



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

October 7, 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 FOURTH REPORT TO COURT
OCTOBER 7, 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 subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").
2. The Ontario Superior Court of Justice (Commercial List) (the "Court") granted three Orders extending the time for the Partnership to file a proposal under the BIA. Most recently, pursuant to an Order dated January 13, 2021, the Court extended the time for the Partnership to file a proposal to February 28, 2021 (the "Extension Order"). A copy of the Extension Order is provided in Appendix "A".
3. On February 26, 2021, the Partnership filed a holding proposal (the "Holding Proposal") with the Official Receiver in accordance with subsection 62(1) of the BIA. A Certificate of Filing a Proposal (the "Certificate") was issued by the Office of the Superintendent of Bankruptcy (Canada) ("OSB") on that date. Copies of the Holding Proposal and the Certificate are provided as Appendices "B" and "C", respectively.
4. Following several adjournments of the meeting of creditors to consider the Holding Proposal, the Partnership filed an amended proposal (the "Amended Proposal") with the Official Receiver. A copy of the Amended Proposal is provided as Appendix "D".
5. The principal purposes of this restructuring proceeding (the "Proceedings") are to: a) create a stabilized environment to allow the Partnership to operate without disruption; and b) prevent the Partnership Leases (as defined below) from being terminated by the Partnership's landlord, Brookfield Office Properties Inc., HRI Exchange Inc, and PFS Exchange Inc., (together, "Brookfield"), as a result of insolvency proceedings commenced by the guarantor of the Partnership Leases, Regus Plc S.A. ("Regus Plc"), a Bailiwick of Jersey Partnership.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Partnership;
 - b) summarize the results of the Meeting (as defined below) to consider and vote on the Amended Proposal;
 - c) provide the statutory disclosure required under subsections 58(d) and 59(1) of the BIA;
 - d) provide the Proposal Trustee's recommendation to the Court with respect to the approval of the Amended Proposal;
 - e) recommend that the Court make an Order:
 - approving the Amended Proposal; and
 - approving the First Report of the Proposal Trustee dated October 11, 2020, the Second Report of the Proposal Trustee dated November 23, 2020, the Third Report of the Proposal Trustee dated January 11, 2021 and this Report, as well as the activities of the Proposal Trustee described therein.

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 Canadian counsel to the Partnership and related companies.
2. The Proposal Trustee has not performed an audit or other verification of such information. 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.
3. 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) between RGN Limited Partner Holdings Corp., as limited partner, and RGN Ontario XXXIV GP Inc. (“RGN XXXIV GP”), as general partner. RGN XXXIV GP’s sole asset is its minority interest in the Partnership.
2. The Partnership leases 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 is the landlord in respect of the Partnership Leases.
3. The NOI filing by the Partnership was precipitated by proceedings commenced in the Bailiwick of Jersey on September 10, 2020 by Regus Plc, an 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. On October 9, 2020, the Luxembourg Court appointed a trustee in bankruptcy in respect of Regus Plc.
4. The Partnership, along with numerous other entities listed on Schedules “A” and “B” (the “CCAA Debtors”) that were subject to proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA Proceedings”), are affiliates of Regus Corporation, a Delaware corporation. Regus Corporation, 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.
5. 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 (each an “SPE”) enters into a long-term commercial real property lease with 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 to use portions of the Centres. IWG markets its Centres under different brand names, each tailored to different types of clients and their specialized requirements. 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.

6. 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, (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 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.
7. IWG, through Canadian SPE affiliates of related companies (collectively, the “Chapter 11 Debtors”), which filed voluntary petitions for relief pursuant to title 11 of the *United States Code* with the United States Bankruptcy Court for the District of Delaware commencing on August 17, 2020 (the “Chapter 11 Proceedings”), operates 137 Centres in Canada (the “Canadian Affiliates”). The CCAA Debtors are a subset of the Canadian Affiliates.
8. A simplified organizational chart of IWG is provided in Appendix “E”.
9. Further information concerning the CCAA Proceedings (which have been terminated and discharged) and the Chapter 11 Proceedings (from which the Chapter 11 Debtors have emerged following an approved plan), is available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

3.0 Creditors

1. Pursuant to the Partnership’s creditor listing provided in Appendix “F”, claims against the Partnership total approximately \$624,000 as follows, excluding a contingent claim from Brookfield:

(unaudited; \$000s)	Total
RGN Management	495
Franchise International GmbH	129
Total, before a contingent claim from Brookfield	624

2. Both RGN Management and Franchise International GmbH are related to the Partnership. Brookfield is the Partnership’s only known arm’s length creditor.

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

4.0 The Amended Proposal²

1. The purpose of the Holding Proposal was to allow the Partnership sufficient time to negotiate an amended proposal concerning its obligations.
2. As set out in the Proposal Trustee's supplement (the "Supplemental Report") to the Preliminary Report to Creditors dated March 8, 2021 (the "Preliminary Report"), the overall purpose of the Amended Proposal is to allow the Partnership, on completion of the Proceedings, to continue to operate its business with the benefit of the Partnership Leases, as amended by the lease amending agreements that it negotiated and executed with Brookfield on September 20, 2021 (the "LAAs"), in the expectation that the Partnership's stakeholders, including Brookfield, will derive a greater benefit than they would from discontinuing the Partnership's operations and the likely resulting forced liquidation.
3. The Amended Proposal provides, among other things, that claims against the Partnership are unaffected and therefore shall not be compromised, released, discharged, cancelled or barred. No distributions or payments are contemplated to be made under the Amended Proposal.
4. The Amended Proposal also provides that all creditors shall be deemed to waive any and all defaults under any agreement or contract with the Partnership arising as a result of the commencement of the Proceedings and/or implementation of the Amended Proposal. Other defaults under the Partnership Leases are not addressed by the Amended Proposal. The Proposal Trustee understands that, pursuant to the LAAs, the Partnership and Brookfield agreed to amend the Partnership Leases in order to address any other defaults by the Partnership providing Brookfield with new replacement security, replacing the existing indemnifier under one of the Partnership Leases. The Proposal Trustee further understands that Brookfield prefers the continued operation of the Partnership over a bankruptcy, which would likely result in the forced liquidation of the Partnership's leasehold interests³ and collection of its accounts receivable⁴, the realizable value of which would be significantly less than the claims against the Partnership. Such result would be inferior to the benefits provided by the Amended Proposal.

4.1 Statutory Disclosure

1. On March 8, 2021, the Proposal Trustee provided to the Partnership, the OSB and to every known creditor affected by the Holding Proposal a creditors' package, including a Proof of Claim form, voting letter and the Preliminary Report. The creditors' package was also posted on the Proposal Trustee's website. A copy of the Preliminary Report, without appendices, is provided in Appendix "G".

² Unless otherwise defined, capitalized terms used in this section of the Report have the meanings provided to them in the Amended Proposal.

³ Book value of \$635,000 as at February 28, 2021.

⁴ Book value of \$620,000 as at February 28, 2021.

2. On September 20, 2021, the Proposal Trustee provided by email to each creditor the Supplemental Report. A copy of the Supplemental Report, without appendices, is provided as Appendix “H”.
3. As required pursuant to subsection 54(2) of the BIA, in order to attend the creditors’ meeting and/or vote on the Proposal, creditors were required to submit a proof of claim to the Proposal Trustee.

4.2 The Meeting

1. A meeting of creditors (the “Meeting”) to consider and vote on the Holding Proposal was held on March 19, 2021 and subsequently adjourned on several occasions, with the consent of Brookfield, to May 25, 2021, June 30, 2021, July 9 and 21, 2021, August 13, 20 and 27, 2021, and September 3, 9, 14 and 20, 2021.
2. Upon filing the Amended Proposal, a Meeting was convened on September 22, 2021. The Proposal Trustee permitted Brookfield to vote on the Amended Proposal based on a claim for voting purposes of \$1, representing a contingent claim against the Partnership. The two remaining creditors, being related parties, did not vote on the Amended Proposal⁵.
3. The Amended Proposal was accepted by Brookfield, being the only creditor voting at the Meeting. A copy of the minutes of the Meeting is attached as Appendix “I”.

5.0 Conclusion and Recommendation

1. In the Supplemental Report, the Proposal Trustee advised that the LAAs and the terms of the Amended Proposal represent the result of good faith negotiations over several months between the Partnership and Brookfield.
2. The Proposal Trustee also advised that the Amended Proposal does not affect creditor rights and allows the Partnership the opportunity to continue to operate, which is in the interests of its stakeholders. The alternative to the Amended Proposal would likely be a bankruptcy, the result of which would be a disclaimer of the Leases and the forced liquidation of the Partnership’s leasehold interests, which is likely to produce a result inferior to the Amended Proposal and which is not supported by Brookfield, the sole arm’s length creditor of the Partnership. Accordingly, the Proposal Trustee supported the terms of the Amended Proposal and recommended that the Partnership’s creditors vote to accept it.

⁵ Pursuant to Section 54(3) of the BIA, a creditor who is related to the debtor may vote against but not for the acceptance of the proposal.

3. The Proposal Trustee recommends that the Court issue an order approving the Amended Proposal for the following reasons:
 - a) it was accepted by the Partnership's sole creditor entitled to vote at the Meeting; and
 - b) acceptance and implementation of the Amended Proposal provides superior results for creditors than a bankruptcy of the Partnership.
4. 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)(e) 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**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM)
)
JUSTICE DIETRICH) WEDNESDAY, THE 13TH
) DAY OF JANUARY, 2021

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 January 7, 2021 and the Third 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.

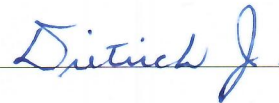
EXTENSION OF TIME TO FILE PROPOSAL

2. **THIS COURT ORDERS** that the time within which the NOI Debtor is to file a proposal with the Official Receiver and the stay of proceedings herein, is hereby extended to February 28, 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 blue ink, appearing to read "Ditch J.", is written above a horizontal line.

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

Proceeding commenced at Toronto

ORDER

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Barristers & Solicitors
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Fax: (416) 947-0866

**Lawyers for RGN Ontario XXXIV Limited
Partnership**

**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**

PROPOSAL OF RGN ONTARIO XXXIV LIMITED PARTNERSHIP

RGN Ontario XXXIV Limited Partnership (the “**Debtor**”) submits the following Proposal to its Creditors pursuant to Part III, Division I of the BIA.

1. Definitions

In this Proposal, the following capitalized terms shall have the following meanings:

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Amended Proposal**” means any amendment(s) of this Proposal, which will be tabled or conveyed at the first meeting of Creditors or any subsequent meeting of Creditors or further to any adjournment thereof or otherwise conveyed to the Creditors;
- (c) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (d) “**Claim**” means a claim provable in proceedings under the Act;
- (e) “**Creditor**” means the holder of a Claim;
- (f) “**Landlord**” means, collectively, Brookfield Office Properties Inc., HRI Exchange Inc, and PFS Exchange Inc.;
- (g) “**Proposal**” means this Proposal;
- (h) “**Trustee**” means KSV Restructuring Inc., in its capacity as the proposal trustee of the Debtor, or its duly appointed successor or successors.

2. Purpose

This is a holding Proposal. The purpose of this holding Proposal is to allow the Debtor sufficient time to effect an Amended Proposal concerning the obligations of the Debtor in order to enable the business of the Debtor to continue, in the expectation that all stakeholders of the Debtor, including the Landlord, will derive a greater benefit from its continued operations than would result from the discontinuance of its operations and the forced liquidation of the Debtor.

3. Trustee

The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the obligations of the Debtor, whether existing as at the Date of Filing or incurred subsequent thereto.

4. Amendment of Proposal

This Proposal may be amended by the Debtor with the consent of the Trustee at any time prior to the conclusion of the meeting of Creditors called to consider the Proposal and all amendments shall be deemed to be effective as of the date of filing.

5. Meeting of Creditors

The meeting of Creditors to consider this Proposal and any Amended Proposal shall be adjourned to May 25, 2021. The Landlord has agreed to support the adjournment of the meeting of Creditors until May 25, 2021. The Debtor, with the consent of the Trustee, may convene a meeting of Creditors earlier than May 25, 2021 on ten (10) calendar days notice to Creditors to consider an Amended Proposal.

The time and location of the meeting of Creditors to consider this Proposal or any Amended Proposal, including details related to convening the meeting virtually, will be provided to Creditors.

6. Notices

Any notices or communication to be made or given hereunder will be in writing and will refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by email addressed to the respective parties as follows:

- (a) if to the Debtor

5300 Commerce Court West, 199 Bay St.
Toronto, ON M5L 1B9
Attention: Lee Nicholson

Telephone: 1 416 869 5604
Email: leenicholson@stikeman.com

- (b) if to the Trustee:

KSV Restructuring Inc.
Proposal Trustee of RGN Ontario XXXIV Limited Partnership
150 King St. W. #2308
Toronto, ON M5H 1J9
Attention: Mitch Vininsky

Telephone: 1 416 932 6013
Email: mvininsky@ksvadvisory.com

or to such other address or email address as any party may from time to time notify the others in accordance with this section. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed.

7. Applicable Law

This Proposal will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and will be treated in all respects as an Ontario contract.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

DATED at the City of Toronto, in the Province of Ontario, this 26th day of February, 2021.

RGN ONTARIO XXXIV LIMITED PARTNERSHIP

Per: 
Name: Wayne Berger
Title: Director

Appendix “C”



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

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

Industrie Canada

Bureau du surintendant
des faillites Canada

In the Matter of the Proposal of:
RGN Ontario XXXIV Limited Partnership
Debtor

KSV RESTRUCTURING INC.
Licensed Insolvency Trustee

Date of Proposal: February 26, 2021
Meeting of Creditors: March 19, 2021, 10:00
Meeting to be held by Zoom
<https://zoom.us/j/93481293120>
Passcode: 398766, ONTARIO
Chair: Trustee

Security: \$,***

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify, that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the Bankruptcy and Insolvency Act.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: March 2, 2021

E-File / Dépôt électronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, ONTARIO, M5C 2W7, 877/376-9902

Appendix “D”

**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**

AMENDED PROPOSAL OF RGN ONTARIO XXXIV LIMITED PARTNERSHIP

RGN Ontario XXXIV Limited Partnership (the “**Debtor**”) submits the following Amended Proposal to its Creditors pursuant to Part III, Division I of the BIA.

1. Definitions

In this Amended Proposal, the following capitalized terms shall have the following meanings:

- (a) “**Act**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Amended Proposal**” means this Amended Proposal;
- (c) “**Approval Order**” means an order of the Court approving and sanctioning this Amended Proposal in accordance with the provisions hereof and of the Act and discharging the Trustee;
- (d) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (e) “**Claims**” means any claim provable against the Debtor under the Act, and each a “**Claim**”;
- (f) “**Creditor**” means the holder of a Claim;
- (g) “**Court**” means the Ontario Superior Court of Justice;
- (h) “**Effective Date**” means the day on which the conditions precedent to this Amended Proposal have been satisfied;
- (i) “**Landlord**” means, collectively, Brookfield Office Properties Inc., HRI Exchange Inc., and PFS Exchange Inc.;
- (j) “**Lease Amendments**” means (a) the first amendment to office lease entered into by the Debtor and the Landlord wherein the parties agreed to certain amendments to the Lease in respect of the 19th Floor at Exchange Tower, 130 King Street West, Toronto, Ontario; (b) the tenth lease amending agreement entered into by the Debtor and the Landlord wherein the parties agreed to certain amendments to the Lease in respect of the 18th Floor at Exchange Tower, 130 King Street West, Toronto, Ontario;
- (k) “**Leases**” means office lease agreements between the Debtor and the Landlord wherein the Debtor leased space on the 18th and 19th Floor at Exchange Tower, 130 King Street West, Toronto, Ontario, and each office lease agreement, a “**Lease**”;

- (l) **“NOI Proceedings”** means the proceedings under the Act commenced by the Debtor by filing a notice of intention to make a proposal;
- (m) **“Original Proposal”** means the proposal submitted by the Debtor to Creditors dated February 26, 2021; and
- (n) **“Trustee”** means KSV Restructuring Inc., in its capacity as the proposal trustee of the Debtor, or its duly appointed successor or successors.

2. Purpose

The purpose of this Amended Proposal is to allow the Debtor to emerge from the NOI Proceedings and to continue to operate its business with the benefit of the Leases as amended by the Lease Amendments. The expectation is that the Landlord, which is the sole arm's length Creditor of the Debtor, will derive a greater benefit from the Debtor's continued operations than would result from discontinuance of the Debtor's operations and subsequent liquidation.

3. Trustee

The Trustee is acting in its capacity as Trustee under this Amended Proposal, and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Amended Proposal or in respect of the obligations of the Debtor, whether existing upon the commencement of the NOI Proceedings or incurred subsequent thereto.

4. Leases

The Leases, as amended by the Lease Amendments, shall be continued by the Debtor following the Effective Date, and the Debtor shall not disclaim or otherwise terminate the Leases during the NOI Proceedings.

5. Claims

This Amended Proposal does not affect Claims of Creditors and Claims shall not be compromised, released, discharged, cancelled or barred by the Amended Proposal. Following the Effective Date, the Landlord shall continue to maintain any Claims as against the Debtor under the Leases, except as expressly waived, amended, or compromised by the Lease Amendments.

6. Distributions

Creditors shall not receive any distributions or payments under this Amended Proposal. Accordingly, no levy will be payable to the Office of the Superintendent of Bankruptcy.

7. No Default

From the Effective Date, all Creditors shall be deemed to waive any and all defaults under any agreement or contract with the Debtor arising as result of the commencement of the NOI Proceedings and/or implementation of the Proposal. For greater certainty, this Amended Proposal does not affect any default (a) under the Leases arising from the commencement of the Redox Proceedings (as defined in the Lease Amendments); or (b) under the Lease Amendments arising from failure to post the letter of credit in accordance with those Lease Amendments, and such defaults shall only be waived by the Landlord in accordance with the Lease Amendments and at the time specified by the Lease Amendments.

8. Conditions of the Proposal

The implementation of the Amended Proposal is subject to the satisfaction of the following conditions precedents:

- (a) the requisite majorities of Creditors shall have voted in favour of this Amended Proposal in accordance with the Act; and
- (b) the Approval Order shall have been entered by the Court.

9. Meeting of Creditors

The meeting of Creditors to consider this Amended Proposal is scheduled for September 20, 2021. The time and location of the meeting of Creditors to consider this Amended Proposal including details related to convening the meeting virtually, will be provided to Creditors by the Trustee.

10. Notices

Any notices or communication to be made or given hereunder will be in writing and will refer to this Amended Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by email addressed to the respective parties as follows:

- (a) if to the Debtor

5300 Commerce Court West, 199 Bay St.
Toronto, ON M5L 1B9
Attention: Lee Nicholson

Telephone: 1 416 869 5604
Email: leenicholson@stikeman.com

- (b) if to the Trustee:

KSV Restructuring Inc.
Proposal Trustee of RGN Ontario XXXIV Limited Partnership
150 King St. W. #2308
Toronto, ON M5H 1J9
Attention: Mitch Vininsky

Telephone: 1 416 932 6013
Email: mvininsky@ksvadvisory.com

or to such other address or email address as any party may from time to time notify the others in accordance with this section. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed.

11. Amendments

This Amended Proposal may be amended, modified or supplemented by the Debtor, with the consent of the Proposal Trustee, at any time prior to the issuance of the Approval Order, provided that, such amendments, modifications or supplements shall be (a) consistent with the Lease Amendments; (b) may not be made without the consent of the Landlord if reasonably expected to adversely affect the financial or economic interest of the Landlord.

12. Effect of Amendment

For greater certainty, the Original Proposal is hereby cancelled and the Amended Proposal shall be and is substituted for the Original Proposal in all respects.

13. Applicable Law

This Amended Proposal will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and will be treated in all respects as an Ontario contract.

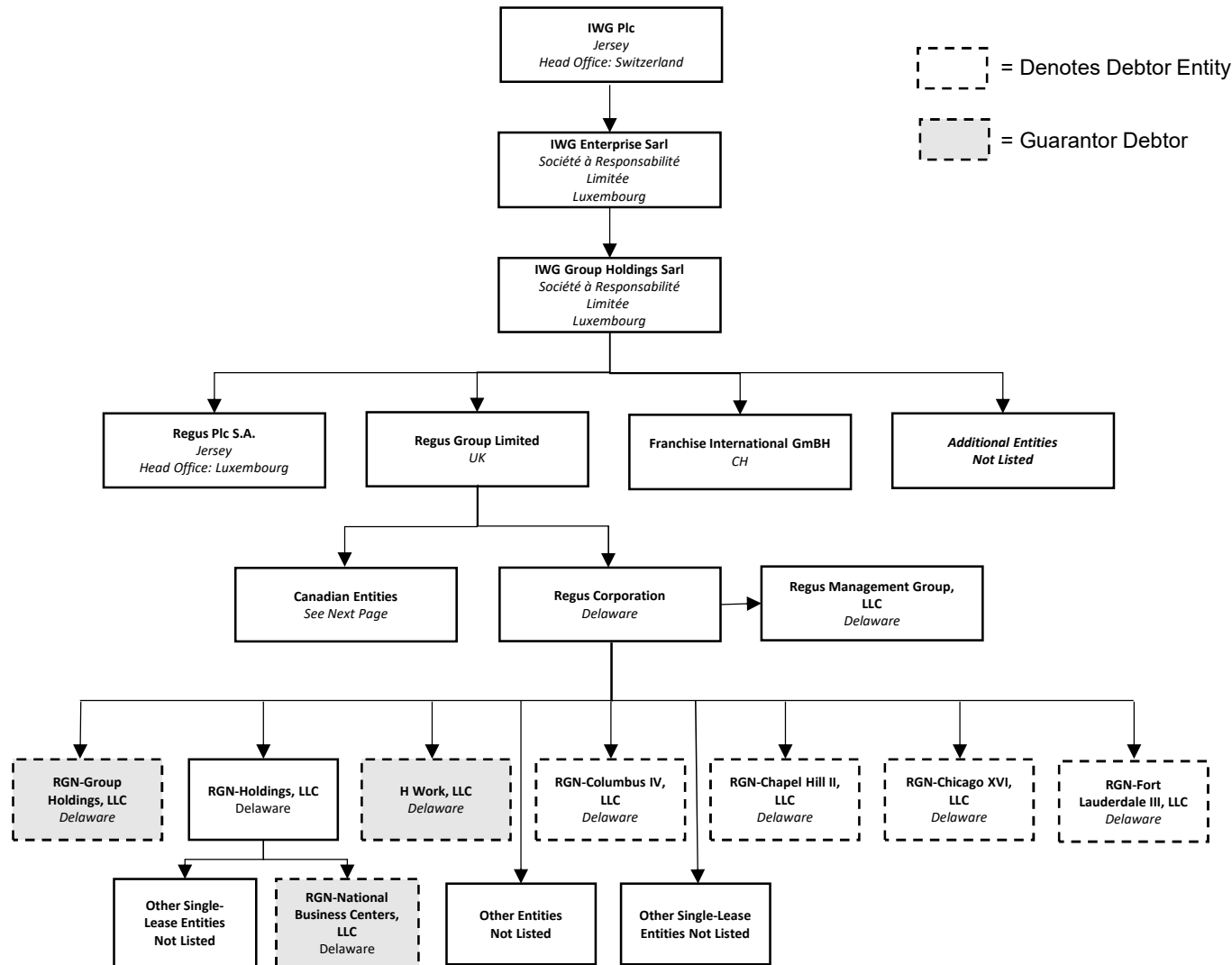
[Signature Page Follows]

DATED at the City of Toronto, in the Province of Ontario, this 20th day of September, 2021.

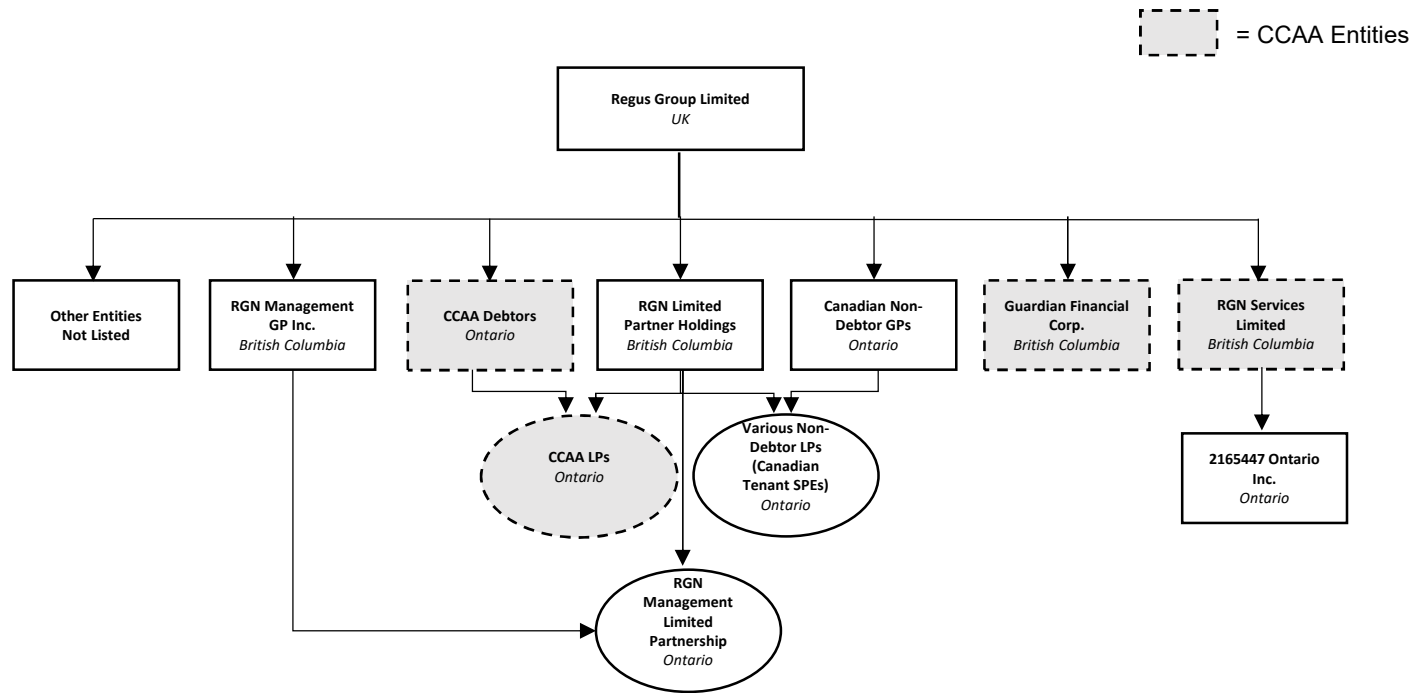
RGN ONTARIO XXXIV LIMITED PARTNERSHIP

DocuSigned by:
Michael Osburn
Per: _____
Name: 968FA8A7831D49C... Michael J. Osburn
Title: Authorized Person

Appendix “E”



*all ownership is 100% unless otherwise noted



*all ownership is 100% unless otherwise noted

Appendix “F”

IN THE MATTER OF THE PROPOSAL OF
RGN ONTARIO XXXIV LIMITED PARTNERSHIP
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Preliminary list of creditors as at February 26, 2021, as per records of RGN Ontario XXXIV Limited Partnership
without admission as to any liability or privilege herein shown.

<u>Creditor</u>	<u>Address</u>	<u>Amount Due (\$)</u>
<u>Secured</u>		
RGN Management Limited Partnership	3000 Kellway Drive, Suite 140, Carrollton, TX 75006	494,762.00
<u>Unsecured</u>		
Brookfield Office Properties Inc., HRI Exchange Inc, and PFS Exchange Inc	C/O Dentons Canada LLP 15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada	1.00
Franchise International GmbH	3000 Kellway Drive, Suite 140, Carrollton, TX 75006	<u>128,622.00</u>
		<u>128,623.00</u>

Appendix “G”



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

March 8, 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 PRELIMINARY REPORT TO CREDITORS

MARCH 8, 2021

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as proposal trustee (the "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 subsection 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. The Ontario Superior Court of Justice (Commercial List) (the "Court") previously granted three Orders extending the time for the Partnership to file a proposal under the BIA. Most recently, pursuant to an Order dated January 13, 2021, the Court extended the time for the Partnership to file a proposal to February 28, 2021 (the "Extension Order"). A copy of the Extension Order is provided in Appendix "B".
3. The principal purposes of this restructuring proceeding (the "NOI Proceedings") are to: a) create a stabilized environment to allow the Partnership to operate without disruption; and b) prevent the Partnership Leases (as defined below) from being terminated by the Partnership's landlord, Brookfield Office Properties Inc., HRI Exchange Inc, and PFS Exchange Inc., (together, "Brookfield"), as a result of insolvency proceedings commenced by the guarantor of the Partnership Leases, Regus Plc S.A. ("Regus Plc"), a Bailiwick of Jersey Partnership, which proceedings may entitle Brookfield to terminate one of the Partnership Leases.

4. On August 17, 2020 (the “U.S. Filing Date”), the following entities affiliated with the Partnership 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 (“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 RGN-National 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. This proceeding was commenced on an urgent basis as RGN Ontario II’s 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 thereto (collectively, the “Company”) protection under the CCAA, extending the stay of proceedings over the limited partnerships (the “LPs”) listed in Schedule “B” attached thereto (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, which, as noted, is a Bailiwick of Jersey entity that is managed and controlled in Luxembourg. Regus Plc is the guarantor of one 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 February 26, 2021, the Partnership filed a proposal (the “Holding Proposal”) with the Official Receiver in accordance with Section 62(1) of the BIA. A Certificate of Filing a Proposal (“Certificate”) was issued by the Office of the Superintendent of Bankruptcy (Canada) (“OSB”). Copies of the Holding Proposal and the Certificate are attached as Appendices “C” and “D”, respectively.

1.1 Meeting to Consider the Proposal

1. The details of the creditors’ meeting to consider and vote on the Holding Proposal to be held pursuant to subsection 51(1) of the BIA (the “Meeting”) are as follows:

Date: March 19, 2021

Time: 10:00 a.m. (EST)

Location: to be convened virtually via Zoom:
<https://zoom.us/j/93481293120?pwd=RVdyZnh6OFhPa0xSMytLMDRWUjRkZz09>

2. Creditors can vote at the Meeting by attending in person (virtually) or by submitting proofs of claim and voting letters to the Proposal Trustee prior to the Meeting.
3. Creditors can also vote by way of proxy and can appoint the Proposal Trustee or any other person as their proxy.
4. Creditors are strongly encouraged to read the instruction letters included with the forms referenced above to understand the voting procedures and the procedure to register claims with the Proposal Trustee. A proof of claim form, proxy, voting letter and instruction letter are provided in Appendix “E”.
5. The Proposal Trustee’s Notice of Proposal to Creditors, a summary of the Partnership’s Statement of Affairs and a list of creditors are attached as Appendices “F”, “G” and “H”, respectively.

6. Pursuant to an agreement between the Partnership and Brookfield dated February 25, 2021 (the “Adjournment Agreement”), Brookfield agreed to support an adjournment of the Meeting to May 25, 2021. A copy of the Adjournment Agreement is provided as Appendix “I”.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Partnership;
 - b) summarize the terms of the Holding Proposal; and
 - c) provide the Proposal Trustee’s recommendation on the Holding Proposal.

1.3 Currency

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

1.4 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 Canadian counsel to the Partnership and related companies.
2. 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). RGN Limited Partner Holdings Corp. is the limited partner, and RGN Ontario XXXIV GP is the general partner. RGN Ontario XXXIV GP’s sole asset is its minority interest in the Partnership.
2. The Partnership leases 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 is the Partnership’s landlord.
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 (an "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 to use portions of the Centres. IWG markets its Centres under different brand names, each tailored 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 "J".
9. Further information concerning the Partnership's proceedings, the CCAA Proceedings and the 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 Creditors

1. Pursuant to the Partnership's creditor listing provided in Appendix "H", the Partnership's claims total approximately \$624,000 as follows:

(unaudited; \$000s)	Total
RGN Management	495
Franchise International GmbH	129
Brookfield	Unknown
Total	624

2. Both RGN Management and Franchise International GmbH are related to the Partnership. Brookfield is the Partnership's only known arm's length creditor.

4.0 The Holding Proposal

1. This section provides an overview of the terms of the Holding Proposal. Review of this section is not a substitute for reading the Holding Proposal. Creditors are encouraged to read the Holding Proposal in its entirety prior to voting on the Holding Proposal. Creditors are encouraged to discuss the terms of the Proposal with their legal counsel. A copy of the Holding Proposal is provided in Appendix "C".
2. The overall purpose of the Holding Proposal is to allow the Partnership sufficient time to effect an amended proposal ("Amended Proposal") concerning its obligations in order to enable the Partnership's business to continue, in the expectation that the Partnership's stakeholders, including Brookfield, will derive a greater benefit from its continued operations than would result from discontinuing its operations and a forced liquidation.
3. The Partnership may amend the Holding Proposal with the consent of the Proposal Trustee at any time prior to the conclusion of the Meeting and all amendments shall be deemed to be effective as of the date of filing.
4. The Holding Proposal contemplates that the Meeting shall be adjourned to May 25, 2021. The Partnership, with the consent of the Proposal Trustee, may convene a meeting of creditors earlier than May 25, 2021 on ten (10) calendar days' notice to creditors to consider an Amended Proposal.

5.0 Conclusion and Recommendation

1. The Proposal Trustee recommends that the Partnership's creditors vote to adjourn the Meeting to May 25, 2021, which the Proposal Trustee understands they have agreed to do. The Proposal Trustee will provide its comments on an Amended Proposal, when filed.

* * *

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**

Appendix “H”



**Supplement to Report to Creditors of
RGN Ontario XXXIV Limited Partnership
by KSV Restructuring Inc. as Proposal
Trustee**

September 20, 2021

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1.2	Purposes of this Supplemental Report	2
2.0	The Amended Proposal	2
3.0	Conclusion and Recommendation	3

Appendices

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Report, without appendices	A
Amended Proposal	B



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

SUPPLEMENT TO PROPOSAL TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

SEPTEMBER 20, 2021

1.0 Introduction

1. This report (the "Supplemental Report") supplements the Proposal Trustee's Preliminary Report to Creditors dated March 8, 2021 (the "Report"). A copy of the Report, without appendices, is provided as Appendix "A".
2. The Supplemental Report is subject to the restrictions and qualifications set out in the Report.
3. Defined terms in the Supplemental Report have the meanings provided to them in the Report.
4. The Report provided, among other things, background information on the Partnership, the Partnership's creditors and the Holding Proposal filed by the Partnership on February 26, 2021.
5. A meeting of creditors to consider and vote on the Holding Proposal was held on March 19, 2021 and subsequently adjourned on several occasions, with the consent of Brookfield, the Partnership's only arm's length creditor, to May 25, 2021, June 30, 2021, July 9, 2021, July 21, 2021, August 13, 20 and 27, 2021, and September 3, 9, 14 and 20, 2021.
6. On September 20, 2021, the Partnership filed an amended proposal (the "Amended Proposal") with the Official Receiver, in accordance with Section 62(1) of the BIA. A copy of the Amended Proposal is attached as Appendix "B".

1.1 Meeting to Consider the Amended Proposal

1. The details of the creditors' meeting to consider and vote on the Amended Proposal to be held pursuant to subsection 51(1) of the BIA (the "Meeting") are as follows:

Date: September 22, 2021

Time: 4:30 p.m. (EST)

Location: To be convened virtually via Zoom:
<https://us06web.zoom.us/j/83766570181?pwd=MWt1cnVSZWZnU1RpeTdzYjQ2Y1BVQT09>

2. Creditors can vote at the Meeting by attending in person (virtually) or by submitting proofs of claim and voting letters to the Proposal Trustee prior to the Meeting.
3. Creditors can also vote by way of proxy and can appoint the Proposal Trustee or any other person as their proxy.

1.2 Purposes of the Supplemental Report

1. The purposes of the Supplemental Report are to:
 - a) summarize the terms of the Amended Proposal; and
 - b) provide the Proposal Trustee's recommendation on the Amended Proposal.

2.0 The Amended Proposal

1. This section provides an overview of the terms of the Amended Proposal. Review of this section is not a substitute for reading the Amended Proposal. Creditors are encouraged to read the Amended Proposal in its entirety prior to voting on the Amended Proposal. Creditors are encouraged to discuss the terms of the Amended Proposal with their legal counsel.
2. The overall purpose of the Amended Proposal is to allow the Partnership, on completion of these Proposal proceedings, to continue to operate its business with the benefit of the Leases, as amended by the lease amending agreements that it negotiated and completed with Brookfield on September 20, 2021 (the "LAAs"), in the expectation that the Partnership's stakeholders, including Brookfield, will derive a greater benefit than they would from discontinuing the Partnership's operations and the likely resulting forced liquidation.
3. The Amended Proposal provides, among other things, that claims against the Partnership are unaffected and therefore shall not be compromised, released, discharged, cancelled or barred. No distributions or payments are contemplated to be made under the Amended Proposal.

4. The Amended Proposal also provides that all creditors shall be deemed to waive any and all defaults under any agreement or contract with the Partnership arising as result of the commencement of the NOI Proceedings and/or implementation of the Amended Proposal. Other defaults under the Leases are not addressed by the Amended Proposal. The Proposal Trustee understands that, pursuant to the LAAs, the Partnership and Brookfield agreed to amend the Leases in order to address any other defaults by the Partnership providing Brookfield with new replacement security, replacing the existing indemnifier under one of the Leases. The Proposal Trustee further understands that Brookfield prefers the continued operations of the Partnership over a bankruptcy, which would likely result in the forced liquidation of the Partnership's leasehold interests¹ and collection of its accounts receivable², the realizable value of which would be significantly less than the claims against the Partnership and provide for a result inferior to the Amended Proposal.
5. As set out in the Amended Proposal, implementation of the Amended Proposal is subject to the satisfaction of the following conditions precedent:
 - a) the requisite majorities of Creditors shall have voted in favour of the Amended Proposal in accordance with the BIA. In that regard, the Proposal Trustee will be permitting Brookfield to vote on the Amended Proposal based on a claim of \$1, representing a contingent claim against the Partnership. The two remaining creditors, being related parties, do not intend to vote on the Amended Proposal³; and
 - b) an order of the Court approving and sanctioning the Amended Proposal and discharging the Proposal Trustee. If the Amended Proposal is accepted by the Partnership's creditors, the Proposal Trustee will schedule a motion with the Court on the earliest available date, which will be communicated to the Partnership's creditors.

3.0 Conclusion and Recommendation

1. The Proposal Trustee understands that the LAAs and the terms of the Amended Proposal represent the result of good faith negotiations over several months between the Partnership and Brookfield.
2. The Amended Proposal does not affect creditor rights and allows the Partnership the opportunity to continue to operate, which is in the interests of all of its stakeholders. The alternative to the Amended Proposal would likely be a bankruptcy, the result of which would be a disclaimer of the Leases and the forced liquidation of the Partnership's leasehold interests, which is likely to produce a result inferior to the Amended Proposal and which is not supported by Brookfield, the sole arm's length creditor of the Partnership. Accordingly, the Proposal Trustee supports the terms of the Amended Proposal and recommends that the Partnership's creditors vote to accept it.

¹ Book value of \$635,000 as at February 28, 2021.

² Book value of \$620,000 as at February 28, 2021.

³ Pursuant to Section 54(3) of the BIA, a creditor who is related to the debtor may vote against but not for the acceptance of the proposal.

* * *

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**

Appendix “I”

**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**

MINUTES OF THE FIRST MEETING OF CREDITORS

1. Minutes of the resumption of the first meeting of creditors of RGN Ontario XXXIV Limited Partnership (the "Partnership") initially held on March 19, 2021 and thereafter adjourned to May 25, 2021, June 30, 2021, July 9, 2021, July 21, 2020, August 13, 2021, August 20, 2021, August 27, 2021, September 3, 2021, September 9, 2021, September 14, 2021, September 20, 2021 and September 22, 2021 at 4:30 pm via video conference.
2. An attendance list of those present at the meeting is attached as Appendix "A".
3. Mitch Vininsky, of KSV Restructuring Inc., acted as Chair and Recording Secretary.
4. Mr. Vininsky advised that an Amended Proposal was filed on September 20, 2021 with the Official Receiver and that the Proposal Trustee filed a supplementary Report to Creditors on the same day, which was sent by email to the Partnership's creditors.
5. Mr. Vininsky noted that the only creditor voting on the Amended Proposal is Brookfield Office Properties Inc., HRI Exchange, and PFS Exchange Inc. (together, "Brookfield"), the landlord and sole known arms' length creditor of the Partnership, with a contingent claim of \$1 for voting purposes.
6. Ms. Naveed, counsel to Brookfield, made a motion to vote on the Amended Proposal and advised that Brookfield votes to accept the Amended Proposal.
7. The Chair announced that the Amended Proposal was unanimously accepted by the creditors voting on the Amended Proposal. Accordingly, the Chair declared that the vote on the Amended Proposal had been carried.
8. The Chair advised that a motion for Court approval of the Amended Proposal is scheduled for October 12, 2021 at 12:30 p.m. The Chair advised that a notice of the hearing date would be sent to the creditors.
9. There being no further business, the meeting was adjourned at 4:40 pm.

Dated at Toronto, Ontario this 22nd day of September 2021.



Mitch Vininsky, Chair

Appendix “A”

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

**FIRST MEETING OF CREDITORS
ATTENDANCE REGISTER**

Date: September 22, 2021 @ 4:30 PM
Estate File No: 31-2672741

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
1	Video conference	Mitch Vininsky	KSV Restructuring Inc., Proposal Trustee	N/A	-
2	Video conference	Lee Nicholson	Stikeman Elliot LLP, counsel to RGN Management XXXIV Limited Partnership	N/A	-
3	Video conference	Afshan Naveed	Dentons LLP, counsel to the Brookfield parties	N/A	-
4	Video conference	Sean Zweig	Bennett Jones LLP, Counsel to the Proposal Trustee	N/A	