



**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 28<sup>th</sup> Relief”). The Court did not grant the August 28<sup>th</sup> 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 28<sup>th</sup> 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.<sup>1</sup> 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>.

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<sup>1</sup> 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 “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

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Date of the Notice of Intention: September 16, 2020

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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 ) WEDNESDAY, THE 13TH  
 )  
JUSTICE DIETRICH ) 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.

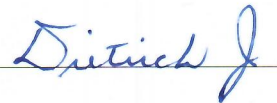
**EXTENSION OF TIME TO FILE PROPOSAL**

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.

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

Proceeding commenced at Toronto

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**ORDER**

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

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**Ben Muller LSO#: 80842N**  
Tel: (416) 869-5543  
Email: [bmuller@stikeman.com](mailto:bmuller@stikeman.com)  
Fax: (416) 947-0866

**Lawyers for RGN Ontario XXXIV Limited  
Partnership**

## **Appendix “C”**



**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](mailto: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](mailto: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 (5<sup>th</sup>) Business Day following the date on which such notice or other communication is mailed.

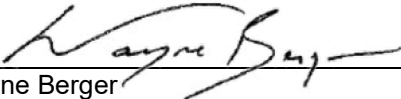
#### **7. Applicable Law**

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 26<sup>th</sup> day of February, 2021.

**RGN ONTARIO XXXIV LIMITED PARTNERSHIP**

Per:   
Name: Wayne Berger  
Title: Director

## **Appendix “D”**



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

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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: \$,\*\*\*

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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

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E-File / Dépôt électronique

Official Receiver

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

## **Appendix “E”**



*Bankruptcy and Insolvency Act ("Act")*

**Proof of Claim**

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

Creditor Name:	_____	Telephone:	_____
Address:	_____	Fax:	_____
Account No.:	_____	Email:	_____

In the matter of the bankruptcy (or the proposal, or the receivership) of \_\_\_\_\_ (name of debtor) of \_\_\_\_\_ (city and province) and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of \_\_\_\_\_ (city and province), do hereby certify:

- That I am a creditor of the above-named debtor (or that I am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of creditor)).
- That I have knowledge of all the circumstances connected with the claim referred to below.
- That the debtor was, at the date of bankruptcy, (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, *if no notice of intention was filed*), namely the \_\_\_\_\_ day of \_\_\_\_\_, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. *(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)*
- (Check and complete appropriate category.)*
  - A. UNSECURED CLAIM OF \$ \_\_\_\_\_**  
*(other than as a customer contemplated by Section 262 of the Act)*  
That in respect of this debt, I do not hold any assets of the debtor as security and *(Check appropriate description.)*
    - Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.
    - Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under Section 136 of the Act. *(Set out on an attached sheet details to support priority claim.)*
  - B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_**  
That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows: *(Give full particulars of the claim, including the calculations upon which the claim is based.)*
  - C. SECURED CLAIM OF \$ \_\_\_\_\_**  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows: *(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)*
  - D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_**  
That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_ *(Attach a copy of sales agreement and delivery receipts.)*
  - E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_**
    - That I hereby make a claim under Subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_
    - That I hereby make a claim under Subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_
  - F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_**
    - That I hereby make a claim under Subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_
    - That I hereby make a claim under Subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_
  - G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_**  
*(To be completed when a proposal provides for the compromise of claims against directors.)*  
That I hereby make a claim under Subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s). *(Give full particulars of the claim, including the calculations upon which the claim is based.)*
  - H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_**  
That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on the attached sheet(s). *(Give full particulars of the claim, including the calculations upon which the claim is based.)*

Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

- 5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of Subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)
7. (Applicable only in the case of the bankruptcy of an individual.)
[ ] Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under Section 68 of the Act, I request to be informed, pursuant to Paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
[ ] I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to Subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Witness

Creditor

NOTE:

If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS:

A trustee may, pursuant to Subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

GENERAL PROXY

(Paragraphs 51(1)(e) and 66.15(3)(b) and Subsection 102(2))

In the matter of the bankruptcy) (or proposal) of \_\_\_\_\_ a bankrupt (or an insolvent)

I (or We), \_\_\_\_\_ (name of creditor), of \_\_\_\_\_ (name of city, town or village), a creditor in the above matter, hereby appoint \_\_\_\_\_, of \_\_\_\_\_, to be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Witness

Individual Creditor OR Name of Corporate Creditor

Witness

Per:

Name and Title of Signing Officer



## CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

### General

- The signature of a witness is required;
- The claim must be signed personally by the individual completing this declaration;
- Provide the complete address where all notices or correspondence are to be forwarded;
- The amount of the statement of account must correspond to the amount indicated on the proof of claim.

### Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors consists of at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote through an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

### Paragraph 1

- Creditor must state full and complete legal name of company or firm;
- If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

### Paragraph 3

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

### Paragraph 4

- **Paragraph A** applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to Section 136 of the Act.
- **Paragraph B** applies to lessor claims in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- **Paragraph C** applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- **Paragraph D** applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- **Paragraph E** applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.
- **Paragraph F** applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- **Paragraph G** applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- **Paragraph H** applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

### Paragraph 5

- All claimants must indicate whether or not they are related to the debtor, as defined in Section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

### Paragraph 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - a) Within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor are not related;
  - b) Within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor were not dealing at arm's length.

---

## APPOINTING PROXY

Note: The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

### General

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

### Notes:

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

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

Form 37

VOTING LETTER  
(Paragraph 51(1)(f) of the *Bankruptcy and Insolvency Act.*)

I/we, \_\_\_\_\_, creditor,

of \_\_\_\_\_,

a creditor in the above matter for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the Proposal of RGN Ontario XXXIV Limited Partnership to record my vote:

**PLEASE TICK OFF OR INDICATE YOUR VOTE AS FOLLOWS:**

- FOR** the acceptance of the Proposal, as made on the 26<sup>th</sup> day of February, 2021.
- AGAINST** the acceptance of the Proposal, as made on the 26<sup>th</sup> day of February, 2021.

DATED at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
*Signature of Witness*

\_\_\_\_\_  
*Signature of individual creditor or person signing on behalf of corporate creditor*

\_\_\_\_\_  
*Print name of Witness*

\_\_\_\_\_  
*Print name of individual creditor or name and title of person signing on behalf of corporate creditor*

## **Appendix “F”**



**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

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**Estate File No: 31-2672741**

**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**

**NOTICE OF PROPOSAL TO CREDITORS  
(Subsection 51)**

Take notice that:

1. RGN Ontario XXXIV Limited Partnership (the "Partnership") has lodged with KSV Restructuring Inc. (the "Proposal Trustee") a Proposal pursuant to the *Bankruptcy and Insolvency Act*.
2. A general meeting of creditors to consider the Proposal will be held on the 19th day of March, 2021 at 10 a.m., to be convened via Zoom at:  
<https://zoom.us/j/99077860652?pwd=TFFhbTVQYXBpVnJSb2VxYXhXQXR1dz09>.
3. Enclosed are copies of:
  - The Proposal;
  - A condensed statement of the Partnership's assets and liabilities;
  - A list of the creditors affected by the Proposal whose claims amount to \$250 or more;
  - A Proof of Claim form and proxy; and
  - A voting letter.
4. To be entitled to vote at the meeting, proofs of claim, proxies (where necessary) and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.
5. Creditors must prove their claims against the Partnership in order to share in any distribution of the proceeds realized from the estate.

DATED at Toronto, Ontario, this 8<sup>th</sup> day of March, 2021

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
LICENSED INSOLVENCY TRUSTEE**

## **Appendix “G”**

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

Original

Amended

\_Form 78\_  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

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

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 16th day of September 2020. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" . . . . .	128,623.00	1. Inventory . . . . .	0.00
Balance of secured claims as per list "B" . . . . .	0.00	2. Trade fixtures, etc. . . . .	0.00
Total unsecured creditors . . . . .	128,623.00	3. Accounts receivable and other receivables, as per list "E"	
2. Secured creditors as per list "B" . . . . .	494,762.00	Good . . . . .	619,726.00
3. Preferred creditors as per list "C" . . . . .	0.00	Doubtful . . . . .	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for . . . . .	0.00	Bad . . . . .	0.00
Total liabilities . . . . .	623,385.00	Estimated to produce . . . . .	619,726.00
Surplus . . . . .	630,635.00	4. Bills of exchange, promissory note, etc., as per list "F" . . . . .	0.00
		5. Deposits in financial institutions . . . . .	0.00
		6. Cash . . . . .	0.00
		7. Livestock . . . . .	0.00
		8. Machinery, equipment and plant . . . . .	634,294.00
		9. Real property or immovable as per list "G" . . . . .	0.00
		10. Furniture . . . . .	0.00
		11. RRSPs, RRIFs, life insurance, etc. . . . .	0.00
		12. Securities (shares, bonds, debentures, etc.) . . . . .	0.00
		13. Interests under wills . . . . .	0.00
		14. Vehicles . . . . .	0.00
		15. Other property, as per list "H" . . . . .	0.00
		If debtor is a corporation, add:	
		Amount of subscribed capital . . . . .	0.00
		Amount paid on capital . . . . .	0.00
		Balance subscribed and unpaid . . . . .	0.00
		Estimated to produce . . . . .	0.00
		Total assets . . . . .	1,254,020.00
		Deficiency . . . . .	NIL

I, Wayne Berger, Director of RGN Ontario XXXIV Limited Partnership, do swear (or solemnly declare) that the above statement and the attached lists are to the best of my knowledge, based on the information available to me, a full, true and complete statement of the affairs of RGN Ontario XXXIV Limited Partnership on February 26, 2021, and fully disclose all of its property of every description in its possession or that may devolve on it in accordance with Section 67 of the Bankruptcy and Insolvency Act.

Sworn (or solemnly declared) before me at )  
 the City of Toronto, in the Province of Ontario, )  
 this 26th day of February, 2021. )

  
 \_\_\_\_\_

A Commissioner, etc.

  
 Wayne Berger, Director

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

FORM 78 -- Continued

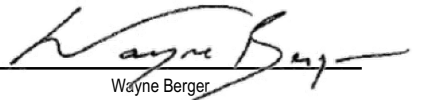
List "A"  
Unsecured Creditors

RGN Ontario XXXIV Limited Partnership

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Brookfield Properties Canada Management	c/o Dentons Canada LLP 15th Fl, Bankers Court, 850-2nd Street SW Calgary AB T2P 0R8	1.00	0.00	1.00
2	Franchise International GmBH	3000 Kellway Drive, Suite 140 Carrollton TX 75006	128,622.00	0.00	128,622.00
<b>Total:</b>			<b>128,623.00</b>	<b>0.00</b>	<b>128,623.00</b>

26-Feb-2021

Date

  
Wayne Berger

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

FORM 78 -- Continued

List "B"  
Secured Creditors

RGN Ontario XXXIV Limited Partnership

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	RGN Management LP	3000 Kellway Drive, Suite 140 Carrollton TX 75006	494,762.00	Business Assets - Machinery - Property and equipment	01-Jun-2016	494,762.00	139,532.00	
<b>Total:</b>			<b>494,762.00</b>			<b>494,762.00</b>	<b>139,532.00</b>	<b>0.00</b>

26-Feb-2021

Date

  
Wayne Berger



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

FORM 78 -- Continued

List "C"  
Preferred Creditors for Wages, Rent, etc.

RGN Ontario XXXIV Limited Partnership

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

26-Feb-2021

Date

  
Wayne Berger

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

FORM 78 -- Continued


List "D"  
Contingent or Other Liabilities

RGN Ontario XXXIV Limited Partnership

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

26-Feb-2021

Date

  
Wayne Berger

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

FORM 78 -- Continued

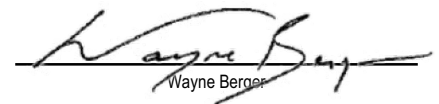
List "E"  
 Debts Due to the Debtor

RGN Ontario XXXIV Limited Partnership

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	Various Occupants .	Accounts Receivable	619,726.00 0.00 0.00		31-Jan-2021	619,726.00	Various
Total:				619,726.00 0.00 0.00			619,726.00	

26-Feb-2021

Date

  
 Wayne Berger

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

FORM 78 -- Continued

List "F"

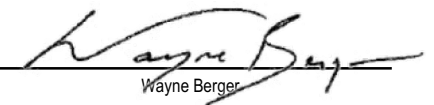
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

RGN Ontario XXXIV Limited Partnership

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
<b>Total:</b>				0.00		0.00	

26-Feb-2021

Date

  
Wayne Berger

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

FORM 78 -- Continued

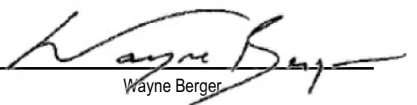
List "G"  
Real Property or Immovables Owned by Debtor

RGN Ontario XXXIV Limited Partnership

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

26-Feb-2021

Date

  
Wayne Berger

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

FORM 78 -- Concluded

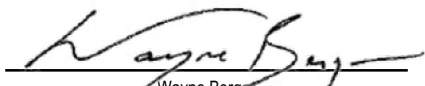
List "H"  
 Property

RGN Ontario XXXIV Limited Partnership  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Property and equipment	0.00	634,294.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
			<b>Total:</b>	<b>634,294.00</b>

26-Feb-2021

Date

  
 Wayne Berger

Court No. 31-2672741

Estate No. 31-2672741

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

---

Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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KSV Restructuring Inc. - Licensed Insolvency Trustee  
Per:

---

Robert Kofman - Licensed Insolvency Trustee  
150 King Street West, Suite 2308  
Toronto ON M5H 1J9  
Phone: (416) 932-6262 Fax: (416) 932-6266

## **Appendix “H”**



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 “I”**

# Stikeman Elliott

Lee Nicholson  
Direct: 416 869 5604  
leenicholson@stikeman.com

February 25, 2021

Dentons Canada LLP  
15th Floor, Bankers Court, 850 - 2nd Street SW  
Calgary, AB T2P 0R8 Canada

Attention: Afshan Naveed

Dear Ms. Naveed:

**Re: Notice of Intention to file a Proposal of RGN Ontario XXXIV Limited Partnership (the “NOI Debtor”) (Court. No. 31-2672741)**

By way of background, the NOI Debtor is party to two (2) leases (the “**Leases**”) with Brookfield Office Properties Inc., HRI Exchange Inc, and PFS Exchange Inc., as landlord (the “**Landlord**”) for leased premises located at Suites 1800 and 1900 at Exchange Tower, 130 King Street West, Toronto, Ontario (“**Exchange Tower**”). On September 16, 2020, the NOI Debtor filed a notice of intention to make a proposal commencing proceedings (the “**NOI Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). On January 13, 2021, the Ontario Superior Court of Justice (Commercial List) issued an order extending the time for the NOI Debtor to file a proposal until February 28, 2021 pursuant to section 50.4(9) of the BIA. If the NOI Debtor does not file a proposal by such date it will be deemed to make an assignment into bankruptcy.

Further to the discussions between the NOI Debtor and the Landlord, below are the terms on which the parties have agreed to continue the NOI Proceedings:

1. The NOI Debtor will file a proposal in the NOI Proceedings which does not address the treatment of the Leases or the treatment of any other creditors and will require the NOI Debtor to file an amended proposal on or before May 25, 2021 (the “**Holding Proposal**”).
2. The Landlord will support the Holding Proposal and, if necessary, vote in favour of adjourning any creditor’s meeting considering the Holding Proposal to May 25, 2021. At any creditor’s meeting held following May 25, 2021, the Landlord shall be entitled to vote in favour or against any proposal presented to creditors by the NOI Debtor, in its sole discretion.
3. The NOI Debtor and its affiliates, and the Landlord, agree to continue the good faith discussions and negotiations on amendments to the Leases at the Exchange Tower and an acceptable amended proposal to be filed by the NOI Debtor in the NOI Proceedings (the “**Amended Proposal**”). The parties shall attempt to negotiate the treatment of the Leases and the Amended Proposal as soon as possible, and if possible, before May 25, 2021, to allow the NOI Debtor to emerge from the NOI Proceedings. The NOI Debtor will request the proposal trustee convene a creditor’s meeting to consider an Amended Proposal as soon as reasonably practicable if the parties reach an agreement on the treatment of the Leases and an Amended Proposal.
4. The NOI Debtor agrees that the NOI Proceedings shall not be converted to or continued as proceedings under the *Companies’ Creditors Arrangement Act*.

5. The NOI Debtor agrees it shall pay any outstanding rent or additional rent arrears due under the Leases which accrued following September 16, 2020 and are currently outstanding (the "**Post-Filing Arrears**") within five (5) days of receiving details of such Post-Filing Arrears and confirming such amounts.
6. Provided that the NOI Debtor pays the Post-Filing Arrears and continues to pay rent and additional rent when due in accordance with the Leases, the Landlord shall not bring an application seeking to assign the NOI Debtor into bankruptcy or take any other step or action to assign the NOI Debtor into bankruptcy prior to May 25, 2021. If the NOI Debtor fails to pay the Post-Filing Arrears and ongoing rent and additional rent when due in accordance with the Leases, the Landlord may terminate this agreement and each of the parties rights are fully reserved under the Leases and in the NOI Proceedings with respect to such failure to pay rent and otherwise.
7. The Landlord represents that its counsel has authority to bind the Landlord and execute this agreement on its behalf.

Please indicate your client's agreement with the above terms by executing the signature page that follows.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Nicholson". The signature is fluid and cursive, with the first name "Lee" and last name "Nicholson" clearly distinguishable.

Lee Nicholson

cc. R. Kofman and M. Vininsky, *KSV Restructuring Inc.*  
S. Zweig, *Bennett Jones LLP*

**Acknowledged and Agreed By:**

**RGN ONTARIO XXXIV LIMITED  
PARTNERSHIP**

By:



Name: Wayne Berger

Title: Authorized Signatory

**BROOKFIELD OFFICE PROPERTIES INC. .,  
HRI EXCHANGE INC, AND PFS EXCHANGE  
INC., by their counsel**

By: \_\_\_\_\_

Name:

Title:

**Acknowledged and Agreed By:**

**RGN ONTARIO XXXIV LIMITED  
PARTNERSHIP**

By: \_\_\_\_\_  
Name:

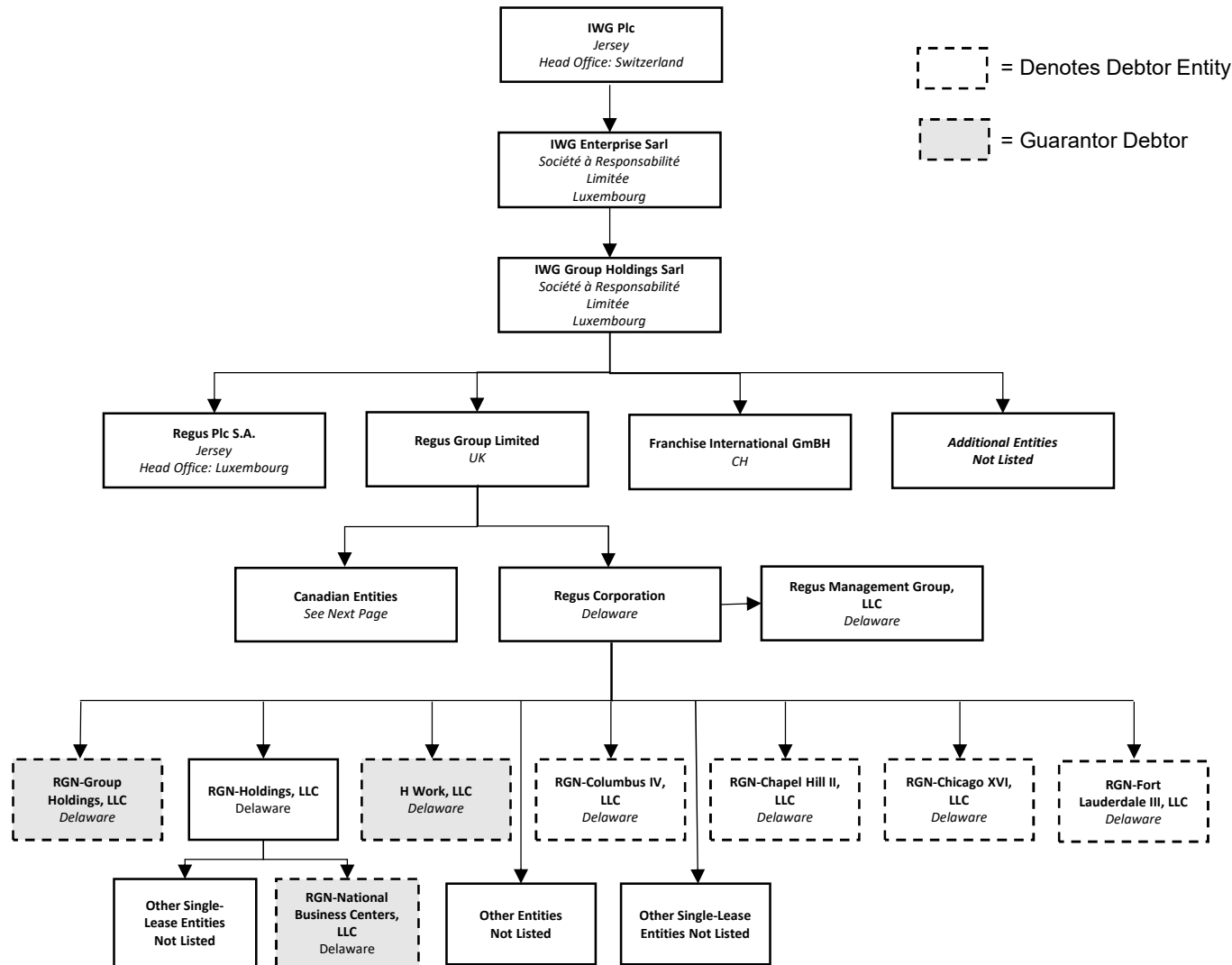
Title:

**BROOKFIELD OFFICE PROPERTIES INC. ,,  
HRI EXCHANGE INC, AND PFS EXCHANGE  
INC., by their counsel**

By:  \_\_\_\_\_  
Name:

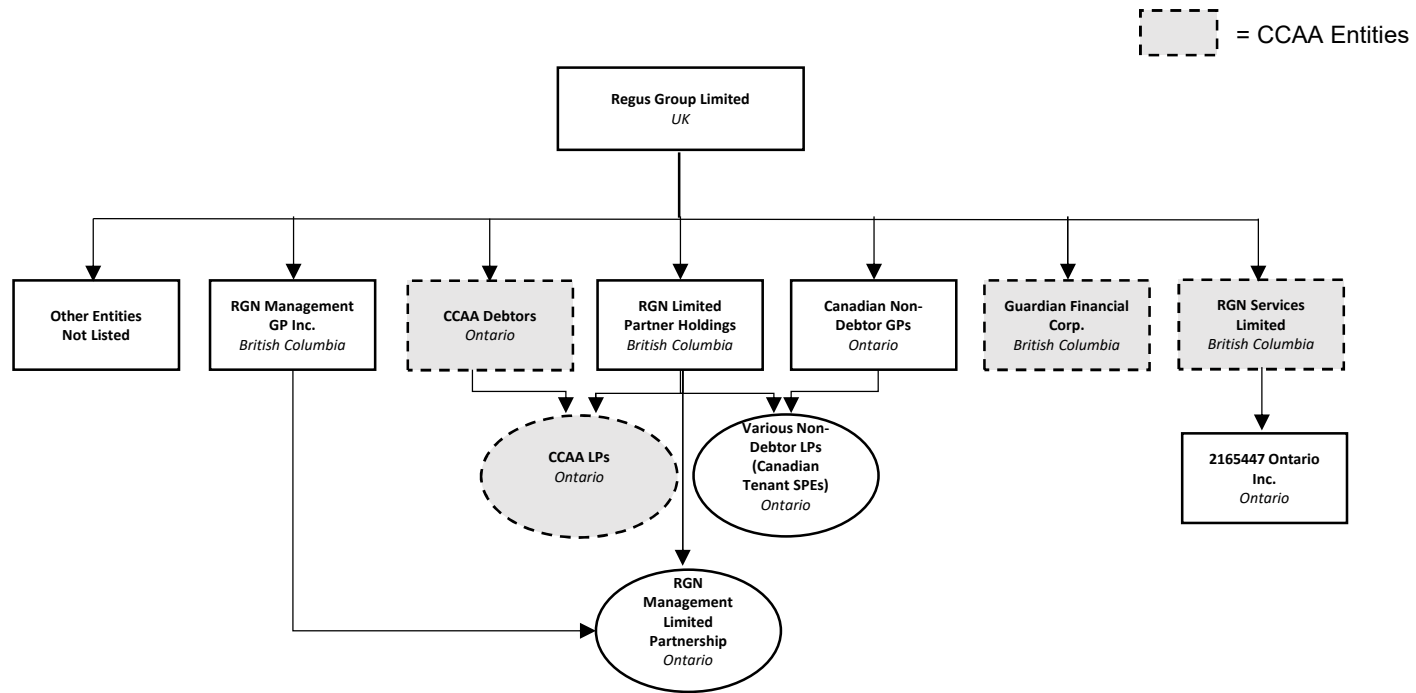
Title: **Afshan Naveed**  
**Barrister & Solicitor**  
DENTONS CANADA LLP  
15<sup>TH</sup> Floor BANKERS COURT  
850 – 2<sup>ND</sup> STREET S.W.  
CALGARY, ALBERTA T2P 0R8

## **Appendix “J”**



\*all ownership is 100% unless otherwise noted





\*all ownership is 100% unless otherwise noted