

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE                    )  
  )  
JUSTICE CAVANAGH                )     FRIDAY, THE 13TH DAY  
  )     OF JUNE, 2025

FOREMOST MORTGAGE HOLDING CORPORATION

**Applicant**

**-and-**

BARAKAA DEVELOPER INC., LERRATO INC. and 2145499 ONTARIO INC.

**Respondents**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of certain real properties of Barakaa Developer Inc. and Lerrato Inc., and the property, assets and undertakings of 2145499 Ontario Inc., for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between Lerrato Inc. (“**Lerrato**”), as vendor, and Sara Qadeer and Talha Azim Butt, as purchasers (collectively, the “**Purchaser**”), dated May 9, 2024, as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May 21, 2025 (collectively, the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 371 Porte Road, Ajax,

Ontario and the chattels listed in the Sale Agreement (collectively, the “**Purchased Assets**”) on closing, was heard this day by videoconference.

**ON READING** the Receiver’s Third Report to the Court and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Lawyer’s Certificate of Service of Edmond Lamek dated June 2, 2025, filed,

#### **SALE APPROVAL**

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary and as may be agreeable to the Purchaser. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the “**Receiver's Certificate**”), all of the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor's right, title and interest in and to the real property listed on **Schedule “B”** hereto (the “**Real Property**”), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise),

liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of The Honourable Justice Black made on October 21, 2024 and The Order of The Honourable Justice Kimmel February 3, 2025; (ii) all charges, security interests or claims evidenced by registrations against Lerrato pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Real Property identified in **Schedule "B"** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims and Court Orders listed in **Schedule "C"** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all

Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Lerrato and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Lerrato,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Lerrato and shall not be void or voidable by creditors of Lerrato, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

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**Schedule “A” (AVO) – Form of Receiver’s Certificate**

Court File No. CV-24-00724076-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**FOREMOST MORTGAGE HOLDING CORPORATION**

**Applicant**

**-and-**

**BARAKAA DEVELOPER INC., LERRATO INC. and 2145499 ONTARIO INC.**

**Respondents**

**RECEIVER’S CERTIFICATE**

**WHEREAS** pursuant to an Order of The Honourable Justice Black of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on October 21, 2024, KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, without security, of certain real properties of Barakaa Developer Inc. and Lerrato Inc., and the property, assets and undertakings of 2145499 Ontario Inc.

**AND WHEREAS** pursuant to an Order of the Court dated June 13, 2025, the Court approved the amending agreement dated May 21, 2025 (the “**Amending Agreement**”) between the Receiver, as vendor, and Sara Qadeer and Talha Azim Butt, as purchasers (collectively, the “**Purchaser**”) amending the agreement of purchase and sale between the Purchaser and Lerrato Inc. dated May 9, 2024 (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with

respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

**AND WHEREAS** unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**NOW THEREFORE THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**KSV RESTRUCTURING INC.**, solely in its capacity as the Court-appointed receiver and manager of of certain real properties of Barakaa Developer Inc. and Lerrato Inc., and the property, assets and undertakings of 2145499 Ontario Inc., and not in its personal capacity or in any other capacity

Per: \_\_\_\_\_

Name: Bobby Kofman

Title: President

**Schedule “B” (AVO) – Real Property**

Legal Description:

PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0554 (LT)



### Schedule “C” (AVO) – Instruments to Be Deleted from Title

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
DR1850098	2019/11/26	Charge	\$2,375,000	Lerrato Inc.	Foremost Mortgage Holding Corporation
DR1850099	2019/11/26	Notice of Security Interest	\$2,375,000	Foremost Mortgage Holding Corporation	
DR2150311	2022/07/05	Charge	\$3,155,000	Lerrato Inc.	Foremost Mortgage Holding Corporation
DR2253705	2023/08/10	Charge	\$700,000	Lerrato Inc.	BIP Management Corporation
DR2254558	2023/08/14	Notice	\$2	Lerrato Inc.	BIP Management Corporation
DR2268558	2023/10/03	Postponement		BIP Management Corporation	Foremost Mortgage Holding Corporation
DR2356186	2024/10/22	Apl Court Order		Ontario Superior Court of Justice (Commercial List)	KSV Restructuring Inc.

### Schedule “D” (AVO) – Permitted Encumbrances

1. Encumbrances for real property taxes (which term includes charges, rates and assessments, and other governmental charges or levies) or charges for electricity, power, gas, water and other services and utilities in connection with the Property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on Closing.
2. Any subsisting restrictions, exceptions, reservations, limitation, provisos and conditions (including royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown.
3. Easements, rights of way, and servitudes and other similar rights in land granted to, reserved or taken by any governmental authority, transit authority or public or private utility supplier.
4. Subdivision agreements, site plan control agreements, development agreements or other similar agreements with any governmental authority, transit authority or public or private utility supplier.
5. Restrictive covenants, private deed restrictions and other similar land use controls or agreements registered on title, which do not, in the aggregate, materially impair the use, operation or marketability of the Property.
6. Undetermined or inchoate liens and charges incidental to current construction or current operations which have not been filed or registered according to applicable law and which relate to obligations neither due nor delinquent provided all amounts owing in respect thereof are adjusted for on Closing.
7. Minor title defects or irregularities which do not, in the aggregate, materially impair the use, operation or marketability of the Property.
8. Minor title defects, irregularities, easements, reserves, encroachments, rights of way or other discrepancies in title or possession relating to the Property that are disclosed by any survey or that would be disclosed by an up-to-date survey of the Property.
9. Statutory exceptions, reservations, limitations, provisos, qualifications and conditions to title contained in Section 44(1) of the *Land Titles Act* (Ontario), but not including the matters listed in paragraph 11 thereof.
10. The provisions of Applicable Laws including zoning, land use, development and building restrictions, by-laws, regulations, ordinances of governmental authorities and similar instruments, including municipal by-laws and regulations, airport zoning regulations, restrictive covenants and other land use limitations, public or private, by-laws and regulations and other restrictions as to the use of the Property.
11. The following specific instruments:

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
PI31742	1951/08/03	Transfer Easement			The Hydro-Electric Power Commission of Ontario
CO94360	1961/05/17	By Law			
LT989006	2000/10/16	By Law		The Regional Municipality of Durham	
LT989054	2000/10/16	By Law		The Regional Municipality of Durham	
DR291339	2004/06/29	Notice	\$2	The Regional Municipality of Durham	Ashwani Joshi, Susmita Mohan
DR431407	2005/09/26	Notice		Her Majesty the Queen in Right of Canada as represented by the Minister of Transport	

40R30173	2018/08/21	Plan Reference			
DR1735681	2018/09/17	Notice		The Corporation of the Town of Ajax	Lerrato Inc.
DR1738402	2018/09/26	Transfer		Lerrato Inc.	Lerrato Inc.

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INC.  
Respondents

Court File No. CV-24-00724076-00CL

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PROCEEDING COMMENCED AT  
TORONTO

**APPROVAL AND VESTING ORDER**

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