First Report to Court of KSV Restructuring Inc. as CCAA Monitor of Guardian Financial Corp. and those entities listed on Schedule "A"

November 16, 2020

Contents

Page

1.0 Introduction 1
- 1.1 Purposes of this Report 3
- 1.2 Currency 4
- 1.3 Restrictions 4

2.0 Background 4

3.0 Cash Flow Forecast 5

4.0 Estate Account Agreement 6

5.0 Stay Extension 8

6.0 Pre-Filing Payments 9

7.0 Conclusion and Recommendation 10

Schedules and Appendices

Schedule	Tab
CCAA Entities	A
Limited Partnership Entities	B

Appendix	Tab
CCAA Order	A
Initial Recognition Order dated August 24, 2020	B
Supplemental Order dated August 24, 2020 (without schedules)	C
Organizational chart	D
Cash Flow Forecast	E
Monitor's Report on Cash Flow	F
Estate Account Agreement	G

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 THOSE ENTITIES LISTED ON SCHEDULE "A"

FIRST REPORT OF KSV RESTRUCTURING INC. AS CCAA MONITOR

NOVEMBER 16, 2020

1.0 Introduction

1. This report (the "Report") is filed by KSV Restructuring Inc.[1] ("KSV") in its capacity as the Court-appointed monitor (the "Monitor") of Guardian Financial Corp. and the entities listed on Schedule "A" (collectively, the "Company") in respect of their proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"). On August 31, 2020, the Court issued an Order (the "Initial Order") granting the Company protection under the CCAA, extending the stay of proceedings over the limited partnerships (the "LPs") listed in Schedule "B" attached hereto (together, the LPs and the Company are referred to as the "CCAA Debtors") and appointing KSV as Monitor in the proceedings (the "CCAA Proceedings"). On September 10, 2020, the Court granted an Order amending and restating the Initial Order (as amended and restated, the "CCAA Order"). The stay of proceedings under the CCAA Order expires on November 27, 2020. A copy of the CCAA Order is provided in Appendix "A".

2. The principal purpose of these restructuring proceedings is to create a stabilized environment to allow the CCAA Debtors to operate, including preventing the Canadian Leases (as defined below) from being terminated, while the CCAA Debtors, in coordination with the Chapter 11 Debtors (as defined below), develop a plan to restructure the North American business of Regus Corporation and its affiliates.

[1] Effective August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

3. On August 17, 2020 (the "Filing Date"), the following entities filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the "U.S. Court"):

   - RGN-National Business Centers, LLC ("RGN-National" or the "Foreign Representative");
   - H Work, LLC (f/k/a HQ Global Workplaces LLC) ("H Work"); and
   - RGN-Group Holdings, LLC ("Holdings").

   Collectively, RGN-National, H Work and Holdings are defined herein as the "Guarantor Debtors".

   The proceedings before the U.S. Court involving the Chapter 11 Debtors are defined herein as the "Chapter 11 Proceedings" and the debtors subject to the Chapter 11 Proceedings, including the Guarantor Debtors, are defined herein as the "Chapter 11 Debtors".

4. On August 18, 2020, the U.S. Court heard the Chapter 11 Debtors' first day motions and granted certain orders (the "First Day Orders").

5. On August 24, 2020, the Court issued the following orders pursuant to Part IV of the CCAA:

   a) the Initial Recognition Order (Foreign Main Proceeding) (the "Recognition Order"), a copy of which is attached as Appendix "B", which, *inter alia*, recognizes the Chapter 11 Proceedings as a "foreign main proceeding" and the Foreign Representative as the "foreign representative" as defined in section 45 of the CCAA. The Recognition Order also stays all proceedings against the Guarantor Debtors; and

   b) the Supplemental Order (Foreign Main Proceeding) (the "Supplemental Order"), a copy of which is attached as Appendix "C" (without schedules), which, *inter alia*, appoints KSV as Information Officer with respect to the Chapter 11 Debtors, grants a stay of proceedings as set out therein, and recognizes certain of the First Day Orders.

6. On August 28, 2020, the Foreign Representative sought an interim order under section 49 of the CCAA extending the stay of proceedings to certain of the CCAA Debtors until they could bring an application for protection under the CCAA (the "August 28th Relief"). The Court did not grant the August 28th Relief. Accordingly, on August 28, 2020, RGN Ontario II Limited Partnership ("RGN Ontario II"), an affiliate of the Company, filed a Notice of Intention to Make a Proposal ("NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, as amended (the "BIA") and KSV was appointed as Proposal Trustee. The NOI for this entity was filed on an urgent basis as its business was at risk if its lease was terminated by its landlord, which opposed the August 28th Relief.

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

8. On September 16, 2020, RGN Ontario XXXIV Limited Partnership ("RGN Ontario XXXIV"), another affiliate of the Company, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN Ontario XXXIV. The proceedings by RGN Ontario XXXIV were precipitated by proceedings commenced in the Bailiwick of Jersey on September 10, 2020 by Regus Plc S.A. ("Regus Plc"), a Bailiwick of Jersey entity that is managed and controlled in Luxembourg and is the guarantor of the leases held by RGN Ontario XXXIV. Regus Plc does not carry on business in Canada. On October 9, 2020, a trustee in Luxembourg was appointed in respect of Regus Plc.

9. On November 13, 2020, RGN British Columbia XXIII Limited Partnership ("RGN British Columbia XXIII"), another affiliate of the Company, filed an NOI pursuant to the BIA. KSV was appointed as Proposal Trustee of RGN British Columbia XXIII. The lease held by RGN British Columbia XXIII is also guaranteed by Regus Plc.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) provide background information about the CCAA Debtors;

   b) report on the CCAA Debtors' cash flow projection for the period November 9, 2020 to March 14, 2021 (the "Cash Flow Forecast");

   c) summarize the Estate Account Agreement dated November 2, 2020 among the CCAA Debtors, the entities listed on Schedule "A" thereto, RGN Management Limited Partnership ("RGN Management") and KSV in its capacity as the Monitor and Proposal Trustee (together, the "Court Officer") (the "Estate Account Agreement");

   d) provide the rationale for having RGN Management, on behalf of an applicable CCAA Debtor, pay, in consultation with the Monitor, critical pre-filing construction vendors (the "Pre-Filing Payments"); and

   e) recommend that this Court issue an Order:

      i. extending the stay of proceedings pursuant to the CCAA Order from November 27, 2020 to March 16, 2021;

      ii. approving the Estate Account Agreement; and

      iii. authorizing the Pre-Filing Payments on the basis set out in Section 6 of this Report.

1.2 Currency

1. All currency references in this Report are to US dollars.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information prepared by the CCAA Debtors' representatives and financial advisors, the CCAA Debtors' books and records and discussions with the CCAA Debtors' Canadian counsel.

2. The Monitor has not performed an audit or other verification of such information. An examination of the CCAA Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the CCAA Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by the Monitor in its preparation of this Report.

3. The business and operations of the CCAA Debtors may be affected by the Covid-19 pandemic and the effect of the pandemic on the CCAA Debtors may be material.

2.0 Background

1. The CCAA Debtors are affiliates of Regus Corporation, a Delaware corporation, that, together with its affiliates (collectively, "IWG") offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across several industries in over 1,000 locations in the United States and Canada.

2. IWG is a multinational corporation, which operates over 3,300 locations across more than 110 countries. 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 IWG with unoccupied office space (the "Centres"). IWG develops and engineers each of the Centres to meet the needs of individuals, companies and organizations that contract for use of portions of the Centres. IWG markets its Centres under 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, the license payments from Occupants will exceed the combined cost of the underlying long-term lease, management cost and operating expenses of the Centre.

3. Generally, the lessee under each Lease is a special-purpose entity (an "SPE") formed for this specific purpose (each, a "Lease Holder"). In certain cases, the Lease Holder's obligations under the Lease are partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors. The Occupancy Agreements are between the Occupants and an entity in the group, which is not an SPE.[2] In Canada, most of the Occupants have contracted with RGN Management. RGN Management directly pays substantially all of the costs and expenses related to the operation of the Centres on behalf of each SPE/Lease Holder, with the exception of rent and certain other costs. Money for rent is advanced by RGN Management to the SPE/Lease Holder, which then pays its Landlord.

4. The Guarantor Debtors are guarantors, or are co-liable as original tenant-assignor, of 653 Leases in total as of the Filing Date, including 85 Leases in respect of Centres located in Canada (the "Guaranteed Canadian Leases"). The Guarantor Debtors do not carry on business in Canada. Of the 85 Guaranteed Canadian Leases, approximately 39 of them provide, or may provide, that an insolvency filing by the Guarantor Debtors is an event of default, which may allow the respective Landlord to terminate the lease with little or no notice.

5. IWG, through Canadian SPE affiliates of the Chapter 11 Debtors, operates 137 Centres in Canada (the "Canadian Affiliates"). The Canadian Affiliates are not subject to the Chapter 11 Proceedings. The CCAA Debtors are a subset of the Canadian Affiliates.

6. A simplified organizational chart of IWG, including the Chapter 11 Debtors and the Company, is provided in Appendix "D".

7. Further information concerning the CCAA Proceedings and Chapter 11 Proceedings is available on KSV's website at: https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers.

3.0 Cash Flow Forecast

1. The CCAA Debtors prepared the Cash Flow Forecast, which covers the period November 9, 2020 to March 14, 2021[3]. The Cash Flow Forecast and the CCAA Debtors' statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "E".

2. The Cash Flow Forecast was prepared on a consolidated basis in respect of the CCAA Debtors. The Cash Flow Forecast reflects funding from RGN Management, with the equivalent amount being paid to Landlords of the CCAA Debtors for rent and other service charges related to the Canadian Leases.

3. As previously reported, should the CCAA Debtors require funding during these proceedings, RGN Management has agreed to provide it under an intercompany secured loan facility which was in place between each of the CCAA Debtors and RGN Management prior to the commencement of the CCAA Proceedings.

[2] From an accounting perspective, the economic interest is recorded in SPE's financial statements.

[3] The projected cash flow for the week ending March 21, 2021, coinciding with the stay extension request, is nil.

4. Based on the Monitor's review of the Cash Flow Forecast, the assumptions appear reasonable. The Monitor's statutory report on the Cash Flow Forecast is attached as Appendix "F".

4.0 Estate Account Agreement

1. As set out in Section 2 above, RGN Management pays directly substantially all of the costs on behalf of each SPE/Lease Holder, with the exception of rent and certain other costs. Money for rent is advanced by RGN Management to the SPE/Lease Holder, which then pays its Landlord.

2. If the monthly expenses and costs incurred by RGN Management on behalf of a Canadian SPE and other intercompany amounts owing by the Canadian SPE exceed the Occupancy Fees collected at the Centre, the monthly net deficiency is recorded as an intercompany payable by the applicable Canadian SPE to RGN Management pursuant to a secured 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 SPE books an intercompany receivable owing from RGN Management.

3. The CCAA Debtors share a centralized cash management system with the non-CCAA Debtor Canadian Affiliates. Each of the CCAA Debtors has a separate bank account with CIBC 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 allows 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.

4. In response to a concern raised by counsel to a Landlord regarding the potential commingling of funds among the Canadian Affiliates, the CCAA Debtors, with input from the Monitor, entered into the Estate Account Agreement, which is summarized below:[4]

    a) The Estate Account Agreement provides that any Net Operating Cash Flow generated following the Filing Dates shall be held in a bank account established by the Court Officer (the "Estate Account") so, if it becomes necessary, such amounts are available to be distributed to creditors of each of the SPE Debtors to the extent that a SPE Debtor has a positive cash balance, i.e. in a bankruptcy or liquidation of the SPE Debtor the positive cash balance would be available to the creditors of the SPE Debtor.

[4] Capitalized terms are as defined in the Estate Account Agreement.

b) RGN Management provided an initial deposit to the Court Officer of approximately $322,000, representing the aggregate estimated Net Operating Cash Flow from September 1, 2020 to October 31, 2020. This amount will be adjusted, in consultation with the Court Officer, based on the actual results following the closing of the SPE Debtors' accounting for October 2020, depending on the actual amount of the Net Operating Cash Flow attributable to each SPE Debtor.

c) For 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, subject to the conditions summarized below:

   i. to the extent the Net Operating Cash Flow of an SPE Debtor for a particular month is positive, but the Net Operating Cash Flow for that SPE Debtor from Filing Date to the start of the month is negative, the amount of the Net Operating Cash Flow to be transferred by RGN Management to the Court Officer shall be limited to the difference between the positive cash flow amount and the prior negative cash flow amount;[5] and

   ii. to the extent that the Net Operating Cash Flow of an 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 Court Officer 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 net positive cash flow held by the Court Officer on behalf of an SPE Debtor at a point in time.

d) The Net Operating Cash Flow calculation and any corresponding receipts to or disbursements from the Estate Account 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.

e) The Estate Account Agreement terminates upon the earlier of: (i) an Order of this Court terminating the Estate Account Agreement; (ii) termination and discharge of the NOI Proceedings and the CCAA Proceedings; and (iii) dismissal of the motion seeking approval of the Estate Account Agreement.

[5] For example, if an SPE Debtor generated negative Net Operating Cash Flow of $100 from the Filing Date to November 1, 2020, and the SPE Debtor generated $200 of positive Net Operating Cash Flow in November, only $100 would be paid to the Monitor to be held pursuant to the Estate Account Agreement.

f) 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 motion to approve the Estate Account Agreement is dismissed by the Court.

g) 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 licensed insolvency trustee appointed to administer the estate of the SPE Debtor in accordance with the BIA.

5. A copy of the Estate Account Agreement is provided as Appendix "G".

6. The Monitor respectfully recommends that the Court approve the Estate Account Agreement as it, among other things, provides additional protection for creditors of the CCAA Debtors and transparency regarding the cash management system. For this reason, the Monitor supports the approval of the Estate Account Agreement and believes that it is in the best interests of the CCAA Debtors' stakeholders.

5.0 Stay Extension

1. The CCAA Debtors are seeking an extension of the stay of proceedings from November 27, 2020 to March 16, 2021. As set out in the affidavit of James S. Feltman sworn November 13, 2020 and included in the CCAA Debtors' motion materials, this date considers certain key milestones in the Chapter 11 Proceedings, including the conditions of the Chapter 11 Debtors' $50 million debtor-in-possession ("DIP") financing facility to, among other things:

   a) file a plan of reorganization no later than November 25, 2020. The Monitor understands that this milestone will likely be extended until mid-December 2020;

   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; and

   c) have an "Effective Date" for the plan of reorganization that is no later than March 16, 2021 (the "Effective Date").

2. The Monitor is supportive of this request for the following reasons:

   a) in the Monitor's view, the CCAA Debtors have acted and continue to act in good faith and with due diligence;

   b) the extension should not adversely affect or materially prejudice any group of creditors as the Cash Flow Forecast reflects that there is sufficient funding for the extension period;

c) it would provide the CCAA Debtors with the additional time they require to restructure their affairs as part of a coordinated effort with their affiliates, including the Chapter 11 Debtors, to complete a restructuring of IWG's North American business; and

d) the proposed extension aligns with the 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.

6.0 Pre-Filing Payments

1. The CCAA Debtors regularly perform renovations and upgrades to their Centres as part of their normal business activities. Several projects were in progress when the CCAA Proceedings commenced. In certain cases, arrears are owing to contractors who have advised the CCAA Debtors that they are unwilling to continue the projects without being brought current on arrears that arose prior to the Filing Date, notwithstanding the CCAA Order.

2. Given the importance of the Centres to the CCAA Debtors' business and their ability to attract Occupants, the CCAA Debtors are requesting authority to pay pre-filing arrears to construction suppliers up to an aggregate maximum of CDN$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. As the CCAA Debtors are without funds, the amounts for such payments would be funded by RGN Management to the applicable SPE under RGN Management's existing secured loan facility.

3. The criteria developed by the CCAA Debtors, in consultation with the Monitor, to determine whether to pay a supplier its pre-filing arrears would include:

   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 identified to complete the work, and if so, in what timeframe; and

   e) the Monitor's view on whether the payment should be made.

4. As noted above, certain of the ongoing construction projects are integral to maintaining the professional appearance of the Centres and ensuring they are attractive to prospective Occupants. As such, the constructions projects are critical to the CCAA Debtors' business. The Monitor believes that the CCAA Debtors' authorization to make the proposed Pre-Filing Payments is appropriate in the circumstances.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief set out in Section 1.1 (1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
GUARDIAN FINANCIAL CORP. AND THOSE ENTITIES LISTED ON SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY

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" – Limited Partnerships

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

Appendix “A”

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 prefiling 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 co-operate 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.

Dietrich J.

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 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 GUARDIAN FINANICAL 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

Appendix “B”

Court File No. CV-20-00646084-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
JUSTICE HAINEY	)	DAY OF AUGUST, 2020

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)

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by RGN-National Business Centers, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of H Work, LLC (f/k/a HQ Global Workplaces LLC), RGN-Group Holdings, LLC, RGN-National Business Centres, LLC, RGN-Fort Lauderdale LII, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC (collectively, the "**Chapter 11 Debtors**", and each, a "**Chapter 11 Debtor**") 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 crisis.

ON READING the Notice of Application, the affidavit of James S. Feltman sworn August 22, 2020 (the "**Feltman Affidavit**"), the consent of KSV Kofman Inc. to act as the information officer and upon being provided with copies of the documents required by section 46 of the CCAA;

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

AND UPON HEARING the submissions of counsel for the Foreign Representative and counsel for the proposed information officer, no other parties receiving notice of this Application.

SERVICE

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

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced by the Chapter 11 Debtors in the United States Bankruptcy Court for the District of Delaware pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Chapter 11 Debtors is the United States of America, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

   (a) all proceedings taken or that might be taken against any Chapter 11 Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;

   (b) further proceedings in any action, suit or proceeding against any Chapter 11 Debtor are restrained; and

   (c) the commencement of any action, suit or proceeding against any Chapter 11 Debtor is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

(a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and

(b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Foreign Representative, with the assistance of the Information Officer, shall (a) cause to be published a notice substantially in the form attached to this Order as Schedule "A" (the "**Notice**"), once a week for two consecutive weeks, in *The Globe & Mail (National Edition)* and *Le Devoir*; and (b) send a copy of the Notice by registered mail to each landlord under a Guaranteed Canadian Lease (as defined in the Feltman Affidavit) at the address contained in the books and records of the Chapter 11 Debtors.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Court is seized of these proceedings and any interested party may seek to vary or amend this Order or seek other relief by filing a motion with this Court on not less than seven (7) days notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. from the date it is made without any need for entry and filing.

Schedule "A" – Notice of Recognition Order

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 (collectively, the "CHAPTER 11 DEBTORS")

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on August 24, 2020 (the "**Recognition Order**").

PLEASE TAKE NOTICE that the Chapter 11 Debtors commenced voluntary reorganization cases (the "**Chapter 11 Cases**") pursuant to chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). In connection with the Chapter 11 Cases, the Chapter 11 Debtors have appointed RGN-National Business Centers, LLC as the foreign representative of the Chapter 11 Debtors (the "**Foreign Representative**"). The Foreign Representative's address is 3000 Kellway Drive, Suite 140, Carrolton (Dallas), Texas 75006.

AND TAKE NOTICE that pursuant to the Recognition Order issued by the Canadian Court under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), (i) RGN-National Business Centers, LLC was recognized as "foreign representative"; (ii) the Chapter 11 Cases were recognized as "foreign main proceedings"; (iii) a stay of proceedings against the Chapter 11 Debtors was granted; (iv) KSV Kofman Inc. was appointed as the Information Officer with respect to the proceedings in the Canadian Court; and (v) certain orders entered by the U.S. Court in the Chapter 11 Cases were recognized by the Canadian Court.

AND TAKE NOTICE that materials filed with and issued by the Canadian Court may be viewed online at: https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers. If you wish to receive copies of such materials or obtain further information in respect of the matters set forth in this Notice, you may contact the Information Officer at:

KSV KOFMAN INC.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
Attention: Mitch Vininsky
Email: mvininsky@ksvadvisory.com

PLEASE FINALLY TAKE NOTICE that Canadian counsel for the Foreign Representative is:

STIKEMAN ELLIOTT LLP
5300 Commerce Court West
199 Bay Street, Toronto ON M5L 1B9
Attention: Lee Nicholson
Email: leenicholson@stikeman.com

DATED AT TORONTO, ONTARIO this ● day of August 2020.

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

Court File No.: CV-20-00646084-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL RECOGNITION ORDER
(*FOREIGN MAIN PROCEEDING*)

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

Appendix “C”

Court File No. CV-20-00646084-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 24TH
	)	
JUSTICE HAINEY	)	DAY OF AUGUST, 2020

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)

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by RGN-National Business Centers, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of H Work, LLC (f/k/a HQ Global Workplaces LLC), RGN-Group Holdings, LLC, RGN-National Business Centers, LLC, RGN-Fort Lauderdale LII, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC (collectively, the "**Chapter 11 Debtors**", and each, a "**Chapter 11 Debtor**") 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 crisis.

ON READING the Notice of Application, the affidavit of James S. Feltman sworn August 22, 2020 (the "**Kofman Affidavit**") and the consent of KSV Kofman Inc. to act as the Information Officer (as defined below);

AND UPON HEARING the submissions of counsel for the Foreign Representative and counsel for the proposed Information Officer, no other parties receiving notice of this Application.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing 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.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated August 24, 2020 (the "**Recognition Order**").

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

(a) *Order Approving Application Appointing Epiq Corporate Restructuring, LLC as Claims and Noticing Agent for the Debtors Pursuant to 28 U.S.C. 156(c)*;

(b) *Order Authorizing RGN-National Business Centers, LLC to Serve as Foreign Representative on Behalf of the Debtors' Estates*; and

(c) *Order (I) Directing Joint Administration and (II) Authorizing the Filing of a Consolidated Creditor Matrix*;

(copies of each such Foreign Orders are attached hereto and marked as Schedules "A" through Schedule "C", respectively)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that KSV Kofman Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein and any other Order made in these proceedings.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 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

7. **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 Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **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 any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 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 Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **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 Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors 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.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded to the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and 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.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

(a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;

(b) shall report to this Court periodically as it deems appropriate with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;

(c) shall 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 Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and

(d) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceedings, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer 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.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer 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 Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors and/or the Canadian Affiliates (as defined in the Feltman Affidavit) their reasonable fees and disbursements and applicable taxes incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors and/or the Canadian Affiliates are hereby authorized and directed to pay the accounts of Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel for the Information Officer forthwith upon receipt.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

SERVICE AND NOTICE

19. **THIS COURT ORDERS** that the E-Service Protocol 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 https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure* (Ontario). Subject to Rule 3.01(d) of the *Rules of Civil*

Procedure (Ontario) 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.

20. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer 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 Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor 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.

21. **THIS COURT ORDERS** that the Foreign Representative, the Chapter 11 Debtors and the Information Officer 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 Chapter 11 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

22. **THIS COURT ORDERS** that the Information Officer may from time to time apply for advice and directions in the discharge of its powers and duties hereunder.

23. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

24. **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 of

America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer shall 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.

26. **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute adopted by this Court and the U.S. Court and attached as Schedule "D" hereto is adopted by this Court for the purposes of these recognition proceedings.

27. **THIS COURT ORDERS** that this Court is seized of these proceedings and that any interested party may seek to vary or amend this Order or seek other relief by filing a motion with this Court on not less than seven (7) days notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

28. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. from the date it is made without any need for entry and filing.

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.: CV-20-00646084-00CL

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

SUPPLEMENTAL ORDER
(*FOREIGN MAIN PROCEEDING*)

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

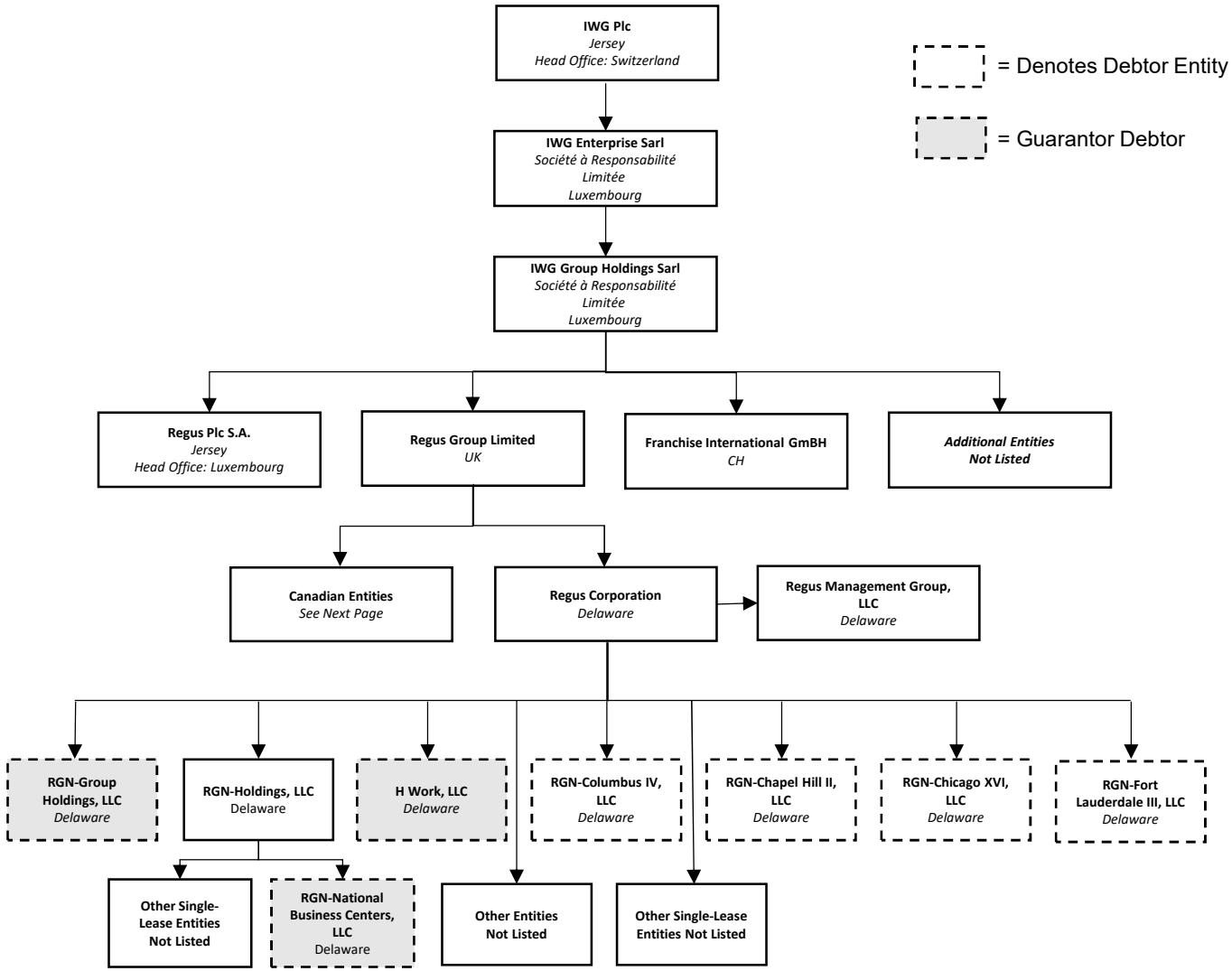
Ashley Taylor LSO#: 39932E
Tel: (416) 869-5236
Email: ataylor@stikeman.com

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

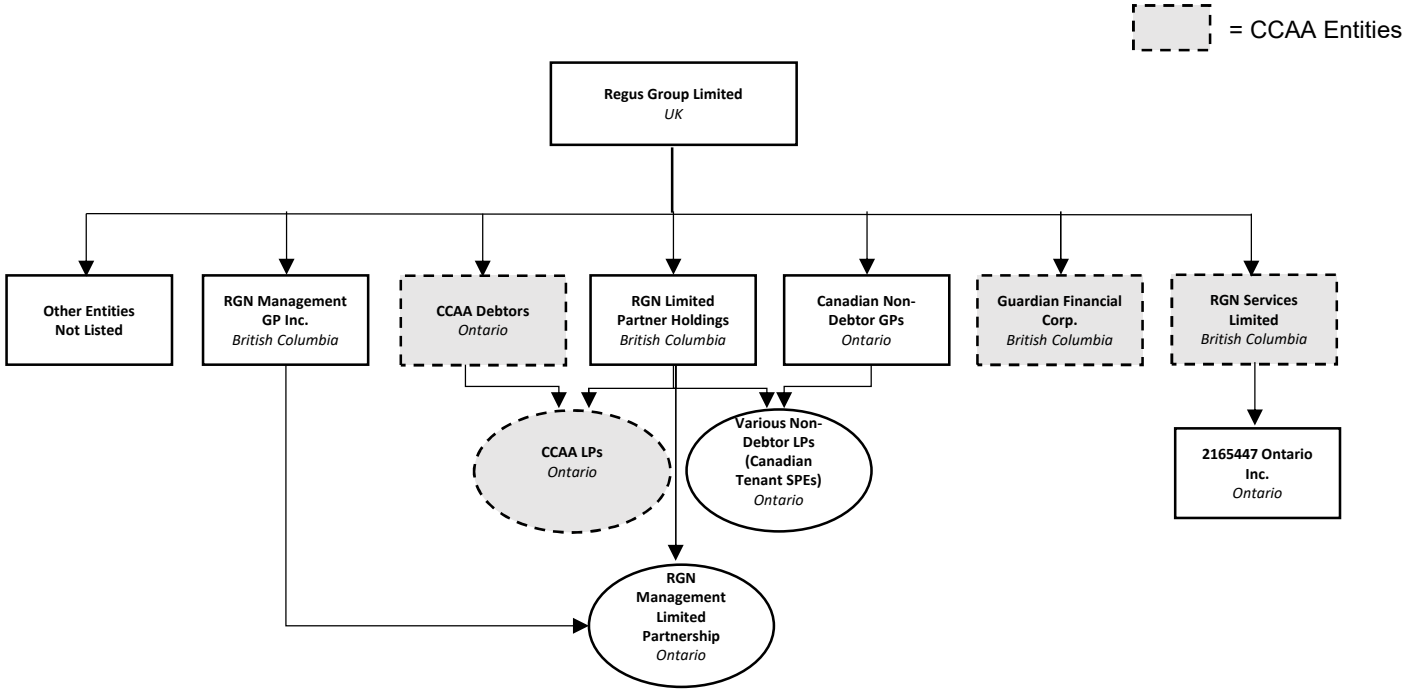
Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Foreign Representative

Appendix “D”



*all ownership is 100% unless otherwise noted



*all ownership is 100% unless otherwise noted

Appendix “E”

Guardian Financial Corp and Other CCAA Debtors

Projected Statement of Cash Flow

For the Period Ending March 14, 2021

(Unaudited; C$000)

		Weeks Ending																		
	Notes	15-Nov-20	22-Nov-20	29-Nov-20	06-Dec-20	13-Dec-20	20-Dec-20	27-Dec-20	03-Jan-21	10-Jan-21	17-Jan-21	24-Jan-21	31-Jan-21	07-Feb-21	14-Feb-21	21-Feb-21	28-Feb-21	07-Mar-21	14-Mar-21	Total
	1																			
Receipts																				
Receipt from RGN Management LP	2	-	-	2,898	-	-	-	-	2,772	-	-	-	2,776	-	-	-	2,778	-	-	11,224
Disbursements																				
Rent	3	-	-	1,689	-	-	-	-	1,563	-	-	-	1,567	-	-	-	1,569	-	-	6,387
Property service charges	3	-	-	1,209	-	-	-	-	1,209	-	-	-	1,209	-	-	-	1,209	-	-	4,837
Total Operating Disbursements		-	-	2,898	-	-	-	-	2,772	-	-	-	2,776	-	-	-	2,778	-	-	11,224
Net Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: The Monitor, counsel to the Monitor and counsel to the CCAA Entities are to be paid their reasonable fees and disbursements by RGN Management LP, a Canadian affiliate that is not part of these proceedings. Accordingly, these amounts are not reflected in the cash flow.

Guardian Financial Corp and Other CCAA Debtors
Notes to Projected Statement of Cash Flow
For the Period Ending March 14, 2021
(Unaudited; $C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of Guardian Financial Corp. and related entities for the period from November 9, 2020 to March 14, 2021 in respect of their proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

   The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

None.

Probable Assumptions

2. Represents funding from RGN Management Limited Partnership ("RGN"), an affiliated entity not subject to the CCAA proceedings. All customer receipts are remitted to RGN and in turn, RGN provides funding to these entities.

3. Rent and property service charges paid at the end of each month.

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"

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT

(paragraph 10(2)(b) of the CCAA)

Guardian Financial Corp. and those other entities listed on Schedules "A" and "B" hereto (collectively, the "**CCAA Debtors**") have developed the assumptions and prepared the attached statement of projected cash flow as of the 13th day November, 2020 for the period November 9, 2020 to March 14, 2021 ("**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the CCAA Entities and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 13th day of November, 2020.

Wayne Berger

Guardian Financial Corp. on behalf of the CCAA Debtors

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" – Limited Partnerships

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

Appendix “F”

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"

MONITOR'S REPORT ON CASH FLOW STATEMENT

(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Guardian Financial Corp. and those other entities listed on Schedules "A" and "B" hereto (collectively, the "CCAA Debtors"), as of the 13th day November, 2020, consisting of a weekly projected cash flow statement for the period November 9, 2020 to March 14, 2021 ("Cash Flow") has been prepared by the management of the CCAA Debtors for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and representatives of the CCAA Debtors. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;

b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the CCAA Debtors or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or

c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 13th day of November 2020.

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF
GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY

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

Appendix “G”

ESTATE ACCOUNT AGREEMENT

THIS AGREEMENT dated as of November 2, 2020 is made by and among each of the entities listed on Schedule "A" and any other similar situated entities that execute a joinder to this Agreement (the "**SPE Debtors**"), RGN Management Limited Partnership ("**RGN Management**") and KSV Restructuring Inc., solely in its capacity as Monitor or Proposal Trustee of the SPE Debtors and not in its personal capacity (the "**Court Officer**").

WHEREAS:

A. 37 of the SPE Debtors filed for protection under the *Companies' Creditors Arrangement Act* (as amended, the "**CCAA**") pursuant to an Initial Order dated August 31, 2020 (as amended and restated, the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**");

B. KSV Restructuring Inc. was appointed as Monitor pursuant to the Initial Order;

C. RGN Ontario II Limited Partnership, an SPE Debtor, filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the "**BIA**") on August 28, 2020 and RGN Ontario XXXIV Limited Partnership, an SPE Debtor, filed a notice of intention to make a proposal under the BIA on September 16, 2020;

D. KSV Restructuring Inc. was appointed as the proposal trustee of RGN Ontario II Limited Partnership and RGN Ontario XXXIV Limited Partnership;

E. RGN Ontario GP Inc. has brought a motion before the Court seeking to consolidate the NOI Proceedings in respect of RGN Ontario II Limited Partnership with the CCAA Proceedings;

F. The SPE Debtors do not maintain separate cash management systems or bank accounts to collect receivables or pay expenses, other than disbursement accounts used solely to facilitate the payment of rent;

G. RGN Management collects Receipts and pays Direct Expenses and Intercompany Expenses on behalf of the SPE Debtors;

H. The Court Officer has established a separate cash account (the "**Estate Account**") to collect any Net Operating Cash Flow generated by the SPE Debtors since the applicable Filing Dates, as adjusted pursuant to this Agreement; and

I. The Parties wish to enter into this Agreement to set forth the terms under which any Net Operating Cash Flow generated following the Filing Dates shall be held in the Estate Account in order that such amounts are available to be distributed to creditors of the SPE Debtors in the CCAA Proceedings or NOI Proceedings, if necessary or required.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Definitions

In this Agreement the following terms have the following meanings:

"**Agreement**" means this Agreement, including the schedules attached hereto, as may be amended, supplemented, restated or otherwise modified in accordance with its terms.

"**CCAA**" has the meaning set out in the Recitals.

"**CCAA Proceedings**" means the proceedings in respect of certain of the SPE Debtors pursuant to the CCAA.

"**Centres**" means the premises occupied by the SPE Debtors and licensed to Occupants by RGN Management, and each individually, a "**Centre**".

"**Court**" has the meaning set out in the Recitals.

"**Court Officer**" has the meaning set out in the Recitals.

"Deposit" has the meaning set out in Section 2(b).

"**Direct Expenses**" means direct expenses and costs incurred and paid by RGN Management, or funds advanced by RGN Management to the SPE Debtors to pay direct expenses and costs, incurred in connection with the operation of the Centres, including:

(a) rent and property services charges;

(b) salaries of employees, including applicable payroll and withholdings taxes and fees and expenses, of RGN Management engaged in operating the Centres of the SPE Debtor;

(c) telecom, internet and other information and technology costs;

(d) expenses related to services provided to Occupants and other customer programs provided to the Occupants; and

(e) refurbishment costs and other capital expenditures.

"**Estate Account**" has the meaning set out in the Recitals.

"**Filing Date**" means, in respect of each SPE Debtor, the earliest date on which the SPE Debtor filed for creditor protection under the CCAA or the BIA, as applicable.

"**Intercompany Expenses**" means the management fees paid by SPE Debtors to RGN Management and franchise fees paid by the SPE Debtors as described in the affidavit of James Feltman sworn August 30, 2020.

"**Net Operating Cash Flow**" means Receipts *minus* (a) Direct Expenses; and (b) Intercompany Expenses.

"**NOI Proceedings**" means the proposal proceedings in respect of certain of the SPE Debtors pursuant to the BIA.

"**Occupants**" means those individuals and entities which enter or entered into agreements with RGN Management to occupy a portion of a Centre for a period of time and receive certain utilities and services and pay a fee for the use of the portion of a Centre and additional charges for other services provided.

"**Parties**" means the parties to this Agreement, and each individually, a "**Party**".

"**RGN Management**" has the meaning set out in the Recitals.

"**Receipts**" means amounts collected from the Occupants by RGN Management on behalf of the SPE Debtors.

"**SPE Debtors**" has the meaning set out in the Recitals and each individually, a "**SPE Debtor**".

Section 2. Deposit

(a) As soon as practicable following execution of this Agreement, the SPE Debtors and RGN Management, in consultation with the Court Officer shall prepare an estimate of the Net Operating Cash Flow of each SPE Debtor from the Filing Date until October 31, 2020.

(b) RGN Management shall transfer 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 in accordance with this Agreement (the "**Deposit**"). For greater certainty, to the extent that the estimate of the Net Operating Cash Flow from the Filing Date until October 31, 2020, for an SPE Debtor is negative, it shall not affect the calculation of the amount of the Deposit. If the Parties disagree as to the appropriate amount of the Deposit, the Court may determine the amount.

(c) The amount of the Deposit may be adjusted periodically to reflect changes in the anticipated profitability of the SPE Debtors, as agreed by the Parties or ordered by the Court.

Section 3. Net Operating Cash Flow

(a) 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, shall determine the Net Operating Cash Flow of each SPE Debtor since the Filing Date.

(b) If the amount of the Net Operating Cash Flow of an SPE Debtor since the Filing Date is greater than the amount of the Deposit attributable to that SPE Debtor, RGN Management shall transfer the amount of the difference to the Court Officer to be held in the Estate Account in accordance with this Agreement.

(c) If the amount of the Net Operating Cash Flow of an SPE Debtor since the Filing Date

is less than the amount of the Deposit attributable to that SPE Debtor, the Court Officer shall transfer the amount of the difference to RGN Management.

(d) Each month thereafter, 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 shall 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 this Agreement, subject to the following:

(i) To the extent that the Net Operating Cash Flow of an 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.

(ii) To the extent that the Net Operating Cash Flow of an 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, the Court Officer shall pay 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 to the extent there are sufficient funds being held by the Court Officer in the Estate Account on behalf of the applicable SPE Debtor.

(e) If the SPE Debtors and the Court Officer determine there was an error in the calculation of Net Operating Cash Flow, such error may be rectified with additional transfers by RGN Management to the Estate Account, disbursements by the Court Officer from the Estate Account to RGN Management or adjustments to any future amounts due pursuant to this Agreement as agreed by the Parties or ordered by the Court.

(f) For greater certainty, the calculation of Net Operating Cash Flow and corresponding payments and disbursements from the Estate Account as set forth above shall occur individually for each SPE Debtor on an unconsolidated basis.

Section 4. Estate Account

(a) The Court Officer shall establish the Estate Account to receive, disburse and hold the Net Operating Cash Flow generated by the SPE Debtors pursuant to this Agreement.

(b) The Court Officer shall keep an accounting of the receipts and disbursements of the Estate Account made pursuant to this Agreement and the accounting will be maintained individually for each SPE Debtor.

(c) RGN Management and the SPE Debtors agree that the funds in the Estate Account shall only be disbursed pursuant to this Agreement or further Order of the Court.

Section 5. Court Officer Protections

(a) The SPE Debtors agree to seek an Order from the Court, in a form acceptable to the Court Officer, as soon as reasonably practicable which approves this Agreement and provides customary protections for the Court Officer in fulfilling its duties under this Agreement.

(b) 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 this Agreement, save and except for any claim or liability arising out of any gross negligence or willful misconduct on the part of the Court Officer.

(c) Nothing in this Agreement shall derogate the rights, benefits and protections provided to the Court Officer under the Initial Order, the CCAA, the BIA or any other Order of the Court.

(d) Notwithstanding anything else in this Agreement, if at any time the Court Officer, in its sole discretion, believes that there is a question, confusion or dispute with respect to this Agreement, the Court Officer may seek a declaration with respect to such question, confusion or dispute from the Court and act in accordance with any Order issued by the Court.

Section 6. Termination and Withdrawal

(a) This Agreement shall terminate upon the earlier of (a) an Order of the Court terminating this Agreement; (b) termination and discharge of the NOI Proceedings and the CCAA Proceedings; and (c) dismissal of the motion brought by the SPE Debtors in the CCAA Proceedings or NOI Proceedings to approve this Agreement.

(b) If the CCAA Proceedings or NOI Proceedings are terminated and discharged in respect of any particular SPE Debtor, such SPE Debtor shall withdraw from this 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 motion to approve this Agreement is dismissed by the Court.

(c) If an SPE Debtor makes 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.

Section 7. General

(a) If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a business day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding business day.

(b) Any provision of this Agreement which is prohibited or unenforceable in any

jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(c) Each of the Parties hereto shall at any time, and from time to time hereafter, take any and all steps, and execute, acknowledge and deliver to the other Party, any and all further instruments and assurances that the other Party may reasonably require for the purpose of giving full force and effect to the provisions of this Agreement.

(d) No amendment or variation of this Agreement shall be of any force or effect unless the same is reduced to writing, and duly executed by the Parties hereto.

(e) This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

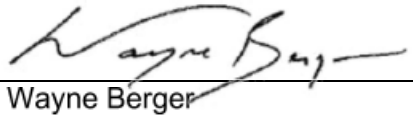
(f) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties submit and attorn to the exclusive jurisdiction of the Court with respect to the matters addressed in this Agreement.

(g) This Agreement may be executed in counterparts, each of which shall be deemed to be an original and each of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature or e-signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[*Signature page follows.*]

I**N WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

RGN MANAGEMENT LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

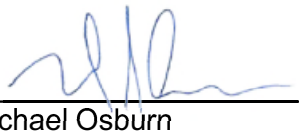
KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS MONITOR OR PROPOSAL TRUSTEE OF THE SPE DEBTORS AND NOT IN ITS PERSONAL CAPACITY

By:

Name: Mitch Vininsky

Title:

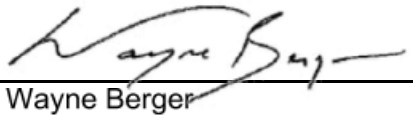
GUARDIAN FINANCIAL CORP

By: 

Name: Michael Osburn

Title: Authorized Signatory

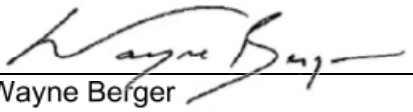
RGN ALBERTA IV LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

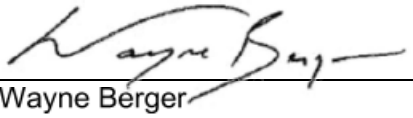
RGN ALBERTA LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

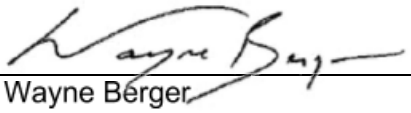
RGN ALBERTA X LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

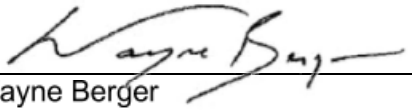
RGN ALBERTA XIII LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

RGN ALBERTA XIV LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

RGN ALBERTA XVII LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN BRITISH COLUMBIA XX LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN BRITISH COLUMBIA XVI LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN BRITISH COLUMBIA XXV LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

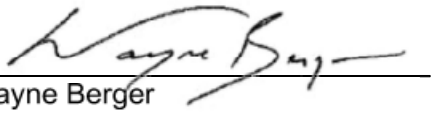
RGN BRITISH COLUMBIA XXIV LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

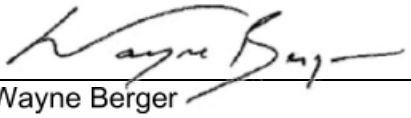
RGN MANITOBA II LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

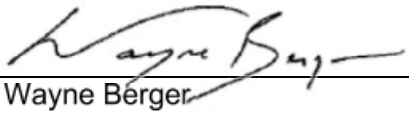
RGN ONTARIO II LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

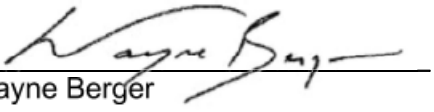
RGN ONTARIO L LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO LV LIMITED PARTNERSHIP

By: 

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO LVI LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO LVIII LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO LXII LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XI LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLI LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLII LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLV LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLVI LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLVII LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XLVIII LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXI LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXIV LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXIX LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXV LIMITED PARTNERSHIP

By:

Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXVIII LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXXI LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN ONTARIO XXXII LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

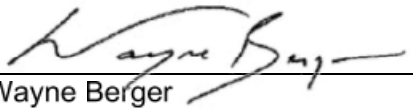
Title: Authorized Signatory

RGN ONTARIO XXXIII LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

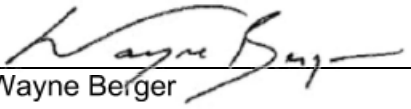
Title: Authorized Signatory

RGN ONTARIO XXXIV LIMITED PARTNERSHIP

By: 
Name: Wayne Berger

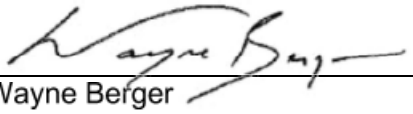
Title: Authorized Signatory

RGN QUEBEC V LIMITED PARTNERSHIP

By: 
Name: Wayne Berger

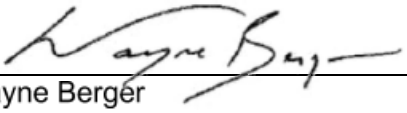
Title: Authorized Signatory

RGN QUEBEC VI LIMITED PARTNERSHIP

By: 
Name: Wayne Berger

Title: Authorized Signatory

RGN QUEBEC XIV LIMITED PARTNERSHIP

By: 
Name: Wayne Berger

Title: Authorized Signatory

RGN QUEBEC XVI LIMITED PARTNERSHIP

By: _____
Name: Wayne Berger

Title: Authorized Signatory

RGN SERVICES LIMITED

By: _____
Name: Michael Osburn

Title: Authorized Signatory

Schedule "A" – SPE Debtors

Guardian Financial Corp.
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 Ontario XXXIV Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership
RGN Services Limited