



**Third Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of RGN Ontario XXXIV Limited
Partnership**

January 11, 2021

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COURT FILE NO.: 31-2672741

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RGN ONTARIO XXXIV LIMITED PARTNERSHIP
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**PROPOSAL TRUSTEE'S THIRD REPORT TO COURT
JANUARY 11, 2021**

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed on September 16, 2020 by RGN Ontario XXXIV Limited Partnership (the "Partnership") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"). A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is provided in Appendix "A".
2. Pursuant to an Order dated November 30, 2020, the Ontario Superior Court of Justice (Commercial List) (the "Court") extended the time for the Partnership to file a Proposal until January 14, 2021 ("Extension Order"). A copy of the Extension Order is provided in Appendix "B".
3. The principal purpose of these restructuring proceedings is to create a stabilized environment to allow the Partnership to operate without disruption, including preventing the Partnership Leases (as defined below) from being terminated, while the guarantor under the Partnership Leases is in insolvency proceedings in Luxembourg and the Partnership develops a plan to restructure.
4. On August 17, 2020 (the "U.S. 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”.

5. On August 18, 2020, the U.S. Court heard the Chapter 11 Debtors’ first day motions and granted certain orders (the “First Day Orders”).
6. On August 24, 2020, the Court issued the following orders pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”):
 - a. the Initial Recognition Order (Foreign Main Proceeding) (the “Recognition Order”) 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) 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.
7. On August 28, 2020, the Foreign Representative sought an interim Order under section 49 of the CCAA extending the stay of proceedings to certain affiliates of the Chapter 11 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 Partnership, filed an NOI 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.
8. On August 31, 2020, the Court issued an Order granting Guardian Financial Corp. and the entities listed on Schedule “A” attached hereto (collectively, 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 CCAA 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”). Pursuant to an Order made on November 19, 2020, the Court extended the stay of proceedings under the CCAA Order until and including March 16, 2021.

9. The NOI filing by the Partnership was precipitated by proceedings commenced on September 10, 2020 by Regus Plc S.A. (“Regus Plc”), a Bailiwick of Jersey entity that is managed and controlled in Luxembourg. Regus Plc is the guarantor of the Partnership Leases. Regus Plc commenced proceedings in Jersey to request assistance from the courts in Luxembourg and to obtain a bankruptcy order under the Luxembourg Commercial Code. Regus Plc does not carry on business in Canada. The Luxembourg Court appointed a trustee in bankruptcy in respect of Regus Plc on October 9, 2020.
10. 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”.
11. On November 13, 2020, RGN British Columbia XXIII Limited Partnership (“RGN British Columbia XXIII”), another affiliate of the Partnership, 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. On December 14, 2020, the Court granted an Order extending the time for RGN British Columbia XXIII to file a Proposal until January 27, 2021.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Partnership and certain related entities;
 - b) report on the Partnership’s weekly cash flow projections for the period January 4, 2021 to March 7, 2021 (the “Forecast”); and
 - c) recommend that the Court make an order granting the Partnership’s request for an extension of the time required to file its proposal, from January 14, 2021 to February 28, 2021.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by representatives and financial advisors of the Partnership and related companies, the books and records of the Partnership and related companies and discussions with the Canadian counsel to the Partnership and related companies.

2. The Proposal Trustee has not performed an audit or other verification of such information. An examination of the Partnership's 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 Partnership's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Proposal Trustee 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 Proposal Trustee in its preparation of this Report. The Partnership's business and operations may be affected by the Covid-19 pandemic and the effect of the pandemic on the Partnership may be material.

2.0 Background

1. The Partnership was formed on September 11, 2015 under the *Limited Partnerships Act*, R.S.O. 1990, c. L.16 (Ontario).
2. The Partnership holds leases for premises located at Suites 1800 and 1900, Exchange Tower, 130 King Street West, Toronto (the "Partnership Leases" and each, a "Partnership Lease"). The Partnership Lease in respect of Suite 1800 has a term of approximately another fourteen (14) years and the Partnership Lease in respect of Suite 1900 has a term of approximately another three (3) years. Brookfield Properties Canada Management ("Brookfield") is the Partnership's Landlord (as defined below).
3. The Partnership, RGN British Columbia XXIII and 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.
4. IWG is a multinational corporation, which operates over 3,300 locations across more than 110 countries. IWG's business model begins when one of its special purpose subsidiaries or affiliates (the "SPE") enters into a long-term commercial real property lease with a landlord (each a "Landlord") that provides the SPE 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", and each an "Occupant") 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.

5. Each SPE is formed for the purpose of holding a lease. In certain cases, the SPE's obligations under the lease are partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors or another IWG entity (this is the case with the Partnership – it is an SPE and one of the Partnership Leases is guaranteed by Regus Plc.). The Occupancy Agreements are between the Occupants and an entity in the group that is not an SPE.¹ In Canada, most of the Occupants have contracted with RGN Management Limited Partnership (“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, with the exception of rent and certain other costs. Payment of rent is advanced by RGN Management to the SPE, which then pays its landlord.
6. The Guarantor Debtors were guarantors or were co-liable as original tenant-assignors of 653 Leases in total as of the U.S. 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 one of the Guarantor Debtors is an event of default, which may allow the respective landlord to terminate the lease with little or no notice. Similarly, one of the Partnership Leases provides that an insolvency filing by Regus Plc may allow the Partnership's Landlord to terminate such Partnership Lease.
7. 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.
8. A simplified organizational chart of IWG is provided in Appendix “C”.
9. 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>.

¹ From an accounting perspective, the economic interest is recorded in SPE's financial statements.

3.0 Landlord Discussions

1. As set out in the affidavit of Joshua Nicosia, General Counsel – North America of Regus Corporation, sworn January 7, 2021, IWG has engaged with Brookfield regarding other Leases of IWG affiliates where Brookfield is the Landlord, including Leases for premises in the United States and the United Kingdom. According to Mr. Nicosia, these discussions have been constructive and progress on several Lease amendments has been made.
2. Upon completion of the Lease amendments referenced above, IWG intends to further engage with Brookfield regarding the Partnership Lease in an attempt to develop a resolution beneficial to both Brookfield and the Partnership. The Proposal Trustee understands that such discussions are to commence shortly.

4.0 Cash Flow Forecast

1. The Partnership has prepared the Forecast for the period ending March 7, 2021. The Forecast and the related assumptions, together with Management’s Report on the Cash-Flow Statement, as required by section 50.4(2)(c) of the BIA, and the Proposal Trustee’s Report on the Cash Flow Statement, as required by section 50.4(2)(b) of the BIA, are provided in Appendix “D”.
2. The Forecast reflects funding from RGN Management, with the equivalent amount being paid to Brookfield for rent and other service charges related to the Partnership Leases.

5.0 Partnership’s Request for an Extension

1. The Partnership is seeking an extension of the time required to file its proposal to February 28, 2021. The Proposal Trustee supports the Partnership’s request for the following reasons:
 - the Partnership has acted and continues to act in good faith and with due diligence;
 - the Partnership’s management has indicated that it may be able to make a viable proposal to its creditors – namely, Brookfield – if the extension is granted;
 - the extension should not adversely affect or materially prejudice any of the Partnership’s creditors as the Partnership is projected to have funding to pay its post-filing services and supplies in the amounts contemplated by the Forecast during the proposed extension; and
 - it would provide the Partnership with the additional time and stability it requires to restructure its affairs as part of a coordinated effort with its affiliates, including the CCAA Debtors and the Chapter 11 Debtors, to complete a comprehensive restructuring of IWG’s North American business.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(c) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RGN ONTARIO XXXIV LIMITED PARTNERSHIP,
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”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2672741
Estate No. 31-2672741

In the Matter of the Notice of Intention to make a
proposal of:

RGN Ontario XXXIV Limited Partnership
Insolvent Person

KSV RESTRUCTURING INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: September 16, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: September 16, 2020, 20:28

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “B”

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

THE HONOURABLE MADAM) MONDAY, THE 30TH
)
JUSTICE DIETRICH) DAY OF NOVEMBER, 2020

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
RGN ONTARIO XXXIV LIMITED PARTNERSHIP**

**ORDER
(Extension of Time to File a Proposal)**

THIS MOTION, made by RGN Ontario XXXIV Limited Partnership (the “**NOI Debtor**”) pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), was heard this day by video-conference due to the COVID-19 crisis.

ON READING the notice of motion of the NOI Debtor and the affidavit of Joshua Nicosia sworn November 20, 2020 and the Second Report of KSV Restructuring Inc., in its capacity as the proposal trustee of the NOI Debtor (the “**Proposal Trustee**”);

AND UPON HEARING the submissions of counsel for the NOI Debtor, counsel for the Proposal Trustee and those other parties listed on the counsel slip, no others appearing although duly served as appears on the affidavit of service of Ben Muller;

SERVICE

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

EXTENSION OF TIME TO FILE PROPOSAL

2. **THIS COURT ORDERS** that the time within which the NOI Debtor is to file a proposal with the Official Receiver and stay of proceedings herein, is hereby extended to January 14, 2021, pursuant to section 50.4(9) of the BIA.

GENERAL

3. **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 NOI Debtor, the Proposal Trustee 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 NOI Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the NOI Debtor and the Proposal Trustee in any foreign proceeding, or to assist the NOI Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

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

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

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

Proceeding commenced at Toronto

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

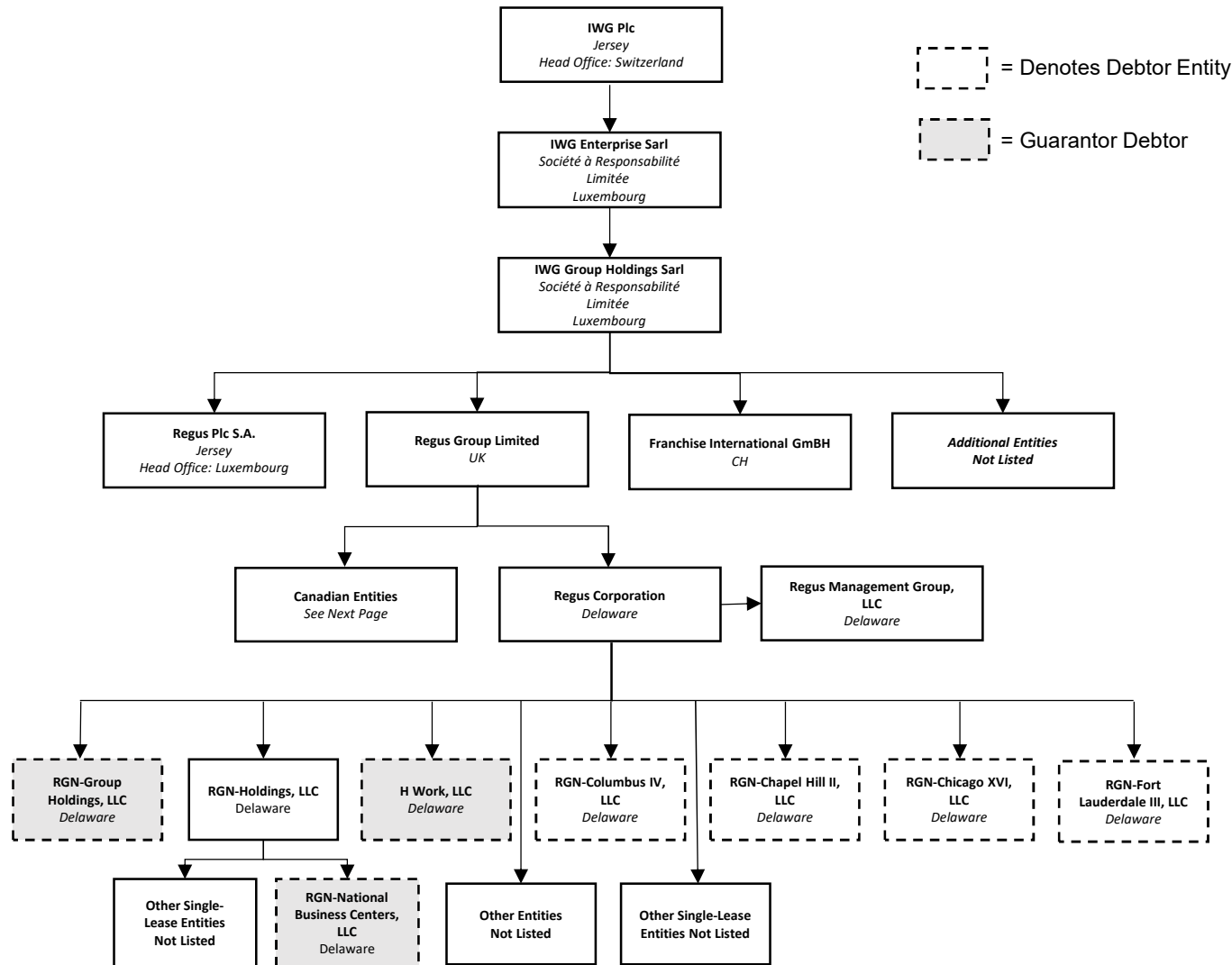
Tel: (416) 869-5604
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Ben Muller LSO#: 80842N

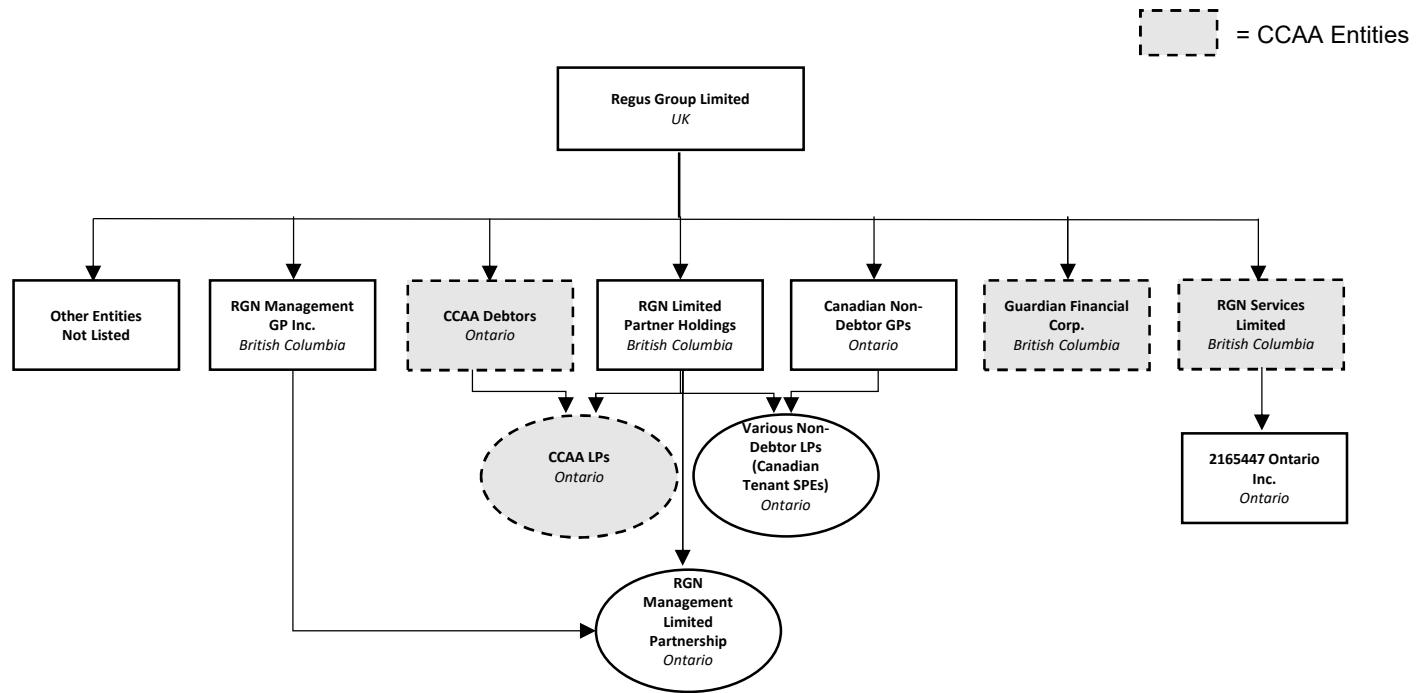
Tel: (416) 869-5543
Email: bmuller@stikeman.com
Fax: (416) 947-0866

**Lawyers for RGN Ontario XXXIV Limited
Partnership**

Appendix “C”



*all ownership is 100% unless otherwise noted



*all ownership is 100% unless otherwise noted

Appendix “D”

RGN Ontario XXXIV Limited Partnership
Projected Statement of Cash Flow
For the Period Ending March 7, 2021
(Unaudited; C\$)

	Notes	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	Total
	1										
<i>Receipts</i>											
Receipt from RGN Management LP	2	-	-	-	282,162	-	-	-	282,162	-	564,324
<i>Disbursements</i>											
Rent	3	-	-	-	144,838	-	-	-	144,838	-	289,676
Property service charges	3	-	-	-	137,324	-	-	-	137,324	-	274,648
<i>Total Operating Disbursements</i>		-	-	-	282,162	-	-	-	282,162	-	564,324
<i>Net Cash Flow</i>		-	-	-	-	-	-	-	-	-	-

Note: The Proposal Trustee, counsel to the Proposal Trustee and counsel to RGN Ontario XXXIV Limited Partnership 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 cashflow.

These financial projections are based on management's assumptions detailed in Appendix "1-1".
The note references correspond to the assumption numbers shown in Appendix "1-1".

RGN Ontario XXXIV Limited Partnership



Per: Wayne Berger

January 8, 2021

Date

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL AND NOT
IN ITS PERSONAL CAPACITY



Per:

January 8, 2021

Date

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of RGN Ontario XXXIV Limited Partnership (the "Partnership") for the period from January 4, 2021 to March 7, 2021 in respect of its proposal proceedings under the Bankruptcy and Insolvency Act.

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 affiliate entity not subject to this proposal proceeding. All customer receipts are remitted to RGN and in turn, RGN provides funding to the Partnership.
3. Rent and property service charges are paid at the end of each month.

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA)**

The management of RGN Ontario XXXIV Limited Partnership (the "Partnership") has developed the assumptions and prepared the attached statement of projected cash flow of the Partnership for the period ending March 7, 2021.

The hypothetical and probable assumptions are suitably supported and consistent with the purpose of the projection and the plans of the Partnership and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 and 3.

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

The projection has been prepared solely for the purpose described in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 and 3. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, this 8th day of January, 2021.

RGN Ontario XXXIV Limited Partnership



Per: Wayne Berger

**Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

The attached statement of projected cash-flow of RGN Ontario XXXIV Limited Partnership as of the 8th day of January, 2021, consisting of a weekly cash flow statement for the period January 4, 2021 to March 7, 2021, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-3.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. 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 projection. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the projection.

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 projection;
- (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 insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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 projection will be achieved.

The projection 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 this 9th day of January, 2021.

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RGN ONTARIO XXXIV LIMITED PARTNERSHIP
AND NOT IN ITS PERSONAL CAPACITY**