means a contract or lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code, which shall include those contracts or leases previously assumed or rejected by the Debtors under section 365 of the Bankruptcy Code.

60. “*Existing Interests*” means all Interests in the Debtors existing immediately prior to the Effective Date.

61. “*Exit Facility*” means that certain exit facility, if any, to be provided to the Debtors or Reorganized Debtors, as applicable, pursuant to the Exit Facility Documents.

62. “*Exit Facility Agent*” means the administrative agent under the Exit Facility Documents, if any, together with its successors, assigns, or any replacement administrative agent appointed pursuant to the terms of the Exit Facility Documents.

63. “*Exit Facility Agreement*” means that certain credit agreement, if any, by and among the Debtors or Reorganized Debtors, as applicable, the Exit Facility Agent, and the Exit Lender, which shall be included in the Plan Supplement.

64. “*Exit Facility Documents*” means, collectively, the Exit Facility Agreement and any related agreements, documents, and instruments delivered or entered into in connection with the Exit Facility, including any guarantee agreements, pledge and collateral agreements, intercreditor agreements, and other security documents related to or executed in connection therewith, which shall be in form and substance reasonably acceptable to the Debtors and the Exit Lender.

65. “*Exit Lender*” means the lender under the Exit Facility and party to the Exit Facility Agreement.

66. “*FF&E Contract*” means any agreement between RGN-Group Holdings, LLC and an SPE Debtor pursuant to which such SPE Debtor leases equipment, furniture, and/or other personal property from RGN-Group Holdings, LLC.

67. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim or Proof of Interest, the Claims and Noticing Agent.

68. “*Final Decree*” means the decree contemplated under Bankruptcy Rule 3022.

69. “*Final Order*” means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, reconsideration, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be filed relating to such order or judgment shall not cause such order or judgment to not be a Final Order.

70. “*General Unsecured Claim*” means any Claim that is not a Secured Claim and is not: (a) an Administrative Claim (including, for the avoidance of doubt, a Professional Fee Claim); (b) a Priority Tax Claim; (c) an Other Priority Claim; (d) an Other Secured Claim; (e) a Contingent Guaranty Claim; (f) a Non-Contingent Guaranty Claim; (g) a Prepetition Credit Agreement Claim; (h) an Intercompany Claim; or (i) any DIP Claims.

71. “*Governmental Unit*” has the meaning set forth in section 101(27) of the Bankruptcy Code.

72. “*Guarantor Debtors*” means, collectively, (a) RGN-Group Holdings, LLC, (b) H Work, LLC (f/k/a HQ Global Workplaces, LLC), and (c) RGN-National Business Centers, LLC.

73. “*Guaranty*” means a Guarantor Debtor’s written guaranty of an Unexpired Lease.

74. “*Holder*” means an Entity holding a Claim or an Interest, as applicable, including in the Exit Facility (if any), or an Entity receiving or retaining Interests in any Debtor, as applicable.

75. “*Impaired*” means a Class of Claims or Interests, or any Claim or Interest, that is not Unimpaired.

76. “*Indemnification Provisions*” means each of the Debtors’ indemnification provisions in place immediately prior to the Effective Date whether in the Debtors’ bylaws, certificates of incorporation, other formation documents, board resolutions, or contracts for the current and former directors, officers, managers, employees,

attorneys, other professionals, and agents of the Debtors and such current and former directors, officers, and managers' respective Affiliates.

77. "*Intercompany Claim*" means, except as otherwise set forth in the Plan, any Claim held by a Debtor or an Affiliate of a Debtor against another Debtor.

78. "*Intercompany Interest*" means any Interest held by a Debtor or an Affiliate of a Debtor in another Debtor.

79. "*Interest*" means any common stock, limited liability company interest, equity security (as defined in section 101(16) of the Bankruptcy Code), equity, ownership, profit interests, unit, or share in a Debtor, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities or other agreements, arrangements, or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.

80. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

81. "*Landlord*" means the lessor under an Unexpired Lease, and its successors and assigns.

82. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

83. "*Liquidating SPE Debtor Distribution Pool*" means, with respect to any Liquidating SPE Debtor, the proceeds from any unencumbered assets of such Liquidating SPE Debtor, including, without limitation, any Cash received pursuant to the Liquidating SPE Debtors' Settlement.

84. "*Liquidating SPE Debtors*" means RGN-Los Angeles XXV, LLC, RGN-Atlanta XXXV, LLC, RGN-Columbus IV, LLC, RGN-Chicago XLIV, LLC, RGN-Portland VII, LLC, RGN-San Jose IX, LLC, RGN-New York V, LLC, and RGN-Chicago XVI, LLC. For the avoidance of doubt, in the event that the Landlord with respect to a Liquidating SPE Debtor's Unexpired Lease objects to, or votes against, the Plan, such Liquidating SPE Debtor shall be an Excluded SPE Debtor.

85. "*Liquidating SPE Debtors' Settlement*" means the good-faith compromises and settlement subject to Bankruptcy Court approval, by and between the Liquidating SPE Debtors, through their Responsible Officer, and Regus, including in its capacity as DIP Lender, of any identified or potentially existing claims and Causes of Action of the Liquidating SPE Debtors against Regus, Regus Management Group, LLC, and Franchise International GmbH in exchange for, among other things, the Liquidating SPE Debtors' Settlement Amount.

86. "*Liquidating SPE Debtors' Settlement Amount*" means the settlement amount to be contributed by Regus to the Liquidating SPE Debtors. For the avoidance of doubt, contribution of the Liquidating SPE Debtors' Settlement Amount is expressly contingent on Bankruptcy Court approval of the Liquidating SPE Debtors' Settlement, Consummation of the Plan of Reorganization, and any other applicable requirements and conditions in the Liquidating SPE Debtors' Settlement Documents.

87. "*Liquidating SPE Debtors' Settlement Documents*" means, collectively, any agreements, documents, and instruments delivered or entered into in connection with the Liquidating SPE Debtors' Settlement, and any other documents related to or executed in connection therewith.

88. "*Luxembourg Proceedings*" means those certain insolvency proceedings commenced on October 9, 2020 by the District Court of Luxembourg, sitting in commercial matters, against Redox plc S.A.

89. "*Non-Contingent Guaranty Claim*" means a Claim of a Landlord against a Guarantor Debtor that arises under or in connection with (a) a Guaranty for an Unexpired Lease that is rejected, terminated, or expired by its terms as of the Effective Date or (b) an Unexpired Lease that is rejected, terminated, abandoned, or expired by its

terms as of the Effective Date under which the Guarantor Debtor was the original tenant and remained co-liable following the assignment of such Unexpired Lease to an Affiliate. For the avoidance of doubt, Non-Contingent Guaranty Claims do not include Claims of Landlords arising under or in connection with Unexpired Leases under which the Guarantor Debtor is the current tenant.

90. “*Other Priority Claim*” means any Claim other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

91. “*Other Secured Claim*” means any Secured Claim against any Debtor (including any Secured Tax Claim), other than DIP Claims and Prepetition Credit Agreement Claims.

92. “*Person*” has the meaning set forth in section 101(41) of the Bankruptcy Code.

93. “*Petition Date*” means, as to each applicable Debtor, the date on which such Debtor filed a petition in the Chapter 11 Cases.

94. “*Plan*” means, collectively, and to the extent applicable, the Plan of Liquidation and the Plan of Reorganization, including the Plan Supplement.

95. “*Plan of Liquidation*” means, to the extent applicable, the plan of liquidation for the Liquidating SPE Debtors (if any), including the Plan Supplement.

96. “*Plan of Reorganization*” means the plan of reorganization for the Reorganizing Debtors, including the Plan Supplement.

97. “*Plan Supplement*” means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan, the initial draft of certain of such documents to be filed by the Debtors with the Bankruptcy Court at least seven days prior to the earlier of (a) the Confirmation Objection Deadline and (b) the Voting Deadline, as may be amended, supplemented, altered, or modified from time to time on the terms set forth herein, and which includes: (a) the Exit Facility Documents, if any; (b) the Assumed Executory Contract and Unexpired Lease List; (c) the Rejected Executory Contract and Unexpired Lease List; (d) the schedule of retained Causes of Action; (e) the schedule of Amended FF&E Contracts; and (f) any other necessary documentation related to the Restructuring Transactions. Any reference to the Plan Supplement in the Plan shall include each of the documents identified herein.

98. “*Prepetition Credit Agreement*” means that certain Senior Loan and Security Agreement, dated as of August 1, 2013, by and between the Prepetition Lender and the Debtors, as amended, restated, supplemented, or otherwise modified at any time prior to the Petition Date.

99. “*Prepetition Credit Agreement Claims*” means any and all Claims held by the Prepetition Lender against any Debtor arising under, derived from, secured by, or based on the Prepetition Financing Documents, including all principal amounts outstanding, accrued and unpaid interest, fees, expenses, costs, or other amounts due and owing under the Prepetition Financing Documents, which shall be Allowed in the aggregate amount as designated in the Prepetition Lender Claim Settlement.

100. “*Prepetition Financing Documents*” means the Prepetition Credit Agreement, together with the other documents, instruments, and agreements executed in connection therewith or related thereto (including those certain Joinder Agreements executed by each of the Debtors with respect to the Prepetition Credit Agreement).

101. “*Prepetition Lender*” means Regus, in its capacity as prepetition lender under the Prepetition Credit Agreement.

102. “*Prepetition Lender Claim Settlement*” means that certain good-faith compromise and settlement, by and between the Debtors and the Prepetition Lender, granting the Prepetition Lender Allowed Claims in the aggregate amount of \$[381,284,678], which Allowed Claims shall, for the avoidance of doubt, fully and finally satisfy, settle, release, and discharge all Prepetition Credit Agreement Claims held by the Prepetition Lender, in accordance

with the terms of, and as more fully set forth in, the Plan; *provided, however*, that the Debtors and the Prepetition Lender agree that all Prepetition Credit Agreement Claims held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and otherwise treated in accordance with the terms of the Plan, including Article III.B.3 of the Plan.

103. “*Prepetition Lien and Claim Investigations*” means (a) that certain investigation initiated and conducted by the Debtors’ Responsible Officer into certain potential claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Matters and (b) that certain investigation initiated and conducted by the Creditors’ Committee, in parallel with the investigation described in the previous clause (a), into certain potential claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Matters.

104. “*Prepetition Lien and Claim Investigations Settlement*” means the good-faith compromises and settlement of any identified or potentially existing claims and Causes of Action arising out of or relating to the Prepetition Lien and Claim Investigations, including the Prepetition Lien and Claim Matters, as described in the Disclosure Statement and ARTICLE IV.A of the Plan.

105. “*Prepetition Lien and Claim Matters*” means any and all potential claims or Causes of Action arising out of or relating to historic transactions entered into by the Debtors prior to the Petition Date.

106. “*Priority Tax Claim*” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

107. “*Pro Rata*” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in such Class.

108. “*Professional*” means an Entity retained in the Chapter 11 Cases pursuant to a Final Order in accordance with sections 327, 363, and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code.

109. “*Professional Fee Claims*” means all Claims for accrued, contingent, and/or unpaid fees and expenses (including transaction and success fees) incurred by a Professional in the Chapter 11 Cases on or after the Petition Date and through and including the Confirmation Date that the Bankruptcy Court has not denied by Final Order. To the extent that the Bankruptcy Court or any higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Professional Fee Claims.

110. “*Professional Fee Escrow Account*” means an interest-bearing account funded by the Debtors with Cash on or before the Effective Date in an amount equal to the Professional Fee Escrow Amount, *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount of Cash funded into the escrow as of the Effective Date.

111. “*Professional Fee Escrow Amount*” means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses estimated in accordance with Article B.3 of the Plan.

112. “*Proof of Claim*” means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

113. “*Proof of Interest*” means a proof of Interest Filed in any of the Debtors in the Chapter 11 Cases.

114. “*Redox*” means Redox plc S.A. (f/k/a Regus plc S.A.).

115. “*Regus*” means Regus Corporation.

116. “*Reinstate*,” “*Reinstated*,” or “*Reinstatement*” means, with respect to any Claim and Interest, that such Claim or Interest shall be rendered Unimpaired.

117. “*Rejected Executory Contract and Unexpired Lease List*” means the list, as determined by the Debtors or the Reorganized Debtors, as applicable, in consultation with the DIP Lender and the Prepetition Lender, of Executory Contracts and Unexpired Leases that will be rejected by the Reorganized Debtors pursuant to the Plan, which list shall be included in the Plan Supplement, as may be amended, modified, or otherwise supplemented from time to time by the Debtors or Reorganized Debtors, as applicable, in accordance with the Plan.

118. “*Rejecting SPE Debtor*” means an SPE Debtor that is a Reorganizing Debtor that has previously rejected, or will reject under this Plan or an otherwise pending motion or notice to reject, one or more of its Unexpired Leases.

119. “*Related Party*” means, with respect to any Entity, in each case in its capacity as such with respect to such Entity, such Entity’s current and former directors, managers, officers, investment committee members, special committee members, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals and advisors.

120. “*Released Party*” means collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus; (d) Regus Management Group, LLC; (e) Franchise International GmBH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) all Holders of Interests in the Debtors; (j) the Creditors’ Committee and each of its members; and (k) each Related Party of each Entity in clauses (a) through (j); *provided, however*, that any Entity identified in the foregoing clauses (a) through (j) that opts out of the releases shall not be a Released Party.

121. “*Releasing Parties*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) the Reorganized Debtors; (c) Regus; (d) Regus Management Group, LLC; (e) Franchise International GmBH.; (f) the DIP Lender; (g) the Prepetition Lender; (h) the Subchapter V Trustee; (i) the Creditors’ Committee and each of its members; (j) all Holders of Claims or Interests that are Unimpaired under the Plan; (k) all Holders of Claims or Interests that vote to accept or are deemed to accept the Plan; (l) all Holders of Claims that vote to reject the Plan or do not vote to accept or reject the Plan but, in either case, do not affirmatively elect to “opt out” of being a releasing party by either timely objecting to the Plan’s third-party release provisions or checking the opt-out box on such Holder’s ballot; (m) all Holders of Claims or Interests that are deemed to reject the Plan that do not affirmatively elect to “opt out” of being a releasing party by timely objecting to the Plan’s third-party release provisions; and (n) each Related Party of each Entity in clauses (a) through (m).

122. “*Reorganized Debtor*” means a Debtor (except for any Liquidating SPE Debtors or Excluded SPE Debtors), or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date.

123. “*Reorganizing Debtors*” means all Debtors except for any Liquidating SPE Debtors or Excluded SPE Debtors.

124. “*Replacement/Recapitalized Guarantor Debtor Documents*” means, collectively, any agreements, documents, and instruments delivered or entered into in connection with the recapitalization of the Guarantor Debtors or the replacement of any Guaranty, and any other documents related to or executed in connection therewith.

125. “*Responsible Officer*” means James S. Feltman, as designated by the Debtors, effective as of the Petition Date, pursuant to the terms and conditions in that certain Letter of Engagement for Duff & Phelps LLC, dated as of July 20, 2020, by and among RGN-National Business Centers, LLC and Duff & Phelps, LLC, as amended, modified, or otherwise supplemented from time to time, and authorized by the Bankruptcy Court pursuant to the *Order (I) Authorizing the Employment and Retention of Duff & Phelps LLC to Provide the Debtor with a Responsible Officer and Certain Additional Personnel; (II) Designating James S. Feltman as the Debtors’ Responsible Officer, Effective as of the Petition Date; and (III) Granting Related Relief* [Docket No. 619].

126. “*Restructuring Transactions*” means the transactions described in Article IV.B of the Plan.
127. “*Schedules*” means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.
128. “*SEC*” means the Securities and Exchange Commission.
129. “*Second Amended DIP Facility Term Sheet*” means that certain Amended DIP Facility Term Sheet, dated as of January 27, 2021, as amended, modified, or supplemented from time to time, by and among the Debtors as borrowers and the DIP Lender [Docket No. 1001, Ex. 1].
130. “*Section 510(b) Claim*” means any Claim arising from: (a) rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors; (b) purchase or sale of such a security; or (c) reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.
131. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed pursuant to the Plan as a Secured Claim.
132. “*Secured Tax Claim*” means any Secured Claim against any Debtor that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.
133. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, or any similar federal, state, or local law, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.
134. “*Security*” has the meaning set forth in section 2(a)(1) of the Securities Act.
135. “*SPE Debtors*” means the Debtors that are not Guarantor Debtors.
136. “*Subchapter V Trustee*” means Natasha Songonuga, in her capacity as Subchapter V Trustee in certain of the Chapter 11 Cases from July 31, 2020, through September 8, 2020, as applicable.
137. “*Third-Party Release*” means the release given by each of the Releasing Parties to the Released Parties as set forth in Article VIII.E of the Plan.
138. “*U.S. Trustee*” means the Office of the United States Trustee for the District of Delaware.
139. “*Unexpired Lease*” means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code, which shall include those leases of nonresidential real property previously assumed or rejected by the Debtors under section 365 of the Bankruptcy Code.
140. “*Unimpaired*” means a Class of Claims or Interests, or any Claim or Interest, that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.
141. “*Voting Deadline*” has the meaning set forth in the Disclosure Statement.

B. Rules of Interpretation

For purposes of the Plan, except as otherwise provided in this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference in the Plan to an existing document, schedule, or exhibit, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (c) unless otherwise specified, all references in the Plan to “Articles” and “Sections” are references to Articles and Sections, respectively, hereof or hereto; (d) the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to any particular portion of the Plan; (e) any effectuating provisions may be interpreted by the Debtors or the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (g) unless otherwise specified in the Plan, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (h) any term used in capitalized form in the Plan that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (i) references to docket numbers of documents filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (j) references to “Proofs of Claim,” “Holders of Claims,” “Disputed Claims,” and the like shall include “Proofs of Interest,” “Holders of Interests,” “Disputed Interests,” and the like, as applicable; (k) references to “shareholders,” “directors,” and/or “officers” shall also include “members” and/or “managers,” as applicable, as such terms are defined under the applicable state limited liability company laws; (l) the terms “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation”; and (m) except as otherwise provided in the Plan, any reference to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter.

C. Computation of Time

Unless otherwise specifically stated in the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed in the Plan. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures refer to currency of the United States of America, unless otherwise expressly provided herein.

F. Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. Controlling Document

Except as otherwise indicated, on the Effective Date, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations with respect to the subject matter of the Plan, all of which will have become merged and integrated into the Plan. Except as set forth in the Plan, in the event that any provision of the Disclosure Statement, the Plan Supplement, or any order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing) conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

H. Nonconsolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against, and Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

**ARTICLE II.
ADMINISTRATIVE AND PRIORITY CLAIMS**

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in Article III of the Plan.

A. Administrative Claims

Unless otherwise agreed to by the Holders of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim in accordance with the following: (1) if an Administrative Claim is Allowed as of the Effective Date, no later than thirty days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such Administrative Claim is not Allowed as of the Effective Date, no later than sixty days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claim without any further action by the Holders of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except for DIP Claims, Professional Fee Claims, Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code (which must have been Filed by the Claims Bar Date), or Administrative Claims arising in the ordinary course of business, and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Plan and the Confirmation Order and notice of entry of the Confirmation Order. Objections to such requests must be Filed and served on the requesting party, the Debtors (if the Debtors are not the objecting party), and counsel for the Prepetition Lender and the DIP Lender by the Claims Objection Deadline (unless otherwise agreed to by the Reorganized Debtors and the Holder of such asserted Disputed Administrative Claim). After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with an order that becomes a Final Order of, the Bankruptcy Court. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, or their property, and such Administrative Claims shall be deemed discharged as of the

Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order of the Bankruptcy Court.

B. Professional Fee Claims

1. Professional Fee Escrow Account

As soon as reasonably practicable after the Confirmation Date, and no later than one Business Day prior to the Effective Date, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. Notwithstanding anything to the contrary in any other order of the Bankruptcy Court, including the DIP Orders, the Liens, claims, and security interests of the Prepetition Lender and the DIP Lender in the Cash held in the Professional Fee Escrow Account shall be subordinate to the Professional Fee Claims until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided* that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Confirmation Date must be filed no later than forty-five days after the Effective Date. The Bankruptcy Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Bankruptcy Court orders. The Reorganized Debtors shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Bankruptcy Court.

3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors and counsel for the Prepetition Lender and the DIP Lender no later than five days before the anticipated Effective Date; *provided, however*, that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, may estimate a reasonable amount of unbilled fees and expenses of such Professional, taking into account any prior payments; *provided, however*, that such estimate shall not be binding or considered an admission with respect to the fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account, *provided* that the Reorganized Debtors shall use Cash on hand to increase the amount of the Professional Fee Escrow Account to the extent fee applications are Filed after the Effective Date in excess of the amount held in the Professional Fee Escrow Account based on such estimates.

4. Post-Confirmation Date Fees and Expenses.

From and after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors or the Reorganized Debtors, as applicable. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

The Debtors and Reorganized Debtors, as applicable, shall pay, within ten business days after submission of a detailed invoice to the Debtors or Reorganized Debtors, as applicable, such reasonable claims for compensation or reimbursement of expenses incurred by the retained Professionals of the Debtors or the Reorganized Debtors, as applicable. If the Debtors or Reorganized Debtors, as applicable, dispute the reasonableness of any such invoice, the Debtors or Reorganized Debtors, as applicable, or the affected Professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved.

C. *Priority Tax Claims*

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

D. *DIP Claims*

The DIP Claims are Allowed Claims. Except to the extent that the DIP Lender and the Debtors or Reorganized Debtors agree to less favorable treatment, the Allowed DIP Claims shall be paid in full in Cash on the Effective Date by the Reorganized Debtors through Cash on hand and/or proceeds of the Exit Facility, if any. Notwithstanding anything to the contrary in the Plan or the Confirmation Order, the DIP Claims shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, Bankruptcy Rules, or ARTICLE VII of this Plan.

Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the DIP Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange of its DIP Claims against the Liquidating SPE Debtors. For the avoidance of doubt, the DIP Lender does not release or waive any DIP Claims with respect to Excluded SPE Debtors in any manner whatsoever.

**ARTICLE III.
CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS**

A. *Classification of Claims and Interests*

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth below in accordance with section 1122 of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Summary of Classification for the Reorganizing Debtors

The classification of Claims and Interests against the Reorganizing Debtors pursuant to the Plan of Reorganization is as set forth below. All of the potential Classes for the Reorganizing Debtors are set forth herein.

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Prepetition Credit Agreement Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4A	Contingent Guaranty Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4B	Non-Contingent Guaranty Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5A	General Unsecured Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5B	General Unsecured Claims against Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5C	General Unsecured Claims against Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6A	Intercompany Claims against Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6B	Intercompany Claims against Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6C	Intercompany Claims against Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7A	Existing Interests in Guarantor Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7B	Existing Interests in Assuming SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7C	Existing Interests in Rejecting SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)

2. Summary of Classification for the Liquidating SPE Debtors

The classification of Claims and Interests against the Liquidating SPE Debtors pursuant to the Plan of Liquidation is as set forth below. All of the potential Classes for the Liquidating SPE Debtors are set forth herein.

Class	Claim or Interest	Status	Voting Rights
L1	Other Priority Claims against Liquidating SPE Debtors	Unimpaired	Not Entitled to Vote (Deemed to Accept)

Class	Claim or Interest	Status	Voting Rights
L2	Prepetition Credit Agreement Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
L3	General Unsecured Claims against Liquidating SPE Debtors	Impaired	Entitled to Vote
L4	Intercompany Claims against Liquidating SPE Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)
L5	Existing Interests in Liquidating SPE Debtors	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Classes of Claims and Interests

To the extent a Class contains Allowed Claims or Allowed Interests with respect to any Reorganizing Debtor or Liquidating SPE Debtor (as applicable), the classification of Allowed Claims and Allowed Interests with respect to any Reorganizing Debtor or Liquidating SPE Debtor (as applicable) is specified below.

1. Treatment of Classes of Claims and Interests for the Reorganizing Debtors

(a) Class 1 — Other Secured Claims

(i) *Classification:* Class 1 consists of any Other Secured Claims against the Reorganizing Debtors.

(ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Secured Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:

- a. payment in full in Cash;
- b. delivery of collateral securing any such Allowed Other Secured Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;
- c. Reinstatement of such Allowed Other Secured Claim, notwithstanding any contractual provision or applicable non-bankruptcy Law that entitles the Holder of such Allowed Other Secured Claim to demand or to receive payment prior to the stated maturity of such Claim from and after the occurrence of default; or
- d. such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.

(iii) *Voting:* Class 1 is Unimpaired. Each Holder of an Allowed Other Secured Claim against a Reorganizing Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (b) Class 2 — Other Priority Claims
- (i) *Classification:* Class 2 consists of any Other Priority Claims against the Reorganizing Debtors.
- (ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim against a Reorganizing Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Reorganizing Debtor(s), either:
- a. payment in full in Cash; or
 - b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- (iii) *Voting:* Class 2 is Unimpaired. Each Holder of an Allowed Other Priority Claim against the Reorganizing Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (c) Class 3 — Prepetition Credit Agreement Claims
- (i) *Classification:* Class 3 consists of any Prepetition Credit Agreement Claims against the Reorganizing Debtors.
- (ii) *Allowance:* The Prepetition Credit Agreement Claims against the Reorganizing Debtors are Allowed Claims and on the Effective Date, Prepetition Credit Agreement Claims shall be Allowed in the amounts set forth on **Schedule 1** hereto, which amount includes the aggregate principal amount outstanding at each Debtor under the Prepetition Financing Documents plus accrued and unpaid interest on such principal amount, plus any other unpaid premiums, fees and expenses, costs, or other amounts due and owing under the Prepetition Financing Document. Notwithstanding anything to the contrary in this Plan or the Confirmation Order, the Prepetition Credit Agreement Claims against the Reorganizing Debtors shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, the Bankruptcy Rules, or ARTICLE VII of this Plan. For the avoidance of doubt, and notwithstanding anything to contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, all Prepetition Credit Agreement Claims against the Reorganizing Debtors held by the Prepetition Lender shall be Allowed in accordance with the Prepetition Lender Claim Settlement.
- (iii) *Treatment:* Except to the extent that a Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor agrees to other treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each such Prepetition Credit Agreement Claim, each such Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor shall receive Reinstatement of such Allowed Prepetition Credit Agreement Claim on the terms set forth in the Prepetition Facility Documents.

For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against the Reorganizing Debtors held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of this Article III of the Plan and the Prepetition Lender Claim Settlement.

- (iv) *Voting:* Class 3 is Unimpaired. Each Holder of an Allowed Prepetition Credit Agreement Claim against a Reorganizing Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (d) Class 4A — Contingent Guaranty Claims
- (i) *Classification:* Class 4A consists of any Contingent Guaranty Claims against any Guarantor Debtor.
 - (ii) *Allowance:* A Contingent Guaranty Claim may only be Allowed to the extent such Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any Contingent Guaranty Claim, including where such Contingent Guaranty Claim was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Contingent Guaranty Claim shall at the option of the applicable Debtor(s), receive either:
 - a. Reinstatement of such Allowed Contingent Guaranty Claim; or
 - b. such other treatment rendering such Allowed Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iv) *Voting:* Class 4A is Unimpaired. Each Holder of an Allowed Contingent Guaranty Claim is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (e) Class 4B — Non-Contingent Guaranty Claims against Guarantor Debtors
- (i) *Classification:* Class 4B consists of any Non-Contingent Guaranty Claims against any Guarantor Debtor.
 - (ii) *Allowance:* A Non-Contingent Guaranty Claim may only be Allowed to the extent such Non-Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. If a Non-Contingent Guaranty Claim arises in connection with a rejected Unexpired Lease with a Rejecting SPE Debtor, such Non-Contingent Guaranty Claim may only be Allowed to the extent not satisfied in connection with the treatment ascribed to Holders of Allowed General Unsecured Claims against Rejecting SPE Debtors, as described in Article III.B.8(c) and Article VI.B of the Plan. The Debtors reserve all rights to object to any Non-Contingent Guaranty Claim, including where such Non-Contingent Guaranty Claim was timely filed.

- (iii) *Treatment:* Except to the extent that a Holder of an Allowed Non-Contingent Guaranty Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Contingent Guaranty Claim, each Holder of an Allowed Non-Contingent Guaranty Claim shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed Non-Contingent Guaranty Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty (30) calendar days after the date such Claim becomes an Allowed Non-Contingent Guaranty Claim.
 - (iv) *Voting:* Class 4B is Unimpaired. Each Holder of an Allowed Non-Contingent Guaranty Claim is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (f) Class 5A — General Unsecured Claims against Guarantor Debtors
- (i) *Classification:* Class 5A consists of any General Unsecured Claims against the Guarantor Debtors.
 - (ii) *Allowance:* A General Unsecured Claim against the Guarantor Debtors may only be Allowed to the extent such General Unsecured Claim against the Guarantor Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any General Unsecured Claim against the Guarantor Debtors, including where such General Unsecured Claim against the Guarantor Debtors was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against the Guarantor Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each General Unsecured Claim against the Guarantor Debtors, each Holder of an Allowed General Unsecured Claim against the Guarantor Debtors shall receive:
 - a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Guarantor Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) the first business day after the date that is thirty (30) calendar days after the date such Claim becomes an Allowed General Unsecured Claim;
 - b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or
 - c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
 - (iv) *Voting:* Class 5A is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Guarantor Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.

- (g) Class 5B — General Unsecured Claims against Assuming SPE Debtors
- (i) *Classification:* Class 5B consists of any General Unsecured Claims against the Assuming SPE Debtors.
- (ii) *Allowance:* A General Unsecured Claim against Assuming SPE Debtors may only be Allowed to the extent such General Unsecured Claim against Assuming SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors reserve all rights to object to any General Unsecured Claim against Assuming SPE Debtors, including where such General Unsecured Claim against Assuming SPE Debtors was timely filed.
- (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim against Assuming SPE Debtors, each Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors shall receive the following:
- a. payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against the Assuming SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course;
 - b. solely to the extent such Allowed General Unsecured Claim is contingent as of the Effective Date, reinstatement of such Allowed General Unsecured Claim; or
 - c. such other treatment rendering such Allowed General Unsecured Claim Unimpaired.
- (iv) *Voting:* Class 5B is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Assuming SPE Debtors is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (h) Class 5C — General Unsecured Claims against Rejecting SPE Debtors
- (i) *Classification:* Class 5C consists of all General Unsecured Claims against the Rejecting SPE Debtors.
- (ii) *Allowance:* A General Unsecured Claim against Rejecting SPE Debtors may only be Allowed to the extent such General Unsecured Claim against Rejecting SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. To the extent that such General Unsecured Claim against Rejecting SPE Debtors arises on account of damages resulting from the rejection of an Unexpired Lease, such amount shall be capped in the amount set forth in section 502(b)(6) of the Bankruptcy Code, and such Allowed amount shall only be assertable as a General Unsecured Claim against the applicable Rejecting SPE Debtor. The Debtors reserve all rights to object to any General Unsecured Claim against Rejecting SPE Debtors, including where such General Unsecured Claim against Rejecting SPE Debtors was timely filed.

- (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claims against Rejecting SPE Debtors agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim against Rejecting SPE Debtors shall receive payment in full in Cash (including payment of postpetition interest at a rate sufficient to render such Allowed General Unsecured Claim against Rejecting SPE Debtors Unimpaired), which payment shall occur on the later of (A) the Effective Date or (B) in the ordinary course.
 - (iv) *Voting:* Class 5C is Unimpaired. Each Holder of an Allowed General Unsecured Claim against Rejecting SPE Debtors is conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
 - (i) Class 6A — Intercompany Claims against Guarantor Debtors
 - (i) *Classification:* Class 6A consists of all Intercompany Claims against Guarantor Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Guarantor Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6A is Unimpaired. Each Holder of an Allowed Intercompany Claim against Guarantor Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
 - (j) Class 6B — Intercompany Claims against Assuming SPE Debtors
 - (i) *Classification:* Class 6B consists of all Intercompany Claims against Assuming SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Assuming SPE Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6B is Unimpaired. Each Holder of an Allowed Intercompany Claim against Assuming SPE Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
 - (k) Class 6C — Intercompany Claims against Rejecting SPE Debtors
 - (i) *Classification:* Class 6C consists of all Intercompany Claims against Rejecting SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against Rejecting SPE Debtors shall be Reinstated.
 - (iii) *Voting:* Class 6C is Unimpaired. Each Holder of an Allowed Intercompany Claim against Rejecting SPE Debtors is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
 - (l) Class 7A — Existing Interests in Guarantor Debtors

- (i) *Classification:* Class 7A consists of all Existing Interests in Guarantor Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Guarantor Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7A is Unimpaired. Holders of Existing Interests in Guarantor Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
- (m) Class 7B — Existing Interests in Assuming SPE Debtors
- (i) *Classification:* Class 7B consists of all Existing Interests in Assuming SPE Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Assuming SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7B is Unimpaired. Holders of Existing Interests in Assuming SPE Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
- (n) Class 7C — Existing Interests in Rejecting SPE Debtors
- (i) *Classification:* Class 7C consists of all Existing Interests in Rejecting SPE Debtors.
 - (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in Rejecting SPE Debtors shall be Reinstated and the legal, equitable, and contractual rights to which Holders of Interests are entitled shall remain unaltered.
 - (iii) *Voting:* Class 7C is Unimpaired. Holders of Existing Interests in Rejecting SPE Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.
2. Treatment of Classes of Claims and Interests for the Liquidating SPE Debtors³
- (a) Class L1 — Other Priority Claims
 - (i) *Classification:* Class L1 consists of Other Priority Claims against the Liquidating SPE Debtors.

³ For the avoidance of doubt, the treatment provided pursuant to the Plan of Liquidation shall be provided to each applicable Liquidating SPE Debtor; *provided* that, in the event that the Landlord with respect to the Unexpired

- (ii) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim against a Liquidating SPE Debtor agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each such Allowed Other Priority Claim, each such Holder shall receive, at the option of the applicable Liquidating SPE Debtor(s), either:
- a. payment in full in Cash; or
 - b. such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- (iii) *Voting:* Class L1 is Unimpaired. Each Holder of an Allowed Other Priority Claim against a Liquidating SPE Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (b) Class L2 — Prepetition Credit Agreement Claims
- (i) *Classification:* Class L2 consists of any Prepetition Credit Agreement Claims against the Liquidating SPE Debtors.
- (ii) *Allowance:* The Prepetition Credit Agreement Claims against the Liquidating SPE Debtors are Allowed Claims and on the Effective Date, Prepetition Credit Agreement Claims shall be Allowed in the amounts set forth on **Schedule 1** hereto, which amount includes the aggregate principal amount outstanding at each Debtor under the Prepetition Financing Documents plus accrued and unpaid interest on such principal amount, plus any other unpaid premiums, fees and expenses, costs, or other amounts due and owing under the Prepetition Financing Document. Notwithstanding anything to the contrary in this Plan or the Confirmation Order, the Prepetition Credit Agreement Claims shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection, or any challenges under applicable law or regulation including any applicable procedures under the Bankruptcy Code, the Bankruptcy Rules, or ARTICLE VII of this Plan. For the avoidance of doubt, and notwithstanding anything to contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, all Prepetition Credit Agreement Claims against the Liquidating SPE Debtors held by the Prepetition Lender shall be Allowed in accordance with the Prepetition Lender Claim Settlement.
- (iii) *Treatment:* Pursuant to the Liquidating SPE Debtors' Settlement and conditioned upon its effectiveness, the Prepetition Lender consents to and shall receive the consideration provided for under such Liquidating SPE Debtors' Settlement in full and final satisfaction, settlement, release, and discharge of and in exchange of its Prepetition Credit Agreement Claims against the Liquidating SPE Debtors. For the avoidance of doubt the Prepetition Lender does not release or waive any Prepetition Credit Agreement Claims with respect to Excluded SPE Debtors in any manner whatsoever.

Lease of a Liquidating SPE Debtor objects to, or votes against, the Plan, such Liquidating SPE Debtor shall be an Excluded SPE Debtor and shall not receive any recovery under the Plan of Liquidation.

[NTD: Subject to continued review and discussion.]

For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, the Confirmation Order, or any other Order of the Bankruptcy Court, the Prepetition Lender agrees that all Prepetition Credit Agreement Claims against the Liquidating SPE Debtors held by the Prepetition Lender shall be deemed Unimpaired pursuant to the Plan and treated in accordance with the terms of this Article III of the Plan, the Prepetition Lender Claim Settlement, and the Liquidating SPE Debtors' Settlement. For further avoidance of doubt, the preceding sentence does not apply in any respect to the Excluded SPE Debtors.

- (iv) *Voting:* Class L2 is Unimpaired. Each Holder of an Allowed Prepetition Credit Agreement Claim against a Liquidating SPE Debtor is conclusively deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code and is not entitled to vote to accept or reject the Plan.
- (c) Class L3 — General Unsecured Claims
- (i) *Classification:* Class L3 consists of any General Unsecured Claims against the Liquidating SPE Debtors.
 - (ii) *Allowance:* On the Effective Date, the General Unsecured Claims against the Liquidating SPE Debtors shall be Allowed to the extent such General Unsecured Claim against Liquidating SPE Debtors was filed by the Claims Bar Date in accordance with the Bar Date Order. To the extent that such General Unsecured Claim against the Liquidating SPE Debtors arises on account of damages resulting from the rejection of an Unexpired Lease, such amount shall be capped in the amount set forth in section 502(b)(6) of the Bankruptcy Code, and such Allowed amount shall only be assertable as a General Unsecured Claim against the applicable Liquidating SPE Debtor. The Debtors reserve all rights to object to any General Unsecured Claim against the Liquidating SPE Debtors, including where such General Unsecured Claim against the Liquidating SPE Debtors was timely filed.
 - (iii) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor agrees to less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each such General Unsecured Claim, each such Holder of an Allowed General Unsecured Claim against a Liquidating SPE Debtor shall receive its Pro Rata share of the applicable Liquidating SPE Debtor Distribution Pool in Cash on the Effective Date.
 - (iv) *Voting:* Class L3 is Impaired. Holders of Allowed General Unsecured Claims against the Liquidating SPE Debtors are entitled to vote to accept or reject the Plan.
- (d) Class L4 — Intercompany Claims
- (i) *Classification:* Class L4 consists of all Intercompany Claims against the Liquidating SPE Debtors.
 - (ii) *Treatment:* On the Effective Date, all Intercompany Claims against the Liquidating SPE Debtors shall be extinguished, compromised, addressed, cancelled, or settled without any distribution on account of such Claims.
 - (iii) *Voting:* Class L4 is Impaired. Holders of Allowed Intercompany Claims against the Liquidating SPE Debtors are deemed to have rejected the Plan pursuant to

section 1126(g) of the Bankruptcy Code. Holders of Allowed Intercompany Claims against the Liquidating SPE Debtors are not entitled to vote to accept or reject the Plan.

(e) Class L5 — Existing Interests

- (i) *Classification:* Class L5 consists of all Existing Interests in the Liquidating SPE Debtors.
- (ii) *Treatment:* On the Effective Date or as soon thereafter as is practicable, all Existing Interests in the Liquidating SPE Debtors shall be discharged, cancelled, released, and extinguished and of no further force or effect without any distribution on account of such Interests.
- (iii) *Voting:* Class L5 is Impaired. Holders of Existing Interests in the Liquidating SPE Debtors are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Holders of Existing Interests in the Liquidating SPE Debtors are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights regarding any Unimpaired Claim, including all rights regarding legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

D. *Elimination of Vacant Classes*

To the extent applicable, any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

E. *Voting Classes; Presumed Acceptance by Non-Voting Classes*

To the extent applicable, if a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Debtors shall request the Bankruptcy Court to deem the Plan accepted by the Holders of such Claims or Interests in such Class.

F. *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto other than the DIP Claims and the Prepetition Credit Agreement Claims.

G. *Controversy Concerning Impairment*

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Debtors shall request that the Bankruptcy Court, after notice and a hearing, determine such controversy on or before the Confirmation Date.

H. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by one or more of the Classes entitled to vote pursuant to Article III.A.2 of the Plan. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims to render such Class of Claims Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules or to withdraw the Plan as to such Debtor.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. General Settlement of Claims and Interests

As discussed in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, including (1) the payment in full of all General Unsecured Claims, (2) any challenge to the amount, validity, perfection, enforceability, priority, or extent of the Prepetition Credit Agreement Claims, (3) any claim to avoid, subordinate, or disallow any Prepetition Credit Agreement Claim, whether under any provision of chapter 5 of the Bankruptcy Code, on any equitable theory (including equitable subordination, equitable disallowance, or unjust enrichment), or otherwise, and (4) the Prepetition Lien and Claim Matters. The Plan shall incorporate all settlements previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019, including, but not limited to, the Liquidating SPE Debtors' Settlement.

The Plan shall be deemed a motion to approve the good faith compromises and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement, including the Prepetition Lien and Claim Investigations Settlement, and the Prepetition Lender Claim Settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise, including the Prepetition Lien Claim Investigations Settlement and the Prepetition Lender Claim Settlement, is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests, as applicable, in any Class are intended to be and shall be final.

B. Restructuring Transactions

On and after the Confirmation Date, the Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, or Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan that are consistent with and pursuant to the terms and conditions of the Plan and the Confirmation Order, which transactions may include, as applicable: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, reorganization, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms to which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution or other certificates or documentation for other transactions as described in clause (a), pursuant to applicable state law; (d) the execution and delivery of any certificates or articles of incorporation, bylaws, or such other applicable formation documents (if any) of each Reorganized Debtor; (e) the execution and delivery of the Exit Facility Documents (including all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Debtors and/or the Reorganized Debtors, as applicable), if applicable; (f) the

execution and delivery of the Replacement/Recapitalization Guarantor Debtor Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions; (g) the execution and delivery of the Liquidating SPE Debtors' Settlement Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions; and (h) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions.

C. Sources of Consideration for Plan Distributions

The Debtors shall fund distributions under the Plan, as applicable, with: (a) the Exit Facility, if applicable; (b) Cash held on the Effective Date by or for the benefit of the Debtors; and (c) the recapitalization of the Guarantor Debtors or the replacement of any Guaranty, as applicable. Each distribution and issuance referred to in Article VI of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the Exit Facility, if applicable, will be exempt from SEC registration, as described more fully in ARTICLE IV.I of the Plan below.

1. The Exit Facility

On the Effective Date, the Reorganized Debtors may execute and deliver the Exit Facility Documents, if any, and such documents shall become effective in accordance with their terms. On and after the Effective Date, the Exit Facility Documents shall constitute legal, valid, and binding obligations of the Reorganized Debtors and be enforceable in accordance with their respective terms. The terms and conditions of the Exit Facility Documents shall bind the Reorganized Debtors and each other Entity that enters into such Exit Facility Documents. Any Entity's entry into the Exit Facility Agreement shall be deemed as its agreement to the terms of such Exit Facility Documents, as amended or modified from time to time following the Effective Date in accordance with their terms.

Confirmation shall be deemed approval of the Exit Facility Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees and expenses paid in connection therewith, which shall include, if applicable, the recapitalization of the Guarantor Debtors), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver those documents necessary or appropriate to obtain the Exit Facility, including the Exit Facility Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors and the Exit Lender may deem to be necessary to consummate the Exit Facility.

On the Effective Date, immediately upon receipt of the payments required in ARTICLE II.D hereof, all of the claims, liens, and security interests to be granted in accordance with the terms of the Exit Facility Documents (a) shall be legal, binding, and enforceable liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (b) shall be deemed automatically attached and perfected on the Effective Date, subject only to such other liens and security interests as may be permitted under the Exit Facility Documents, and (c) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law.

2. Cash on Hand

The Debtors or Reorganized Debtors, as applicable, shall use Cash on hand to fund distributions to certain Holders of Claims, including the payment of Allowed General Unsecured Claims as set forth in Article III of the Plan.

3. Replacement and/or Recapitalization of Guarantor Debtors

Before, on, or after the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall execute and deliver the Replacement/Recapitalized Guarantor Debtor Documents, if any, as is necessary or desirable to consummate the Restructuring Transactions. The Replacement/Recapitalized Guarantor Debtor Documents shall become effective in accordance with their terms. Before, on, or after the Effective Date, the Replacement/Recapitalized Guarantor Debtor Documents shall constitute legal, valid, and binding obligations of the Debtors and Reorganized Debtors and be enforceable in accordance with their respective terms. The terms and conditions of the Replacement/Recapitalized Guarantor Debtor Documents shall bind the Reorganized Debtors and each other Entity that enters into such documents. Any Entity's entry into any of the Replacement/Recapitalized Guarantor Debtor Documents shall be deemed as its agreement to the terms of such documents, as amended or modified from time to time following the Effective Date in accordance with their terms.

Confirmation shall be deemed approval of the Replacement/Recapitalized Guarantor Debtor Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees and expenses paid in connection therewith), and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver those documents necessary or appropriate to effectuate a replacement Guaranty or recapitalization of a Guarantor Debtor, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Debtors or Reorganized Debtors may deem to be necessary to consummate the Replacement/Recapitalized Guarantor Debtor Documents.

D. Corporate Existence

Except as otherwise provided in the Plan or the Plan Supplement, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

Upon the Effective Date or as soon as reasonably practicable thereafter, after making all distributions required to be paid by the Liquidating SPE Debtors under the Plan, the Liquidating SPE Debtors shall be deemed to have been dissolved and terminated.

E. Corporate Action

On or before the Effective Date, as applicable, all actions contemplated under the Plan or the Plan Supplement shall be deemed authorized and approved in all respects, including: (a) adoption or assumption, as applicable, of the agreements with existing management; (b) selection of the directors, managers, and officers for the Reorganized Debtors; (c) implementation of the Restructuring Transactions; (4) the applicable Reorganized Debtors' entry into the Exit Facility Documents, if applicable; (d) the applicable Reorganized Debtors' entry into the Replacement/Recapitalized Guarantor Debtor Documents, if applicable and as is necessary or desirable to consummate the Restructuring Transactions; and (e) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Facility Documents and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this ARTICLE IV.E shall be effective notwithstanding any requirements under non-bankruptcy law.

F. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or the Plan Supplement, or in any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens securing obligations under the Exit Facility Documents, if any, and the Liens securing obligations on account of Prepetition Credit Agreement Claims or Other Secured Claims that are Reinstated pursuant to the Plan, if any). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its businesses and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

On the Effective Date, any Liquidating SPE Debtor's Estate assets shall vest in such Liquidating SPE Debtor for the purpose of liquidating the Estate and consummating the Plan. Any distributions to be made under the Plan from such assets shall be made by the Liquidating SPE Debtor pursuant to the terms of this Plan.

G. Cancellation of Notes, Instruments, Certificates, and Other Documents

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated herein, on the Effective Date, all notes, instruments, certificates, equity security, share, bond, indenture, purchase right, option, warrant, or other documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest, including the obligations of the Debtors under the DIP Documents and the Prepetition Financing Documents, shall be terminated and cancelled and the obligations of the Debtors thereunder or in any way related thereto shall be deemed satisfied in full and discharged; *provided, however*, that (a) the DIP Documents and all related agreements, documents, and instruments executed by the Debtors or the DIP Lender shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the DIP Lender that may survive termination or maturity of the DIP Facility in accordance with the terms thereof (including to those provisions relating to the DIP Lender's rights to expense reimbursement, indemnification, and similar amounts), and (b) the Prepetition Financing Documents and all related agreements, documents and instruments executed by the Debtors or the Prepetition Lender shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the Prepetition Lender that may survive termination or maturity of the Prepetition Financing Documents in accordance with the terms thereof (including to those provisions relating to the Prepetition Lender's rights to expense reimbursement, indemnification and similar amounts), and (c) each Guaranty and all related agreements, documents, and instruments executed by the Debtors shall continue in effect solely with respect to any obligations thereunder governing the relationships between any or all of the Debtors and the counterparties to each such Guaranty.⁴ On the Effective Date, each Holder of a certificate or instrument evidencing a Claim that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture or agreement that governs the rights of such Holder of such Claim. Such surrendered certificate or instrument shall be deemed cancelled as set forth herein.

H. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors and managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, the Exit Facility

⁴ For the avoidance of doubt, and notwithstanding anything to the contrary herein, a Contingent Guaranty Claim may only be Allowed to the extent such Contingent Guaranty Claim was filed by the Claims Bar Date in accordance with the Bar Date Order. The Debtors or the Reorganized Debtors, as applicable, reserve all rights to object to any Contingent Guaranty Claim, including where such Contingent Guaranty Claim was timely filed.

Documents, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

I. Exemptions from Certain Taxes and Fees

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Person) of property under the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors, including the Exit Facility, if any; (b) the Restructuring Transactions; (c) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; (e) the grant of collateral as security for any or all of the Exit Facility, if applicable; or (f) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

J. Directors and Officers

As of the Effective Date, the terms of the current members of the board of directors or managers of the Reorganized Debtors shall continue, and such directors or managers shall continue to hold office and have any and all authority previously granted to such directors or managers. As of the Effective Date, the responsible officer appointed by the Debtors on each respective Petition Date for purposes of providing management services to the Debtors during the pendency of the Chapter 11 Cases shall cease to hold such role and shall no longer have any rights or authority with respect to the Reorganized Debtors from or after the Effective Date.

Upon the dissolution and termination of the Liquidating SPE Debtors pursuant to Article ARTICLE IV.D, the existing boards of directors and managers, as applicable, of the Liquidating SPE Debtors shall be dissolved without any further action required on the part of the Liquidating SPE Debtors or the Liquidating SPE Debtors' officers, directors, shareholders, and members and any all remaining officers or directors of each Liquidating SPE Debtor shall be dismissed without any further action required on the part of any such Liquidating SPE Debtor, the shareholders of such Liquidating SPE Debtor, or the officers and directors of such Liquidating SPE Debtor. The directors, managers, and officers of the Liquidating SPE Debtors shall be authorized to execute, deliver, File, or record such contracts, instruments, and other agreements or documents and take such other actions as they may deem necessary or appropriate in their sole discretion to implement the provisions of this ARTICLE IV.

The authorizations and approvals contemplated by this ARTICLE IV shall be effective notwithstanding any requirements under applicable nonbankruptcy law.

K. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action waived, relinquished, exculpated, released, compromised, or settled in the Plan, including those released or exculpated by the Debtors pursuant to the releases and exculpations contained

in the Plan, including in Article VIII of the Plan, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors, their Estates, or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors, their Estates, and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity.** Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order of the Bankruptcy Court, the Debtors, their Estates, and the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

ARTICLE V. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, all Executory Contracts and Unexpired Leases shall be deemed rejected, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code, and regardless of whether such Executory Contract or Unexpired Lease is identified on the Rejected Executory Contract and Unexpired Lease List, unless such Executory Contract and Unexpired Lease: (a) was assumed or rejected previously by the Debtors; (b) previously expired or terminated pursuant to its own terms; (c) is the subject of a motion or notice to assume or reject Filed on or before the Effective Date; or (d) is identified on the Assumed Executory Contract and Unexpired Lease List. On the Effective Date, the Executory Contracts and Unexpired Leases identified on the Assumed Executory Contract and Unexpired Lease List shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date under section 365 of the Bankruptcy Code.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions, assumptions and assignments, or rejections, as applicable, of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Assumed Executory Contract and Unexpired Lease List, and the Rejected Executory Contract and Unexpired Leases List, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions, assumptions and assignments, or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors, or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Rejected Executory Contract and Unexpired Lease List and the Assumed Executory Contract and Unexpired Lease List at any time through and including thirty days after the Effective Date.

To the maximum extent permitted by law, to the extent that any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the assumption or assumption and assignment of such Executory Contract or Unexpired Lease (including any “change of control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights and remedies with respect thereto. Any default by the Debtors or their Affiliates with respect to any Claim, Interest, Executory Contract, Unexpired Lease, or other contract or lease that existed immediately before or on account of the filing of the

Chapter 11 Cases or is on account of the provisions set forth in the Plan shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the settlement, compromise, and release of all Claims and Interests subject to the occurrence of the Effective Date.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Claims and Noticing Agent and served on the Reorganized Debtors no later than thirty days after the effective date of such rejection.

Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan or the Confirmation Order not filed with the Claims and Noticing Agent within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors, the Reorganized Debtors, the Estates, or their property, without the need for any objection by the Debtors or Reorganized Debtors, or further notice to, action, order, or approval of the Bankruptcy Court or any other Entity, and any such Claim shall be deemed fully satisfied, released, and discharged, and be subject to the permanent injunction set forth in Article VIII.G of the Plan, notwithstanding anything in a Proof of Claim to the contrary.

All Claims arising from the rejection by any Debtor of any Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code (**whether pursuant to the Plan and the Confirmation Order or pursuant to another order of the Bankruptcy Court**) shall be treated as a General Unsecured Claim pursuant to Article III.A.2 of the Plan and may be objected to in accordance with the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

C. Cure of Defaults and Objections to Cure and Assumption

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the amount of the cure amount under section 365 of the Bankruptcy Code in Cash on the Effective Date or as soon as reasonably practicable thereafter, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree with the consent of the Prepetition Lender and the DIP Lender.

Within fourteen calendar days before the Confirmation Objection Deadline, the Debtors shall provide notices of proposed cure amounts to counterparties to Executory Contracts and Unexpired Leases, which shall include a description of the procedures for objecting to assumption thereof based on the proposed cure amounts or the Reorganized Debtors' ability to provide "adequate assurance of future performance thereunder" (within the meaning of section 365 of the Bankruptcy Code). Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be filed, served, and actually received by the counsel to the Debtors and the Prepetition Lender and the DIP Lender no later than the Confirmation Objection Deadline. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

In the event of a dispute regarding: (a) the amount of any payments to cure such a default; (b) the ability of the Reorganized Debtors or any assignee to provide adequate assurance of future performance under the Executory Contract or Unexpired Lease to be assumed; or (c) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following either (i) the entry of a Final Order or orders of the Bankruptcy Court resolving the dispute and approving the assumption or (ii) the settlement of the dispute between the parties which may be entered into without further order of the Bankruptcy Court; *provided* that, in the event of a dispute regarding the cure amount, the Debtors or Reorganized Debtors, as applicable, shall pay the undisputed portion as soon as reasonably practicable after the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree with the consent of the Prepetition Lender and the DIP Lender; *provided further* that, for the avoidance of doubt, the Debtors and Reorganized Debtors reserve all rights to reject the applicable Executory Contract or Unexpired Lease in their business judgment in accordance with ARTICLE V.A of the Plan based upon the existence of any such unresolved dispute and to seek recovery of any

undisputed expected cure amounts previously paid if such rejection occurs. If the Bankruptcy Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the Debtors' notice to the applicable counterparty, the Debtors and Reorganized Debtors shall have the right to add such Executory Contract or Unexpired Lease to the Rejected Executory Contract and Unexpired Lease List.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. For the avoidance of doubt, assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not override or otherwise release any indemnification obligations in such Executory Contract or Unexpired Lease. **Any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed and any Allowed Cure Claims paid in accordance with the Plan shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

D. Insurance Policies

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies, as well as any agreements, documents, and instruments relating to such insurance policies or coverage of all insured claims. Except as set forth in Article V.F of the Plan, nothing in the Plan, the Plan Supplement, the Confirmation Order, or any other order of the Bankruptcy Court (including any provision that purports to be preemptory or supervening), (a) alters, modifies, or otherwise amends the terms and conditions of (or the coverage provided by) any of such insurance policies or (b) alters or modifies the duty, if any, that the insurers or third-party administrators pay claims covered by such insurance policies and their right to seek payment or reimbursement from the Debtors (or after the Effective Date, the Reorganized Debtors) or draw on any collateral or security therefor. For the avoidance of doubt, insurers and third-party administrators shall not need to nor be required to file or serve a cure objection or a request, application, claim, Proof of Claim, or motion for payment and shall not be subject to any claims bar date or similar deadline governing cure amounts or Claims.

The automatic stay pursuant to section 362(a) of the Bankruptcy Code and the permanent injunction set forth in Article VIII.G of the Plan, if and to the extent applicable, shall be deemed lifted without further order of the Bankruptcy Court, solely to permit: (a) claimants with valid direct action claims against any insurer of the Debtors under applicable non-bankruptcy law to proceed with their claims against such insurer; (b) any insurer of the Debtors to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of the Bankruptcy Court, (i) all claims (y) where a claimant asserts a direct claim against any insurer of the Debtors under applicable law or (z) that are subject to an order of the Bankruptcy Court granting the applicable claimant relief from the automatic stay or the injunction set forth in Article VIII.G of the Plan to proceed with such claim and (ii) all costs in relation to the foregoing; and (c) subject to the terms of the Debtors' agreement with any insurer of the Debtors and/or applicable non-bankruptcy law, any insurer of the Debtors to (i) cancel any policies under the Debtors' agreement with such insurer and (ii) take other actions relating thereto.

E. Indemnification Provisions

On and as of the Effective Date, the Indemnification Provisions will be assumed and irrevocable and will survive the effectiveness of the Plan, and the Reorganized Debtors' governance documents will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the Debtors' and the Reorganized Debtors' current and former directors, officers, employees, and agents to the fullest extent permitted by law and at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted. None of the Reorganized Debtors will amend and/or restate their respective governance documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

On and as of the Effective Date, any of the Debtors' indemnification obligations with respect to any contract or agreement that is the subject of or related to any litigation against the Debtors or Reorganized Debtors, as applicable, shall be assumed by the Reorganized Debtors and otherwise remain unaffected by the Chapter 11 Cases.

F. Director, Officer, Manager, and Employee Liability Insurance

On or before the Effective Date, the Debtors, on behalf of the Reorganized Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, shall be authorized to purchase and maintain directors, officers, managers, and employee liability tail coverage for the six-year period following the Effective Date for the benefit of the Debtors' current and former directors, managers, officers, and employees on terms no less favorable to such persons than their existing coverage under the D&O Liability Insurance Policies with available aggregate limits of liability upon the Effective Date of no less than the aggregate limit of liability under the existing D&O Liability Insurance Policies.

After the Effective Date, none of the Debtors or the Reorganized Debtors shall terminate or otherwise reduce the coverage under any such policies (including, if applicable, any "tail policy") with respect to conduct occurring as of the Effective Date, and all officers, directors, managers, and employees of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full six-year term of such policy regardless of whether such officers, directors, managers, or employees remain in such positions after the Effective Date.

On and after the Effective Date, each of the Reorganized Debtors shall be authorized to purchase a directors' and officers' liability insurance policy for the benefit of their respective directors, members, trustees, officers, and managers in the ordinary course of business.

G. Employee and Retiree Benefits

Except as otherwise provided in the Plan, on and after the Effective Date, subject to any Final Order and, without limiting any authority provided to the board of directors or managers of the Reorganized Debtors under the Debtors' respective formation and constituent documents, the Reorganized Debtors shall, as applicable: (1) amend, adopt, assume, and/or honor in the ordinary course of business any contracts, agreements, policies, programs, and plans, in accordance with their respective terms, for, among other things, compensation, including any incentive plans, retention plans, health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity from and after the Petition Date; and (2) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date and not otherwise paid pursuant to a Bankruptcy Court order; *provided* that the consummation of the transactions contemplated in the Plan shall not constitute a "change in control" with respect to any of the foregoing arrangements. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

H. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

I. Reservation of Rights

Nothing contained in the Plan or the Plan Supplement shall constitute an admission by the Debtors or any other party that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or the Reorganized Debtors, as applicable, shall have thirty calendar days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease, including by rejecting such contract or lease, effective as of the Effective Date.

J. Non-Occurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code, unless such deadline(s) have expired.

K. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor and any Executory Contracts and Unexpired Leases assumed by any Debtor may be performed by the applicable Reorganized Debtor in the ordinary course of business.

L. Amended FF&E Contracts

On the Effective Date, the Debtors and Reorganized Debtors shall be authorized to amend their respective FF&E Contracts in accordance with the schedule of Amended FF&E Contracts filed as part of the Plan Supplement.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim or Interest is not an Allowed Claim or Interest on the Effective Date, on the date that such Claim becomes an Allowed Claim or Interest) each Holder of an Allowed Claim or Interest shall receive the full amount of the distributions that the Plan provides for Allowed Claims and Interests in each applicable Class and in the manner provided in the Plan. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Interests, distributions on account of any such Disputed Claims or Interests shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims and Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. The Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Distribution Record Date.

B. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, and notwithstanding anything to the contrary in the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay U.S. Trustee fees until such time as a particular case is closed, dismissed, or converted.

C. *Distribution Agent*

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Distribution Agent on the Effective Date. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

D. *Rights and Powers of Distribution Agent*

1. Powers of the Distribution Agent

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable and documented fees and out-of-pocket expenses incurred by the Distribution Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable, actual, and documented attorney and/or other professional fees and expenses) made by the Distribution Agent shall be paid in Cash by the Reorganized Debtors.

E. *Delivery of Distributions*

1. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims and Interests shall be made to Holders of record as of the Distribution Record Date by the Reorganized Debtors or the Distribution Agent, as appropriate: (a) to the signatory set forth on any Proof of Claim or Proof of Interest filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim or Proof of Interest is filed or if the Debtors have not been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors or the applicable Distribution Agent, as appropriate, after the date of any related Proof of Claim or Proof of Interest; or (c) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Subject to this Article VI of the Plan, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim or Interest shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Reorganized Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for fraud, gross negligence, or willful misconduct.

2. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the later of (a) the Effective Date and (b) the date of the distribution. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or interest in property shall be discharged of and forever barred.

F. Manner of Payment

At the option of the Distribution Agent, any Cash payment to be made under the Plan may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

G. Compliance Matters

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. Allocation Between Principal and Accrued Interest

Except as otherwise provided in the Plan, the aggregate consideration paid to Holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof) and, thereafter, to the interest, if any, on such Allowed Claim accrued through the Petition Date.

I. Setoffs and Recoupment

Unless otherwise provided in the Plan or the Confirmation Order, each Debtor and each Reorganized Debtor, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against or recoup any Allowed Claim (other than the Prepetition Credit Agreement Claims and DIP Claims) and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any claims, rights, and Causes of Action of any nature that such Debtor, its Estate, or such Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such claims, rights, or Causes of Action against such Holder have not been otherwise waived, relinquished, exculpated, released, compromised, or settled as of the Effective Date (whether pursuant to the Plan or otherwise); *provided, however*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Debtor, its Estate, or such Reorganized Debtor of any such claims, rights, and Causes of Action that such Debtor, its Estate, or such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to set off or recoup any such Claim against any claim, right, or Cause of Action of the Debtor, its Estate, or the Reorganized Debtor (as applicable), unless such Holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff or recoupment on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff or recoupment pursuant to section 553 of the Bankruptcy Code or otherwise.

J. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent that a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall repay, return, or deliver any distribution held by or transferred to the Holder to the applicable Reorganized Debtor

to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Claims Payable by Third Parties

The availability, if any, of insurance policy proceeds for the satisfaction of an Allowed Claim shall be determined by the terms of the insurance policies of the Debtors or Reorganized Debtors, as applicable. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Claims and Noticing Agent without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of an applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors, their Estates, or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.
PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS**

A. Allowance of Claims

After the Effective Date, each of the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor or its Estate had with respect to any Claim or Interest immediately before the Effective Date other than any rights and defenses that have been waived, relinquished, exculpated, released, compromised, or settled as of the Effective Date (whether pursuant to the Plan or otherwise).

B. Claims Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtors, in consultation with the Prepetition Lender and the DIP Lender, shall have the sole authority to: (a) file and prosecute objections to Claims; (b) settle, compromise, withdraw, litigate to judgment, or otherwise resolve objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise; (c) settle, compromise, or resolve any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (d) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest. Notwithstanding

section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before fourteen days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended, superseded, cancelled, or otherwise expunged (including pursuant to the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim against or Interest in the same Debtor or another Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Deadline, as such deadline may be extended from time to time.

F. Disallowance of Claims

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code, or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors; *provided* that the foregoing provision shall not apply with respect to the Prepetition Credit Agreement Claims and the DIP Claims. All Claims Filed on account of any indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless such late Proof of Claim has been deemed timely Filed by a Final Order.

G. Amendments to Claims

On or after the Claims Bar Date or the Administrative Claims Bar Date, as appropriate, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court to the maximum extent provided by applicable law.

H. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in ARTICLE VII.B of the Plan, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

I. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest (as applicable) in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Interest becomes a Final Order, the Distribution Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest for the period from the Effective Date through and including the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Interest becomes a Final Order unless required under applicable bankruptcy law.

**ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

A. Compromise and Settlement of Claims, Interests, Causes of Action, and Controversies

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan, relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, Causes of Action, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement, including the Prepetition Lien and Claim Investigations Settlement, and the Prepetition Lender Claim Settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities. The Plan shall incorporate all settlements previously approved by the Bankruptcy Court pursuant to Bankruptcy Rule 9019, including, but not limited to, the Liquidating SPE Debtors' Settlement.

[For the avoidance of doubt, nothing herein shall be deemed to release (i) Claims and Causes of Action that could be asserted by, or on behalf of, any Excluded SPE Debtor against any Entity, and (ii) Claims and Causes of Action that could be asserted by, or on behalf of, any Entity against any Excluded SPE Debtor, and all rights of the Excluded SPE Debtors and Holders of Claims and Interests against the Excluded SPE Debtors are expressly preserved. For the avoidance of doubt, nothing herein shall modify, alter, or impair the rights of any party under any settlements entered into with regard to such Claims and Causes of Action on behalf of or against any Excluded SPE Debtor.]⁵

B. Discharge of Claims

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest

⁵ [NTD: Subject to continued review and discussion.]

accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

C. Release of Liens

Except (a) with respect to the Liens securing (i) the Exit Facility, if any, (ii) Prepetition Credit Agreement Claims or Other Secured Claims that are Reinstated pursuant to the Plan, or (iii) obligations pursuant to Executory Contracts and Unexpired Leases assumed pursuant to the Plan or (b) as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates and, subject to the consummation of the applicable distributions contemplated in the Plan, shall be fully released and discharged, at the sole cost of and expense of the Reorganized Debtors, and the Holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any Holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

D. Debtor Release

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, each Released Party is deemed released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all Causes of Action, whether known or unknown, including any derivative claims, asserted or assertable on behalf of any of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the Prepetition Lien and Claim Matters, the Prepetition Lender Claim Settlement, the Liquidating SPE Debtors' Settlement, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Term Sheet, and the DIP Orders), the Plan or the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of

property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not (a) release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any post-Effective Date obligation arising under a Reinstated agreement, (b) affect the rights of Holders of Allowed Claims and Interests to receive distributions under the Plan, or (c) release any Claims or Causes of Action against any non-Released Party.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases herein, which includes by reference each of the related provisions and definitions contained herein, and shall constitute the Bankruptcy Court's finding that the releases herein are: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by the releases herein; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after reasonable investigation by the Debtors and after notice and opportunity for hearing; and (f) a bar to any of the Debtors asserting any claim released by the releases herein against any of the Released Parties.

Notwithstanding anything to the contrary herein, in the Confirmation Order, Plan Supplement, or other documents purporting to grant releases of Claims or Causes of Action, nothing set forth herein or therein shall impact, impair, release, modify, or discharge any obligation of any non-debtor Affiliate of a Debtor or any Related Party of a Debtor pursuant to any contractual arrangement of such party to Regus, Regus Management Group, LLC or Franchise International GmbH, including, but not limited to, any senior loan and security agreement, any joinder to any loan and security agreement, any full service management agreement and/or any franchise agreement for operation of Regus business centre(s) and any amendment, extension, modification or restatement of any of the foregoing agreements.

[For the avoidance of doubt, notwithstanding anything to the contrary herein, in the Confirmation Order, or in the Plan Supplement, and unless otherwise ordered by the Bankruptcy Court, nothing set forth herein or therein shall be deemed to (i) release any Claims or Causes of Action that could be asserted by, or on behalf of, Redox against any Entity other than the Debtors, the Reorganized Debtors, and their Estates, or (ii) modify, alter, or impair the rights, if any, of any party (including, for the avoidance of doubt, Redox) in connection with the Luxembourg Proceedings, which rights are expressly preserved.]⁶

E. Third-Party Release

Effective as of the Effective Date, each Releasing Party, in each case on behalf of itself and its respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Causes of Action, whether known or unknown, including any derivative claims, asserted or assertable on behalf of any of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the Prepetition Lien and Claim Matters, the Prepetition Lender Claim Settlement, the Liquidating SPE Debtors' Settlement, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit

⁶ [NTD: Subject to continued review and discussion.]

Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders, the Plan, the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing or any other provision of the Plan, the releases set forth above and in the Plan do not (a) release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any post-Effective Date obligation arising under a Reinstated agreement, (b) affect the rights of Holders of Allowed Claims and Interests to receive distributions under the Plan, or (c) release any Claims or Causes of Action against any non-Released Party.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Third-Party Releases, which includes by reference each of the related provisions and definitions contained herein, and shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by the Releasing Parties; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after notice and opportunity for hearing; and (f) a bar to any of the Releasing Parties asserting any Claim released by the release herein against any of the Released Parties.

Notwithstanding anything to the contrary herein, in the Confirmation Order, Plan Supplement, or other documents purporting to grant releases of Claims or Causes of Action, nothing set forth herein or therein shall impact, impair, release, modify, or discharge any obligation of any non-debtor Affiliate of a Debtor or any Related Party of a Debtor pursuant to any contractual arrangement of such party to Regus, Regus Management Group, LLC or Franchise International GmbH, including, but not limited to, any senior loan and security agreement, any joinder to any loan and security agreement, any full service management agreement and/or any franchise agreement for operation of Regus business centre(s) and any amendment, extension, modification or restatement of any of the foregoing agreements.

[For the avoidance of doubt, notwithstanding anything to the contrary herein, in the Confirmation Order, or in the Plan Supplement, and unless otherwise ordered by the Bankruptcy Court, nothing set forth herein or therein shall be deemed to (i) release any Claims or Causes of Action that could be asserted by, or on behalf of, any Entity against Redox, including any Claims arising from guarantees provided by Redox to certain of the Debtors' Landlords, or (ii) modify, alter, or impair the rights, if any, of any party (including, for the avoidance of doubt, Redox) in connection with the Luxembourg Proceedings, which rights are expressly preserved.]⁷

F. Exculpation

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the Third-Party Release, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the purchase, sale, or rescission of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Agreement, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable, the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Facility, the DIP Documents, the DIP Orders the Plan, the Plan Supplement, or any Restructuring Transaction,

⁷ [NTD: Subject to continued review and discussion.]

contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Exit Facility Documents (if any), the Replacement/Recapitalized Guarantor Debtor Documents (if any), the DIP Documents (including, for the avoidance of doubt, the DIP Facility, the DIP Facility Term Sheet, and the DIP Orders), or the Plan, the Plan Supplement, the commencement of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act, or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), except for claims related to any act or omission that is determined in a Final Order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

G. Injunction

Effective as of the Effective Date, pursuant to section 524(a) of the Bankruptcy Code, to the fullest extent permissible under applicable law, and except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities that have held, hold, or may hold claims or interests that have been released, discharged, or are subject to exculpation under the Plan are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Holder has filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

H. Protection Against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Recoupment

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

J. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent.

K. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases (pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court) and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

L. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

**ARTICLE IX.
CONDITIONS PRECEDENT TO THE EFFECTIVE DATE**

A. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Plan:

1. the Bankruptcy Court shall have entered the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Prepetition Lender and the DIP Lender, (a) shall have been duly entered and in full force and effect, (b) shall not have been reversed, stayed, modified, or vacated on appeal, and (c) shall have become a Final Order;
2. the Bankruptcy Court shall have entered an order sustaining the *Debtors' Objection to Proof of Claim No. 10268 Filed by Teachers Insurance and Annuity Association of America* [Docket No. 1228];
3. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;
4. the Plan Supplement, including any amendments, modifications, or supplements to the documents, schedules, or exhibits included therein shall have been Filed with the Bankruptcy Court pursuant to the terms of the Plan;

5. the Exit Facility Documents, if any, shall be in full force and effect (with all conditions precedent thereto having been satisfied or waived other than any conditions related to the occurrence of the Effective Date), subject to any applicable post-closing execution and delivery requirements;
6. the CCAA Recognition Order shall have been entered by the CCAA Court and shall be in full force and effect;
7. the CCAA Termination Order shall have been entered by the CCAA Court and shall be in full force and effect;
8. all documents and agreements necessary to implement the Plan shall have been executed and tendered for delivery, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms thereof (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date); and
9. the Professional Fee Escrow Account shall have been established and funded in accordance with the terms of the Plan.

B. Waiver of Conditions Precedent

The Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, may waive any of the conditions to the Effective Date set forth in Article IX.A of the Plan, other than Article IX.A.1, which may only be waived with the consent of the Prepetition Lender and the DIP Lender, at any time without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm and consummate the Plan.

C. Substantial Consummation

“Substantial Consummation” of the Plan, as defined in section 1101(2) of the Bankruptcy Code, with respect to any of the Debtors, shall be deemed to occur on the Effective Date with respect to such Debtor.

D. Effect of Non-Occurrence of Conditions to Consummation

If the Effective Date does not occur with respect to any of the Debtors, the Plan shall be null and void in all respects with respect to such Debtor, and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in such Debtors; (b) prejudice in any manner the rights of such Debtors, any Holders of a Claim or Interest, or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking by such Debtors, any Holders, or any other Entity in any respect.

**ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

A. Modification of Plan

Subject to the limitations contained in the Plan, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, reserve the right to modify the Plan prior to Confirmation and seek Confirmation consistent with the Bankruptcy Code and, to the extent applicable, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors, in consultation with the Prepetition Lender and the DIP Lender, expressly reserve their rights to alter, amend, or modify materially the Plan, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall constitute approval of all modifications to the Plan occurring after the solicitation thereof pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure, solicitation, or resolicitation, as applicable under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors, in consultation with the Prepetition Lender and the DIP Lender, reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if the Confirmation Date or the Effective Date does not occur, then: (a) the Plan will be null and void in all respects; (b) any settlement or compromise embodied in the Plan, assumption of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant hereto will be null and void in all respects; and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims, Interests, or Causes of Action, (ii) prejudice in any manner the rights of any Debtor or any other Entity, or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

**ARTICLE XI.
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Claim or Interest and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;
2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
3. resolve any matters related to Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;
4. ensure that distributions to Holders of Allowed Claims and Interests (as applicable) are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;
5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan;
7. enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;
9. adjudicate, decide, or resolve any and all matters related to the Restructuring Transactions;
10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;
11. resolve any cases, controversies, suits, disputes, Causes of Action, or any other matters that may arise in connection with the Consummation, interpretation, or enforcement of the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions, or any Entity's obligations incurred in connection with the foregoing, including disputes arising under agreements, documents, or instruments executed in connection with the Plan, the Disclosure Statement, the Confirmation Order, or the Restructuring Transactions;
12. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or an Interest for amounts not timely repaid pursuant to Article VI.J.1 of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan, the Confirmation Order, and, subject to any applicable forum selection clauses, contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan; or (d) related to section 1141 of the Bankruptcy Code;
13. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
14. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
15. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
16. enter an order or Final Decree concluding or closing the Chapter 11 Cases;
17. enforce all orders previously entered by the Bankruptcy Court; and
18. hear any other matter not inconsistent with the Bankruptcy Code;

provided, however, that the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection or dispute resolution clause that refers disputes to a different court, and any disputes concerning documents contained in the Plan Supplement that contain such clauses shall be governed in accordance with the provisions of such documents.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.A of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions

described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors, with the reasonable consent of the Prepetition Lender and the DIP Lender, may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims and Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Statutory Fees

All fees payable pursuant to section 1930(a) of the Judicial Code, including fees and expenses payable to the U.S. Trustee, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, will be paid by each of the applicable Reorganized Debtors for each quarter (including any fraction thereof) until the applicable Chapter 11 Case of such Reorganized Debtor is converted, dismissed, or closed, whichever occurs first.

D. Payment of Certain Fees and Expenses

Without any further notice to or action, order, or approval of the Bankruptcy Court, the Debtors or Reorganized Debtors, as applicable, shall pay on the Effective Date all then-outstanding reasonable and documented unpaid fees and expenses incurred on or before the Effective Date by all of the attorneys, advisors, and other professionals payable pursuant to the DIP Orders.

E. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court has entered the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

F. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, affiliated investment funds or investment vehicles, managed accounts or funds, investment managers, advisors, and sub-advisors with discretionary authority, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents

All notices hereunder shall be deemed given if in writing and delivered, if sent by facsimile, courier, or registered or certified mail (return receipt requested) to the following addresses and e-mail addresses (or at such other addresses or facsimile numbers as shall be specified by like notice):

If to the Debtors:

RGN Group Holdings, LLC
3000 Kellway Drive, Suite 140
Carrollton, Texas 75006
Attention: James S. Feltman, Responsible Officer; Michael Berretta; Michael Osburn; Leigh Moore
E-mail: james.feltman@DuffandPhelps.com; michael.berretta@iwgplc.com; leigh.moore@iwgplc.com;
michael.osburn@iwgplc.com

With copies to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Facsimile: (312) 862-2200
Attention: Chad J. Husnick, P.C.
E-mail: chad.husnick@kirkland.com

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Facsimile: (212) 446-4900
Attention: Patrick Venter, Esq.
E-mail: patrick.venter@kirkland.com

Faegre Drinker Biddle & Reath LLP
222 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Attention: Patrick A. Jackson (Del. Bar No. 4976); Ian J. Bambrick
Facsimile: (302) 467-4201
Email: patrick.jackson@faegredrinker.com; ian.bambrick@faegredrinker.com

-and-

Faegre Drinker Biddle & Reath LLP
311 S. Wacker Drive, Suite 4300
Chicago, Illinois 60606
Attention: Mike T. Gustafson
Fax: (312) 212-6501
Email: mike.gustafson@faegredrinker.com

If to the Creditors' Committee:

Cole Schotz P.C.
1325 Avenue of the Americas, 19th Floor
New York, NY 10019
Attention: Seth Van Aalten; Sarah Carnes
Fax: (646) 563-8926
Email: svanaalten@coleschotz.com; scarnes@coleschotz.com

-and-

Frost Brown Todd LLC
Great American Tower
301 East Fourth Street, Suite 3300

Cincinnati, OH 45202
Attention: Ronald E. Gold
Fax: (513) 651-6156
Email: rgold@fbtlaw.com

If to the DIP Lender or the Prepetition Lender:

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 N. King Street,
Wilmington, DE 19801
Attention: Joseph M. Barry and Robert F. Poppiti, Jr.
Fax: (302) 576-3280
Email: jbarry@ycst.com; rpoppiti@ycst.com

After the Effective Date, the Reorganized Debtors shall have the authority to send a notice to Entities that continue to receive documents pursuant to Bankruptcy Rule 2002 requiring such Entity to File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

H. Entire Agreement

Except as otherwise indicated, the Plan (including, for the avoidance of doubt, the Plan Supplement) supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Plan Supplement Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from <https://dm.epiq11.com/case/rgn/info> or the Bankruptcy Court's website at www.del.uscourts.gov/bankruptcy. The documents considered in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

J. Non-Severability

Except as set forth in Article VIII of the Plan, the provisions of the Plan, including its release, injunction, exculpation and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the consent of the Debtors; and (c) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order and to the extent applicable, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and, pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, no such parties, individuals, or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on

the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

L. Waiver or Estoppel

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court prior to the Confirmation Date (including the DIP Facility Documents).

M. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

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Dated: June 11, 2021

Respectfully submitted,

By: /s/ James S. Feltman
Name: James S. Feltman
Title: Responsible Officer

Schedule 1

Chapter 11 Filing Entity	Allowed Prepetition Credit Agreement Claims (by Debtor entity as of respective Petition Date)
RGN-Columbus IV, LLC	1,200,367
RGN-Chicago XVI, LLC	1,774,262
RGN-Fort Lauderdale III, LLC	536,705
RGN-Group Holdings, LLC	265,000,000
RGN-National Business Centers, LLC	0
H Work, LLC	0
RGN-Lehi I, LLC	0
RGN-Lehi II, LLC	328,464
RGN Atlanta XXXV, LLC	254,787
RGN-Arlington VI, LLC	2,584,752
RGN-Chevy Chase I, LLC	1,770,212
RGN-Philadelphia IX, LLC	386,939
RGN-Denver XVI, LLC	5,286,700
RGN-Los Angeles XXV	2,902,861
RGN-New York XXXIX, LLC	773,528
RGN-San Jose IX, LLC	1,615,951
RGN-Culver City I, LLC	1,910,277
RGN-Denver XI, LLC	2,084,010
RGN-New York XLI, LLC	925,455
RGN-New York XLIII, LLC	4,128,553
RGN-Huntsville II, LLC	0
RGN-Houston XXV, LLC	1,107,822
RGN-Boston XIX, LLC	1,379,697
RGN-Beachwood I, LLC	719,756
RGN-Austin VI, LLC	0
RGN-San Antonio XIV, LLC	263,873
RGN-Alpharetta II, LLC	0
RGN-Baton Rouge I, LLC	517,962
RGN-Boston I, LLC	1,115,503
RGN-Boulder II, LLC	325,374
RGN-Beaverton II, LLC	2,045,224
Corporate Offices of California, LLC	2,606,833
RGN-Chicago XXVI, LLC	857,753
RGN-Fort Worth VI, LLC	289,075
RGN-Frisco II, LLC	0

RGN-Clayton I, LLC	0
RGN-Greenwood Village II, LLC	160,705
RGN-Jenkintown I, LLC	385,785
RGN-Dallas XIX, LLC	0
RGN-Jupiter II, LLC	4,195
RGN-Downers Grove I, LLC	0
RGN-Katy I, LLC	67,100
RGN-Lakewood I, LLC	0
RGN-Las Vegas VII, LLC	0
RGN-Englewood III, LLC	271,149
RGN-Las Vegas X, LLC	258,371
RGN-Los Angeles I, LLC	0
RGN-Fort Worth IV, LLC	541,634
RGN-Metairie II, LLC	418,910
RGN-Metro Dallas VI, LLC	854,316
RGN-Miami I, LLC	66,785
RGN-Oak Park I, LLC	819,007
RGN-Oklahoma City I, LLC	0
RGN-Pasadena I, LLC	0
RGN-Santa Fe I, LLC	1,165,712
RGN-Pasadena II, LLC	475,668
RGN-Scottsdale V, LLC	69,173
RGN-Phoenix III, LLC	1,297,385
RGN-Scottsdale VI, LLC	0
RGN-Phoenix XII, LLC	638,534
RGN-Southfield I, LLC	0
RGN-St. Louis II, LLC	79,780
RGN-Phoenix XIII, LLC	259,077
RGN-Sugarland I, LLC	52,375
RGN-Sacramento IV, LLC	0
RGN-San Diego XII, LLC	0
RGN-San Diego XV, LLC	640,370
RGN-San Francisco XIII, LLC	274,817
RGN-Tampa V, LLC	0
RGN-Tulsa III, LLC	511,084
RGN-Tucson I, LLC	0
RGN-Uniondale I, LLC	0
RGN-Washington DC XIV, LLC	382,935

RGN-Santa Monica VI, LLC	3,244,821
RGN-Plano V, LLC	1,045,532
RGN-Cambridge III, LLC	134,993
RGN-Reston II, LLC	260,915
RGN-Cincinnati III, LLC	1,571,512
RGN-Long Island City I, LLC	5,183,398
RGN-San Diego XVI, LLC	688,823
RGN-New York VIII, LLC	4,898,527
RGN-New York XLVII, LLC	2,656,426
RGN-San Francisco XX, LLC	5,306,792
RGN-Novato II, LLC	957,042
RGN-Palo Alto III, LLC	627,806
RGN-Sausalito II, LLC	508,460
RGN-Seattle XVII, LLC	1,670,540
RGN-Washington DC I, LLC	5,708,795
RGN-Milwaukee III, LLC	650,497
RGN-Braintree I, LLC	316,886
RGN-Raleigh VII, LLC	0
RGN-Miami Beach II, LLC	1,578,064
RGN-Baltimore IV, LLC	0
RGN-Tulsa V, LLC	730,154
RGN-Irving II, LLC	238,674
RGN-Atlanta XII, LLC	250,696
RGN-Roseville III, LLC	0
RGN-San Francisco XIX, LLC	5,484,200
RGN-New York LVIII, LLC	1,047,186
RGN-Austin XV, LLC	2,892,926
RGN-Dallas XX, LLC	6,789,290
RGN-Portland VII, LLC	1,758,384
RGN-Baltimore V, LLC	160,383
RGN-Chicago XLIV, LLC	958,249
RGN-Milwaukee IV, LLC	1,566,470
RGN-New York V, LLC	8,010,672

**AGGREGATE ALLOWED PREPETITION
CREDIT AGREEMENT CLAIMS BALANCE**

381,284,678

EXHIBIT “H”

This is
EXHIBIT "H"
referred to in the affidavit of
James S. Feltman
dated June 21, 2021

DocuSigned by:

Lee Melholson

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Commissioner for taking affidavits

Stikeman Elliott

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON Canada M5L 1B9

Main: 416 869 5500
Fax: 416 947 0866
www.stikeman.com

Lee Nicholson
Direct: (416) 869-5604
leenicholson@stikeman.com

May 31, 2021

By E-Mail and Courier

1602978 Ontario Inc.
c/o 505 Highway 7 East, Suite 303
Thornhill, Ontario L3T 7T1

Liberty Development Corporation
1 Steelcase Rd. W. | Unit 8
Markham, ON L3R 0T3

Attention: President

Attention: Michael Uster and Tracey Wills

Dear Sir and Madame:

Re: In the matter of the CCAA proceedings of Guardian Financial Corp. et al. (CV-20-00646507-00CL)

Please find enclosed a notice by RGN Ontario XLVII Limited Partnership (“**RGN XLVII**”) to its intention to disclaim the Lease Agreement with reference date of September 25, 2017 for leased premises located at Unit 401 – 415 at 3601 Highway 7 East, Markham, Ontario (the “**Leased Premises**”) along with other related agreements.

Please also be advised that pursuant to paragraph 12 of the Amended and Restated Initial Order dated September 10, 2020 of the Ontario Superior Court of Justice (Commercial List) (as further amended and restated, the “**Initial Order**”), RGN XLVII will be attending the Leased Premises during business hours early next week to remove its furnishings and fixtures from the Leased Premises. We will provide further details regarding the specific time of the pick-up closer to the date.

Yours truly,



Lee Nicholson

LN/kl
Enclosure

Form 4 - Notice of Disclaimer

cc: R. Kofman and M. Vininsky, *KSV Restructuring Inc.*
S. Zweig, *Bennett Jones LLP*
A. Taylor, *Stikeman Elliott LLP*

FORM 4

NOTICE BY THE DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To: 1602978 Ontario Inc.

To: KSV Restructuring Inc. ("**KSV**"), in its capacity as Monitor of the CCAA Debtors (as defined below) (the "**Monitor**")

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in respect of Guardian Financial Corp. and other entities listed on Schedule "A". (collectively, the "**Applicants**") were commenced on August 31, 2020 pursuant to an Initial Order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"). Certain related limited partnerships listed on Schedule "B" were also granted certain benefits and protections pursuant to the Initial Order (together with the Applicants, the "**CCAA Debtors**").
2. In accordance with subsection 32(1) of the CCAA, notice is hereby given to you of the CCAA Debtors' intention to disclaim the following agreements, which right, title and interest in was assigned to RGN Ontario XLVII Limited Partnership ("**RGN XLVII**") pursuant to an Assignment of Lease dated January 1, 2019 between RGN Limited Partner Holdings, Corp. and RGN XLVII:
 - a. The Lease Agreement with a lease reference date of September 25, 2007 between 1602978 Ontario Inc. and Markham Executive Offices Limited for the leased premises located at Unit 401 – 415 located at 3601 Highway 7 East, Markham, ON;
 - b. The Lease Extension & Amending Agreement dated February 1, 2018 between 1602978 Ontario Inc., Markham Executive Offices Limited and RGN-National Business Centers, LLC;
 - c. The Signage Lease dated July 1, 2008 between 1602978 Ontario Inc. and Markham Executive Offices Limited, together with amending agreements dated June 3, 2015 and March 22, 2016; and
 - d. The Signage Lease Amending & Extension Agreement dated February 1, 2018, between 1602978 Ontario Inc. and Markham Executive Offices Limited;(collectively, as amended and restated from time to time, the "**Lease**")
3. In accordance with subsection 32(2) of the CCAA, any party to the Lease may, within 15 days after the day on which this notice is given and with notice to the other parties to the Lease and to the Monitor, apply to CCAA Court for an order that the Lease is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the CCAA, if no application for an order is made in accordance with subsection 32(2) of the CCAA, the Lease shall be disclaimed or resiliated at 23:59 on the 30th day of June, being 30 days after the date on which this notice has been given.

Dated at Toronto, Ontario on May 31, 2021

DocuSigned by:

47E67E918B65464...

Name: Wayne Berger

Title: Chief Executive Officer

KSV, in its capacity as the court-appointed Monitor of the CCAA Debtors, approves the proposed disclaimer or resiliation.

Dated at Toronto, Ontario on May 31, 2021



Name: Mitch Vininsky

Title: Managing Director

KSV Restructuring Inc., in its capacity as the court-appointed Monitor of the CCAA Debtors and not in its personal capacity.

Schedule "A" - Applicants

RGN Alberta IV GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule “B” – Other CCAA Debtors

RGN Alberta IV Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
RGN Ontario II Limited Partnership
RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership

CONFIDENTIAL EXHIBIT “I”

Exhibit "I" is Confidential
and has been omitted and
subject to a request for a
sealing order

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C 36, AS AMENDED AND IN THE MATTER OF GUARDIAN FINANCIAL CORP. AND
OTHER ENTITIES LISTED ON SCHEDULE "A"**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JAMES S. FELTMAN
SWORN JUNE 21, 2021**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO#: 66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N

Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

TAB 3

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

THE HONOURABLE MADAM) THURSDAY, THE 30TH
)
JUSTICE DIETRICH) DAY OF JUNE, 2021

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"**

(Applicants)

**ORDER
(Re: Stay Extension and Other Relief)**

THIS MOTION, made by Guardian Financial Corp. and other entities listed on Schedule "A" (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order extending the stay period and certain other relief, substantially in the form enclosed in the Motion Record, proceeded on this day by way of video-conference due to the COVID-19 pandemic.

ON READING the affidavit of James Feltman sworn June 21, 2021 (the "**Seventh Feltman Affidavit**") and the Exhibits thereto, and the Third Report of KSV Restructuring Inc. (f/k/a KSV Kofman Inc.) ("**KSV**") in its capacity as monitor (the "**Monitor**") of the CCAA Debtors (as defined below) dated June ●, 2021;

UPON HEARING the submissions of counsel for the Applicants and counsel to the Monitor, and other parties listed on the counsel slip, no one else appearing for any other party although served as appears on the affidavit of service of Lee Nicholson, filed;

SERVICE

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

EXTENSION OF THE STAY PERIOD

2. **THIS COURT ORDERS** that the stay period referred to in the Initial Order of the Honourable Justice Dietrich dated August 31, 2020 (as amended and restated, the “**Initial Order**”) is extended until and including September 30, 2021 in respect of the Applicants and other entities listed on Schedule “B” (together, the “**CCAA Debtors**”).

TERMINATION OF CCAA PROCEEDINGS IN RESPECT OF RGN BC XXIV

3. **THIS COURT ORDERS** that these proceedings under the CCAA (the “**CCAA Proceedings**”) solely with respect to RGN British Columbia XXIV Limited Partnership and RGN British Columbia XXIV GP Inc. (collectively, “**RGN BC XXIV**”) are hereby terminated and discharged without any other act or formality.

4. **THIS COURT ORDERS** that KSV is hereby discharged and relieved from any further obligations, liabilities, responsibilities, or duties in its capacity as Monitor pursuant to the Initial Order and any other Orders of this Court in these CCAA Proceedings with respect to RGN BC XXIV.

5. **THIS COURT ORDERS** that, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA Proceedings or under the CCAA, the Monitor, the Monitor’s legal counsel, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) are hereby released and discharged from any

and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of these CCAA Proceedings with respect to RGN BC XXIV or with respect to their respective conduct in these CCAA Proceedings with respect to RGN BC XXIV (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

6. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these CCAA Proceedings with respect to RGN BC XXIV, except with prior leave of this Court on at least seven (7) days’ prior written notice to the applicable Released Party.

7. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of these CCAA Proceedings with respect to RGN BC XXIV, nothing herein shall affect, vary, derogate from, limit or amend, any of the protections in favour of the Monitor at law or pursuant to the CCAA or any Order of this Court in these CCAA Proceedings, and the Monitor shall continue to benefit of any such protections.

SEALING

8. **THIS COURT ORDERS** that Confidential Exhibit “I” of the Seventh Feltman Affidavit shall be sealed in their entirety and shall not form part of the public record unless otherwise ordered by this Court.

GENERAL

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Debtors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the CCAA Debtors and the Monitor

in any foreign proceeding, or to assist the CCAA Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order and all its provisions are effective from the date it is made without any need for entry and filing.

Schedule "A" – Additional Applicants

RGN Alberta IV GP Inc.

RGN Alberta X GP Inc.

RGN Alberta XIII GP Inc.

RGN Alberta XIV GP Inc.

RGN Alberta XVII GP Inc.

RGN British Columbia XX GP Inc.

RGN British Columbia XVI GP Inc.

RGN British Columbia XXV GP Inc.

RGN Manitoba II GP Inc.

RGN Ontario II GP Inc.

RGN Ontario L GP Inc.

RGN Ontario LV GP Inc.

RGN Ontario LVI GP Inc.

RGN Ontario LVIII GP Inc.

RGN Ontario LXII GP Inc.

RGN Ontario XI GP Inc.

RGN Ontario XLI GP Inc.

RGN Ontario XLII GP Inc.

RGN Ontario XLV GP Inc.

RGN Ontario XLVI GP Inc.

RGN Ontario XLVII GP Inc.

RGN Ontario XLVIII GP Inc.

RGN Ontario XXI GP Inc.

RGN Ontario XXIV GP Inc.

RGN Ontario XXIX GP Inc.

RGN Ontario XXV GP Inc.

RGN Ontario XXVIII GP Inc.

RGN Ontario XXXI GP Inc.

RGN Ontario XXXII GP Inc.

RGN Ontario XXXIII GP Inc.

RGN Quebec V GP Inc.

RGN Quebec VI GP Inc.

RGN Quebec XIV GP Inc.

RGN Quebec XVI GP Inc.

RGN Services Limited

Schedule “B” – Other CCAA Debtors

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RGN Alberta X Limited Partnership
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RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
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RGN Quebec XIV Limited Partnership
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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C 36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF GUARDIAN FINANCIAL CORP.
AND OTHER ENTITIES LISTED ON SCHEDULE "A"**

Court File No.: CV-20-00646507-00CL

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

Proceeding commenced at Toronto

**ORDER
(Re: Stay Extension and Other Relief)**

STIKEMAN ELLIOTT LLP

Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E

Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I

Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N

Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF GUARDIAN FINANCIAL CORP. AND
OTHER ENTITIES LISTED ON SCHEDULE "A"

Court File No. CV-20-00646507-00CL

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

MOTION RECORD
(Re: Stay Extension and Other Relief)
(Returnable June 30, 2021)

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com

Lee Nicholson LSO #66412I
Tel: (416) 869-5604
Email: leenicholson@stikeman.com

Ben Muller LSO#: 80842N
Tel: (416) 869-5543
Email: bmuller@stikeman.com

Lawyers for the Applicants