



Insolvency Proceedings of Certain Entities in the RHH Rental Properties Group of Companies

Frequently Asked Questions - August 1, 2025

General Questions:

1. Which entities are subject to formal insolvency proceedings (the “Insolvent Entities”)?

- a. Sherwood Forest Square Ltd. (“Sherwood”): Which was placed into receivership by order of the Ontario Superior Court of Justice (the “Court”) on May 20, 2025 and BDO Canada Limited (“BDO”) was appointed as receiver and manager (the “Sherwood Receiver”).
- b. SF Square GP Corp. (“Square GP”): Which filed a voluntary assignment in bankruptcy on May 30, 2025 with BDO appointed as Licensed Insolvency Trustee (the “SF Square Trustee”) which appointment was affirmed at the first meeting of creditors held on June 20, 2025.
- c. RHH Rental Properties Ltd. (“RHP”): Which filed a voluntary assignment in bankruptcy on June 18, 2025 with BDO appointed as Licensed Insolvency Trustee. At the first meeting of creditors, on July 7, 2025, Deloitte Restructuring Inc. (“Deloitte” or the “RHP Trustee”) was substituted in place of BDO as Licensed Insolvency Trustee.

2. How are the Insolvent Entities related?

RHP is the primary real estate development company which, through its multiple ownership interests in corporations and partnerships, has developed several real estate projects in Ontario. RHP was also the primary vehicle for sourcing investor funds, namely through promissory notes to develop various real estate projects. RHP holds an equity interest in Sherwood.

Sherwood is a real estate development company, which initially began construction of a student residence in London, Ontario (“The W London”) in late 2018. In late 2019, BDO understands The W London was transferred into a limited partnership (SF Square LP) structure for financial, legal, and tax efficiency reasons.

Square GP is the sole general partner of the limited partnership SF Square LP (“Square LP”). By virtue of the bankruptcy of Square GP, all of the property of Square LP vests in the SF Square Trustee.

3. What is the difference between the Receivership and Bankruptcy Proceedings?

The Receivership proceeding was initiated by certain secured creditors of Sherwood and the Sherwood Receiver was appointed by order of the Court. There is currently no claims process which has been initiated for creditors in the Receivership.

The Bankruptcy proceedings were initiated by the directors of those Insolvent Entities to preserve value with the goal of maximizing realizations to all stakeholders. Creditors can file a claim in the respective proceeding(s), depending on which entity(ies) are indebted to them.

4. I am owed money by one or more of the Insolvent Entities, how do I register my claim?

If you are owed money from Sherwood, there is currently no claims process which has been initiated for creditors in the Receivership. The Sherwood Receiver will make an application to the Court prior to any funds being distributed and may initiate a Court Approved claims process, if necessary.



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If you are owed money from SF Square GP, there is a prescribed proof of claim form (a “**Proof of Claim**”) that can be obtained from and submitted to BDO as the SF Square Trustee. There is currently no deadline for submission of a Proof of Claim.

If you are owed money from RHP, a claim can be filed with Deloitte as RHP Trustee. Further information can be found on Deloitte’s website for the proceedings which can be accessed at: www.insolvencies.deloitte.ca/en-ca/Pages/RHH-Rental-Properties-Ltd.aspx?searchpage=Search-Insolvencies.aspx.

5. How much will I receive in the proceedings?

This depends on a number of factors including:

- a. The total realizations in each of the Insolvent Entities’ estates;
- b. The total number of creditors and quantum of their claims;
- c. The nature of your claim. At a high-level, the order of priority is as follows:
 - i. Trust, or super-priority claims (generally government debts);
 - ii. Secured creditors;
 - iii. Unsecured creditors; and
 - iv. Equity holders.

6. How long will the proceedings take?

The timeline for an insolvency proceeding can vary significantly. During the administration of the Sherwood and Square GP estates, BDO will provide further information as it becomes available through a dedicated website established for the proceedings (further discussed below).

7. How is it determined which of the Insolvent Entities I have a claim against?

The lists of creditors for each of the Insolvent Entities have been prepared by the directors of the respective entity and provided to the BDO as part of the documentation required for the statutory filings under the *Bankruptcy and Insolvency Act* (the “BIA”). Recognizing that the investments in the Insolvent Entities are intertwined with each other, we appreciate the complexity of the determination of the entity in which you are invested. The creditors’ package has been sent to each known creditor at the time of filings under the BIA and notice of the bankruptcy proceedings has been published in newspapers to make the general public aware of the proceedings and provide an opportunity to contact the Trustee.

As noted, Deloitte acts as the RHP Trustee and any questions with respect to the RHP bankruptcy proceedings should be directed to Deloitte.

8. I am a limited partnership (“LP”) unitholder. Am I able to redeem my equity investment?

The ability for investors in Square LP to redeem their equity investment is not automatic (is currently stayed by the Bankruptcy) and is highly contingent on:

- a. The asset realization within the LP; and
- b. Whether there are remaining funds available after satisfying secured creditors and other liabilities.

It is important to note that equity investors rank behind creditors in priority (further discussed above). As such, any equity redemption is dependent on there being a surplus after satisfying priority, secured, and unsecured claims.

9. Am I a secured creditor if I am an LP investor?



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If you are an LP investor, you would likely be considered as an equity investor, and not a secured creditor. In Canada, LPs in a limited partnership are not typically considered secured creditors. A secured creditor is someone or an entity who has a legal claim (security interest) over specific assets of a debtor as collateral for a loan or obligation. To be a secured creditor, you must have a security agreement and typically register that interest under the *Personal Property Security Act* (“PPSA”).

17. How do I find out more information about the insolvency proceedings?

BDO has established a website for the Sherwood and SF Square GP Corp proceedings available at: www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/sherwood

As noted, Deloitte has established a website for the RHP proceedings available at: www.insolvencies.deloitte.ca/en-ca/Pages/RHH-Rental-Properties-Ltd.aspx?searchpage=Search-Insolvencies.aspx.

BDO’s website will be updated as further information becomes available on an ongoing basis. Should you have further questions, not answered above, these can be directed to BDO as follows:

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