

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

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

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

-and-

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

Respondents

**MOTION RECORD
(Motion Returnable June 13, 2025 at 11:00 am)**

May 30, 2025

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Lawyers for the Receiver

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FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

-and-

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

Respondents

NOTICE OF MOTION

KSV RESTRUCTURING INC. (“KSV”), in its capacity as the 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., will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), on **Friday June 13, 2025 at 11:00AM**, or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard orally via Zoom video conference.

THE MOTION IS FOR:

1. an order substantially in the form attached at **Tab 3** of the Motion Record (the “**Ancillary Order**”), among other things:
 - (a) validating and abridging the time for service of this Notice of Motion and the Motion Record and directing that any further service of the Notice of Motion and

Motion Record be dispensed with such that this Motion is properly returnable on the date scheduled for the hearing of this Motion;

- (b) authorising the Receiver to make one or more distributions to Foremost Mortgage Holding Corporation (“**Foremost**”) from the proceeds of sale of the Transactions (as hereinafter defined), net of such amounts the Receiver determines, in consultation with Foremost, shall be held back on account of professional fees and Receiver’s Borrowing secured by the Receiver’s Charge or the Receiver’s Borrowing Charge (as defined in the Order of Justice Black appointing the Receiver in these proceedings, dated October 21, 2024 (the “**Receivership Order**”) as amended by the Order of Justice Kimmel dated February 3, 2025);
 - (c) approving the Third Report of the Receiver dated May 29, 2025 (the “**Third Report**”) and the Receiver’s activities described therein; and
 - (d) such other and further relief as counsel may request and this Honourable Court may allow.
2. an Approval and Vesting Order substantially in the form attached at **Tab 4** of the Motion Record (the “**371 Porte AVO**”), among other things, approving the transaction (the “**371 Porte Transaction**”) contemplated by the Amending Agreement dated May 21, 2025 between the Receiver, as vendor, and Sara Qadeer and Talha Azim Butt, as purchasers (the “**371 Porte Purchasers**”), amending the Agreement of Purchase and Sale dated May 9, 2024 between Lerrato Inc. as vendor and the 371 Porte Purchasers as purchasers (together, the “**371 Porte Sale Agreement**”), pursuant to which the 371 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 371 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the “**371 Porte Purchased Assets**”), and vesting the 371 Porte Purchased Assets in the 371 Porte Purchasers free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 371 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a

certificate in the form attached as Schedule “A” to the 371 Porte AVO, and authorizing the Receiver to complete the 371 Porte Transaction;

3. an Approval and Vesting Order substantially in the form attached at **Tab 5** of the Motion Record (the “**373 Porte AVO**”), among other things, approving the transaction (the “**373 Porte Transaction**”) contemplated by the Amending Agreement dated May 20, 2025 between the Receiver, as vendor, and Zeba Qadeer and Raja Abdul Qadeer, as purchasers (the “**373 Porte Purchasers**”), amending the Agreement of Purchase and Sale dated May 6, 2024 between Lerrato Inc. as vendor and the 373 Porte Purchasers as purchasers (together, the “**373 Porte Sale Agreement**”), pursuant to which the 373 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 373 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the “**373 Porte Purchased Assets**”), and vesting the 373 Porte Purchased Assets in the 373 Porte Purchasers free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 373 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 373 Porte AVO, and authorizing the Receiver to complete the 373 Porte Transaction;
4. an Approval and Vesting Order substantially in the form attached at **Tab 6** of the Motion Record (the “**375 Porte AVO**”), among other things, approving the transaction (the “**375 Porte Transaction**” and together with the 371 Porte Transaction and the 373 Porte Transaction, the “**Transactions**”) contemplated by the Amending Agreement dated May 20, 2025 between the Receiver, as vendor, and Umair Qadeer, as purchaser (the “**375 Porte Purchaser**”), amending the Agreement of Purchase and Sale dated May 9, 2024 between Lerrato Inc. as vendor and the 375 Porte Purchaser as purchaser (together, the “**375 Porte Sale Agreement**”), pursuant to which the 375 Porte Purchaser has agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 375 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the “**375 Porte Purchased Assets**”), and vesting the 375 Porte Purchased Assets in the 375 Porte Purchaser free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 375 Porte Sale

Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 375 Porte AVO, and authorizing the Receiver to complete the 375 Porte Transaction;

THE GROUNDS FOR THE MOTION ARE:

5. On October 21, 2024, upon an application by Foremost, a secured lender to the Debtors, KSV was appointed as Receiver pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) of certain real properties of Barakaa Developer Inc. (“**Barakaa**”) and Lerrato Inc. (“**Lerrato**”), and the property, assets and undertakings of 2145499 Ontario Inc. (“**214 Ontario**”, and together with Barakaa and Lerrato, the “**Debtors**”).
6. The Debtors are real property developers. The Receiver was appointed in respect of:
 - (a) two fully constructed homes in Richmond Hill, Ontario owned by Barakaa, being 25 Madison Avenue and 23 Madison Avenue (“**23 Madison**”);
 - (b) five fully constructed residential freehold townhouses (four of which at the subject matter of this motion) and one parcel of residual real property (“**Porte Part 6**”), which is subject to a municipal easement granted by the Receiver to the Corporation of the Town of Ajax (the “**Town**”) as contemplated by the registered Development Agreement dated August 21, 2018 between the Town and Lerrato (the “**Part 6 Easement**”) in Ajax, Ontario owned by Lerrato (the “**Porte Properties**”); and
 - (c) a substantially completed 10-unit townhouse condominium project in Ajax, Ontario owned by 2145499 (the “**Doric Development**”),(collectively, the “**Receivership Assets**”).

The Porte Properties Mortgagees

7. On or around June 18, 2022, Foremost Financial Corporation (“**FFC**”), an affiliate of Foremost, and Lerrato entered into a credit agreement pursuant to which FFC agreed to advance \$3,155,000 to Barakaa. The FFC loan was subsequently assigned to Foremost. The loan was secured by, *inter alia*, a mortgage (the “**Foremost Mortgage**”) registered on title to the Porte Properties on or about July 5, 2022.
8. In addition to the Foremost Mortgage, the Porte Properties (other than Porte Part 6) are subject to a mortgage in favour of BIP Management Corporation (“**BIP**”) in the initial principal amount of \$700,000, registered on or about August 10, 2023, and contractually postponed to the Foremost Mortgage.
9. In or about October of 2023, a mortgage in the amount of \$5,000,000 (the “**Joshi Mortgage**”) was registered on title to Porte Part 6 and 377 Porte Rd (aka. Porte Part 5) (and similar mortgages were registered against several other Hitesh Jhaveri related properties, together with the Joshi Mortgage, the “**Joshi Mortgages**”) by Sanjive Joshi, Xpert Credit Control Solutions Inc. and Xpert law Inc. (collectively, the “**Joshi Parties**”), the registration of which were disputed by the Debtors and by Mr. Jhaveri. Pursuant to the Order of the Honourable Justice Koehnen dated March 25, 2025, the Joshi Mortgages were declared to be void and ordered to be struck out, deleted and expunged from title to the subject properties, including Porte Part 6 and 377 Porte Rd.
10. Foremost has been funding these proceedings pursuant to the Receiver’s Borrowing Charge (as defined in the Receivership Order). Total outstanding advances by Foremost under the Receiver’s Borrowing Charge, net of receipts from the sale of the Barakaa owned 25 Madison property are currently \$747,343.

The Pre-Receivership Lerrato Sale Agreements and Additional Deposits

11. In or about July 2021, each of the 371 Porte Purchaser, the 373 Purchasers and the 375 Porte Purchasers (collectively the “**Porte Purchasers**”) entered into initial agreements of

purchase and sale with Lerrato for their respective properties, which agreements reflected purchase price deposits of \$75,000 (the “**Initial APSs**”).

12. The Receiver understands that prior to the Receiver’s appointment, Lerrato and each of the Porte Purchasers entered into Licenses to Occupy their respective Porte Property pending closing, and each Porte Purchaser currently occupies their Porte Property.
13. In or about May, 2024:
 - (a) The 371 Porte Purchasers and Lerrato entered into a second agreement of purchase and sale for 371 Porte for a purchase price of \$950,000 and which reflected a purchase price deposit of \$355,000;
 - (b) The 373 Porte Purchasers and Lerrato entered into a second agreement of purchase and sale for 373 Porte for a purchase price of \$925,000 and which reflected a purchase price deposit of \$505,000;
 - (c) The 375 Porte Purchaser and Lerrato entered into a second agreement of purchase and sale for 375 Porte for a purchase price of \$950,000 and which reflected a purchase price deposit of \$205,000;

(collectively, the “**May 2024 Porte APSs**”)
14. Based on the Receiver’s discussions with Hitesh Jhaveri, the additional deposit amounts reflected in the May 2024 Porte APSs were paid to Lerrato by the Porte Purchasers; however, none of the deposit amounts received were used by Lerrato to reduce the mortgages registered on the Porte Properties. As a result of the materially above market additional “deposits” paid by the Porte Purchasers, were the Porte Properties sold by the Receiver in accordance with the May 2024 Porte APSs, there would be a significant shortfall to Foremost as first mortgagee, and no recovery for any other subsequent ranking stakeholder. Neither Foremost nor BIP were aware of or consented to the additional

deposits, nor the use of the additional deposit monies by Lerrato for purposes other than paying down their respective mortgages.

15. Based on the appraisal of the Porte Properties obtained by the Receiver, the Receiver came to the view that unless significant amendments to the May 2024 Porte APSs could be negotiated with the Porte Purchasers, the Receiver's obligation to maximize recoveries to the Porte Property mortgagees would be to disclaim the APSs, obtain vacant possession of the Porte Properties, and re-market the Porte properties for sale with a licensed residential real estate agent.
16. The Receiver and its counsel engaged in discussions and negotiations with counsel to the Porte Purchasers, explaining the Receiver's obligation to maximize recoveries for the mortgagees of the Porte Properties. As a result of those discussions, the Receiver (after consultation with Foremost) and the Porte Purchasers agreed to amend the May 2024 Porte APSs to reflect a credit to each of the Porte Purchasers of a deposit in the amount of \$175,000. Additional amendments were agreed to reflect the receivership aspects of the proposed transactions, including the typical receivership "as is where is" language and an Approval and Vesting Order condition. On May 21, 2025 each of the Porte Purchasers executed the Amending Agreements referenced in paragraphs 2, 3 and 4 hereof.
17. The Receiver is of the view that completing the Porte Properties transactions on the terms of the Sale Agreements is appropriate and reasonable in the circumstances for the following reasons:
 - (a) the Receiver is satisfied the value of the Transactions, net of the agreed Deposit amount, is consistent with the value of the Porte Properties, based on appraisals recently obtained by the Receiver;
 - (b) the time, professional fees, interest and risks associated with remarketing the properties could be significant, without any certainty that a higher purchase price could be achieved;

- (c) the Porte Properties have been lived in by the Porte Purchasers, and proceeding with the Transactions avoids the time and cost associated with repairing any damage to the Porte Properties before remarketing them;
- (d) closing the Transactions with the Porte Purchasers avoids the need to incur real estate broker commissions;
- (e) in the Receiver's view, it is equitable in the circumstances to recognize a commercially reasonable portion of each Porte Purchaser's additional deposits despite them not being held in trust pending closing; and
- (f) Foremost consents to the \$175,000 deposit credit and is supportive of the Transactions.

Distributions to Foremost

- 18. Foremost is the principal secured creditor of Lerrato and has a first in time mortgage registered on title to the Porte Properties under which Foremost is owed in excess of \$3.8million (the "**Foremost Mortgage**"). The Receiver's counsel, DLA Piper (Canada) LLP, has provided the Receiver with its opinion confirming the validity and enforceability of the Foremost Mortgage. The proceeds of the Transactions will not be sufficient to repay in full Lerrato's debt owing to Foremost secured by the Foremost Mortgage. As such, there will no distributions from the Transaction to subordinate ranking mortgagees.
- 19. Subject to Court approval, the Receiver is seeking the Court's approval to make distributions to Foremost up to the amount of Foremost's debt secured by the Foremost Mortgage from the sale proceeds following closing of the Transaction, subject to retaining a holdback in respect of the professional fees and costs of these proceedings secured by the Receiver's Charge and the Receiver's Borrowing Charge.
- 20. such further and other grounds as set out in the Third Report; and
- 21. Rules 1.04, 1.05, 2.01, 2.03, 16.04 and 37 of the *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended.

AND FURTHER TAKE NOTICE that the following materials will be filed in support of this motion, namely:

- (a) the Receiver's Third Report; and
- (b) such further and other material as counsel may advise and this Honourable Court may allow.

May 30, 2025

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TO: THE SERVICE LIST

FOREMOST MORTGAGE HOLDING CORPORATION

and

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

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION

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

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

- and -

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

Respondents

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43**

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**Third Report to Court of
KSV Restructuring Inc.
as Receiver and Manager
of 2145499 Ontario Inc. and certain properties
of Barakaa Developer Inc.,
and Lerrato Inc.**

May 29, 2025

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COURT FILE NUMBER: CV-24-00724076-00CL

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SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

APPLICANT

- AND -

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

RESPONDENT

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**THIRD REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

MAY 29, 2025

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (the "**Court**") made on October 21, 2024 (the "**Receivership Order**"), KSV Restructuring Inc. ("**KSV**") was appointed receiver and manager (the "**Receiver**") without security, of the real properties listed in Appendix "A" of the Receivership Order (the "**Barakaa Properties**") owned by Barakaa Developer Inc. ("**Barakaa**"), the real properties listed in Appendix "B" of the Receivership Order (the "**Lerrato Properties**") owned by Lerrato Inc. ("**Lerrato**"), and the property, assets and undertaking owned by 2145499 Ontario Inc. ("**214**", and together with the Barakaa Properties and the Lerrato Properties, (the "**Receivership Assets**"). A copy of the Receivership Order is attached as **Appendix "A"**.
2. The application to appoint KSV as Receiver was made by Foremost Mortgage Holding Corporation ("**Foremost**"), a secured creditor of Barakaa, Lerrato and 214 (collectively, the "**Debtors**"). Foremost has mortgages on each of the Receivership Assets registered prior to all other mortgages registered on title to the Receivership Assets.

3. Foremost has funded these proceedings under the Receiver's Borrowing Charge (as defined in the Receivership Order). Total advances by Foremost under the Receiver's Borrowing Charge as of the date of this report (the "**Third Report**") were \$831,000.
4. Pursuant to an order of the Court made on March 24, 2025, the Receiver closed the sale of a home built by Barakaa located at 25 Madison Avenue, Richmond Hill ("**25 Madison**"). On April 4, 2025, the Receiver made a distribution from the sale proceeds to Foremost of \$1,410,000, of which \$83,627 was a repayment of funding made by Foremost under the Receiver's Borrowing Charge.
5. The principal purpose of the receivership is to sell the Receivership Assets.
6. This Third Report is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Third Report

1. The purposes of this Third Report are to:
 - a) provide background information about these proceedings;
 - b) summarize the following proposed sale transactions (the "**Transactions**"):
 - i. the transaction (the "**371 Porte Transaction**") contemplated by the Amending Agreement dated May 21, 2025 between the Receiver, as vendor, and Sara Qadeer and Talha Azim Butt, as purchasers (the "**371 Porte Purchasers**"), amending the Agreement of Purchase and Sale dated May 9, 2024 between Lerrato Inc. as vendor and the 371 Porte Purchasers as purchasers (together, the "**371 Porte Sale Agreement**"), pursuant to which the 371 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 371 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the "**371 Porte Purchased Assets**");
 - ii. the transaction (the "**373 Porte Transaction**") contemplated by the Amending Agreement dated May 20, 2025 between the Receiver, as vendor, and Zeba Qadeer and Raja Abdul Qadeer, as purchasers (the "**373 Porte Purchasers**"), amending the Agreement of Purchase and Sale dated May 6, 2024 between Lerrato Inc. as vendor and the 373 Porte Purchasers as purchasers (together, the "**373 Porte Sale Agreement**"), pursuant to which the 373 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 373 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the "**373 Porte Purchased Assets**"); and
 - iii. the transaction (the "**375 Porte Transaction**") contemplated by the Amending Agreement dated May 20, 2025 between the Receiver, as vendor, and Umair Qadeer, as purchaser (the "**375 Porte Purchaser**"), amending the Agreement of Purchase and Sale dated May 9, 2024 between Lerrato Inc. as vendor and the 375 Porte Purchaser as purchaser (together, the "**375 Porte Sale Agreement**"), pursuant to which the 375 Porte Purchaser has agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 375 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the "**375 Porte Purchased Assets**");
 - c) detail and seek approval of the Receiver's activities since the date of the Receivership Order;

- d) recommend that the Court issue:
- i. an Approval and Vesting Order substantially in the form attached at Tab 4 of the Motion Record (the “**371 Porte AVO**”) approving the 371 Porte Transaction, authorizing the Receiver to complete the 371 Porte Transaction, and vesting the 371 Porte Purchased Assets in the 371 Porte Purchasers free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 371 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 371 Porte AVO;
 - ii. an Approval and Vesting Order substantially in the form attached at Tab 5 of the Motion Record (the “**373 Porte AVO**”) approving the 373 Porte Transaction, authorizing the Receiver to complete the 373 Porte Transaction, and vesting the 373 Porte Purchased Assets in the 373 Porte Purchasers free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 373 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 373 Porte AVO;
 - iii. an Approval and Vesting Order substantially in the form attached at Tab 6 of the Motion Record (the “**375 Porte AVO**”) approving the 375 Porte Transaction, authorizing the Receiver to complete the 375 Porte Transaction, and vesting the 375 Porte Purchased Assets in the 375 Porte Purchaser free and clear of any and all liens, charges, security interests, encumbrances (with the exception of any Permitted Encumbrances as set out in the 375 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 375 Porte AVO; and
 - iv. an order authorizing the Receiver to make one or more distributions to Foremost from the proceeds of sale of the Transactions, net of such amounts the Receiver determines, in consultation with Foremost, shall be held back on account of professional fees and the Receiver’s Borrowing Charge (as defined in the Receivership Order, as amended by the Order of Justice Kimmel dated February 3, 2025), and approving this Third Report and the Receiver’s activities described herein.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon discussions with, and information provided by, *inter alia*:
 - a) representatives of the principals of the Debtors (the “**Principals**”), including Hitesh Jhaveri, and their legal counsel, Chaitons LLP;
 - b) Foremost, and its legal counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”);

- c) legal counsel to the 371 Porte Purchasers, the 373 Porte Purchasers and the 375 Porte Purchaser (together the **"Porte Purchasers"**);
 - d) the purchasers of 369 Porte Road, 377 Porte Road and 23 Madison Avenue (the **"369 Porte Purchaser"**, **"377 Porte Purchasers"** and **"23 Madison Purchaser"**, respectively);
 - e) representatives of the Town of Ajax;
 - f) representatives of BIP Management Inc. (**"BIP"**), the second mortgagee on the Lerrato Properties; and
 - g) the Foremost receivership application materials (collectively, the **"Information"**).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the information in a manner that complies with Canadian Auditing Standards (**"CAS"**) pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information. Any party (other than the Court) wishing to place reliance on the Information is required to perform its own diligence.

2.0 Background

2.1 Lerrato

- 1. Lerrato is a real estate development company controlled by Mr. Jhaveri and his wife, Niketa Wadia.
- 2. The Lerrato Properties consist of six parcels of land on Porte Road in Ajax, Ontario, five of which are fully constructed residential freehold townhomes, and the sixth being a three metre by three metre rear lot catch basin abutting the rear corner of the 369 Porte Road property (**"Porte Part 6"**).
- 3. Pursuant to a development agreement between Lerrato and the Town of Ajax dated August 21, 2018 (the **"Development Agreement"**), registered on title to the Lerrato Properties, Lerrato had agreed to grant an easement over Porte Part 6 (the **"Porte Easement"**) to the Town of Ajax. On May 26, 2025, the Receiver granted the Porte Easement to the Town of Ajax in accordance with the Development Agreement, which was thereupon registered on title to Porte Part 6.
- 4. The five residential Lerrato Properties have following municipal addresses: 369 Porte Road, 371 Porte Road, 373 Porte Road, 375 Porte Road and 377 Porte Road. 369 Porte Road and 377 Porte Road are not the subject matter of this motion.
- 5. All five Lerrato Properties' residences are subject to agreements of purchase and sale with Lerrato (each a **"Lerrato APS"** and collectively the **"Lerrato APSs"**) which have not closed. Each prospective purchaser entered into an occupancy license with Lerrato prior to the receivership proceedings, allowing them to occupy their residences prior to closing and each is presently occupying its residence. Each prospective purchaser paid one or more deposits to Lerrato or in some cases other Jhaveri entities

or persons. A summary of the purchase price and the deposits¹ (the “**Deposits**”) paid by the prospective purchasers is provided below.

(\$)	369	371	373	375	377
Purchase Price	1,300,000	950,000	925,000	950,000	1,300,000
Total Deposits	(150,000)	(355,000)	(505,000)	(205,000)	(679,949)
Other adjustments	31,135	24,405	24,400	24,405	31,135
Closing balance	1,181,135	619,405	444,400	769,405	651,186

6. The table below summarizes the amounts owing under the mortgages registered on title to the Lerrato Properties as of the date of the Receivership Order. Interest and costs have continued to accrue. The Receiver’s Charge and Receiver’s Borrowings Charge amounts also continue to accrue in priority to the mortgages.

Secured Party	(\$000)
Foremost	3,155
BIP	700
Joshi Parties (as defined below) (on 377 Porte Road and the Porte Easement only)	5,000
Total	8,855

7. The mortgages registered on title to the Lerrato Properties (excluding the Joshi Parties’ mortgages) are against each of the Lerrato Properties. The mortgages in favour of the Sanjive Joshi, Xpert Credit Control Solutions Inc. and Xpert law Inc. (collectively, the “**Joshi Parties**”) were ordered to be vacated pursuant to a decision of Mr. Justice Koehnen dated March 27, 2025, a copy of which is attached as **Appendix “B”**.
8. The Receiver has been advised by Mr. Jhaveri that none of the Deposits are being held in trust by Lerrato or any other party. None of the Deposit amounts were used by Mr. Jhaveri or Lerrato to pay down the Foremost mortgage or the BIP mortgage registered against the Lerrato Properties.
9. A summary of the issues impairing the sale of the Receivership Assets was provided in the Receiver’s First Report and as such, those details are not repeated herein. A copy of the First Report is provided in **Appendix “C”**, without attachments.
10. One of the primary reasons for the commencement of these receivership proceedings was the Debtors’ inability to convey clean title to purchasers of the Receivership Assets due to the registration of the Joshi Parties’ mortgages against various Receivership Assets. It was contemplated that the receivership proceedings would provide a forum to complete the sale of the Receivership Assets free and clear of encumbrances by way of approval and vesting orders. Since the date of the Receivership Order, the Receiver has identified additional reasons why it is necessary to complete the sale of the Lerrato Properties through a court-approved transaction, including that the proceeds of sale will not be sufficient to repay in full the Foremost mortgage.

¹ The Receiver notes that a significant portion of the “Deposits” paid by the 377 Porte Purchaser was paid to the Principals or related entities long before the date of the 377 Porte APS.

2.2 369 Porte, 377 Porte and 23 Madison

1. Since filing the Receiver's second report (the "**Second Report**"), the Receiver has continued discussions with each of the purchasers of the Lerrato Properties, including with the 369 Porte Purchaser and the 377 Porte Purchasers, with a view to attempting to close sale transactions on terms acceptable to the Receiver, Foremost and BIP.
2. The Receiver understands that the 369 Porte Purchaser has, to date, been unable to secure financing for the proposed purchase of 369 Porte and may be unable to complete a purchase transaction. The 377 Purchasers have not yet confirmed that they are prepared to close on terms acceptable to the Receiver, given the \$679,949 Deposits they paid to Lerrato, Mr. Jhaveri and other related entities/persons. Accordingly, if an agreement is not reached with the 369 Porte Purchaser and the 377 Porte Purchasers in the near term, the Receiver intends to seek an order in the near term authorizing it to disclaim their APSs and occupancy licenses, obtain vacant possession of each property and to re-market each property for sale.
3. The situation with a property located at 23 Madison, a Barakaa property, is similar to the 369 and 377 Porte Property situations. 23 Madison was built by Barakaa and is subject to an agreement of purchase and sale where the 23 Madison Purchaser has paid several deposits (totaling \$650,000) that were not applied against the Foremost or BIP mortgage debts and only \$150,000 of which is held in trust pending closing. The Receiver has not been able to come to an agreement with the 23 Madison Purchaser as to the terms of a transaction, and accordingly, the Receiver also intends to seek the Court's approval to disclaim the 23 Madison Purchaser's APS and occupancy license, obtain vacant possession of the home and to re-market it for sale.

3.0 The Transactions

1. The Receiver has negotiated transactions for the Porte Purchaser properties. In each case, Porte Purchaser has agreed to receive credit of \$175,000 in respect of their Deposits. The Receiver has determined that completing the Porte Purchaser Properties' transactions on this basis is appropriate and reasonable in the circumstances for the following reasons:
 - a) the Receiver is satisfied that the value of the Transactions, net of the agreed Deposit amount, is consistent with the value of the Porte Purchaser properties, based on appraisals recently obtained by the Receiver;
 - b) the time, professional fees, interest and risks associated with remarketing the properties could be significant, without any certainty that a higher purchase price could be achieved;
 - c) the properties have been lived in by the Porte Purchasers, and proceeding with the Transactions avoids the time and cost associated with repairing any damage to the Porte Purchaser properties before remarketing them;
 - d) closing the Transactions avoids the need to incur real estate broker commissions;
 - e) in the Receiver's view, it is equitable in the circumstances to recognize a commercially reasonable portion of each Porte Purchaser's Deposit despite them not being held in trust pending closing; and
 - f) Foremost consents to the amount of the Deposit credit.

3.1 Porte Purchasers' APSs and Amending Agreements

1. The Receiver and the Porte Purchasers have each agreed to close their respective transactions pursuant to the terms of the APSs between each Porte Purchaser and Lerrato, each as amended pursuant to an amending agreement (each an **"Amending Agreement"** and collectively the **"Amending Agreements"**). Copies of the Porte Purchasers' APSs and their respective Amending Agreements are provided in **Appendices "D", "E", and "F"**. The key terms of these transactions are provided below.

	371 Porte	373 Porte	375 Porte
Vendor	Receiver		
Purchaser	Sara Qadeer and Talha Azim Butt	Zeba Qadeer and Raja Abdul Qadeer	Umair Qadeer
Purchased Assets	All right, title and interest of Lerrato in and to the respective property and the chattels therein as set out in the APSs.		
Purchase Price	\$950,000	\$925,000	\$950,000
Deposits	\$175,000	\$175,000	\$175,000
Excluded Liabilities	The Purchaser shall assume, fulfill, perform and be responsible for all liabilities and obligations of any kind relating to the Purchased Assets in respect of the period from and after closing, and any tax readjustments or errors pre or post closing.		
Representations and Warranties	Consistent with the standard terms of an insolvency transaction, i.e., on an "as is, where is" basis, with limited representations and warranties.		
Closing Date	Ten days after Court approval or next business day if a Holiday.		

3.2 Transactions Recommendation

1. The Receiver recommends the Court approve the Transactions for the following reasons:
 - a) in the Receiver's view, it is unlikely that remarketing the properties would result in materially superior transactions, particularly after considering the fees and costs of the Receiver and its legal counsel, costs to repair each home and realtor commissions;
 - b) the Transactions are unconditional other than Court approval;
 - c) each of the Porte Purchasers has been occupying their respective property for an extended period and has been waiting to complete their Transactions;
 - d) the reasons in paragraph 3.0.1; and
 - e) Foremost consents to each of the Transactions.

4.0 Distribution

1. Foremost is the principal secured creditor of Lerrato and has a first-in-time mortgage registered on title to the Lerrato Properties.
2. Based on an opinion dated March 11, 2025 from DLA Piper (Canada) LLP (“**DLA**”) confirming the validity and enforceability of the Foremost Mortgage, and subject to Court approval, the Receiver is seeking the Court’s approval to make distributions to Foremost up to the amount of Foremost’s debt on the Lerrato Properties from the sale proceeds following closing of the Transactions, subject to retaining a holdback in respect of the professional fees and costs of these proceedings secured by the Receiver’s Charge and the Receiver’s Borrowing Charge.
3. As shown in the table below, the combined proceeds of the Transactions will not be sufficient to repay, in full, Lerrato’s debt owing to Foremost. As such, there will be no distributions from the Transactions to subordinate ranking mortgagees or other creditors.

	(\$000)
Total sale prices	2,825
HST, net of assigned rebate	(261)
Net sale proceeds	2,564
Adjustments ²	186
Net proceeds available for distribution	2,750
Foremost mortgage and costs ³	4,107
Foremost shortfall, before Receiver’s Borrowing Charge	(1,357)

5.0 Receiver’s Activities

1. In addition to dealing with the matters addressed above in this Third Report, the Receiver’s activities since its appointment have included:

General

- a) corresponding with Foremost regarding, among other things, the status of the Receivership Assets, the proposed realization plan with respect to each of the Receivership Assets and the Transactions;
- b) responding to questions from mortgagees regarding the status of these proceedings;
- c) familiarizing itself with each of the Receivership Assets, including corresponding with certain of the Debtors’ consultants;
- d) corresponding with the Principals to obtain information concerning the Receivership Assets;

² Adjustments are calculated based on a closing date of May 31, 2025 and will be updated at the actual closing date.

³ The Foremost debt is based on a payout statement dated February 28, 2025, plus per diem interest since that date to May 31, 2025.

- e) corresponding extensively with Paliare and DLA regarding all aspects of these proceedings, including the Transactions;
- f) corresponding with the Debtors' insurance brokers to confirm and renew coverage;
- g) corresponding with the Principals regarding operational issues, such as tenant, utility, maintenance and safety issues;
- h) corresponding with CRA regarding the Debtor's HST accounts;
- i) retaining a third-party contractor to address repair and maintenance issues for the Receivership Assets;
- j) reviewing DLA's security opinion dated March 11, 2025;
- k) corresponding with the Debtor's utility companies to continue such services during the receivership;
- l) preparing the First, Second and this Third Report to Court;

Lerrato

- a) corresponding with the purchasers of the Lerrato Properties and their legal counsel;
- b) obtaining appraisals for the Lerrato Properties;
- c) corresponding with the Town of Ajax regarding securities;
- d) negotiating the Transactions;
- e) dealing with the mortgagees regarding the sale of the Lerrato Properties;
- f) corresponding with the Principals regarding safety, maintenance and development issues;

214

- a) dealing with security issues;
- b) coordinating the installation of heaters during the winter months and dealing with repair and upkeep issues;
- c) corresponding with Elexicon Energy Inc. regarding the installation of an electrical transformer for the development;
- d) corresponding with various consultants and advisors retained to assist to complete the 214 project and to sell the real property, including:
 - i. Slavens & Associates Real Estate, the real estate broker;
 - ii. Keyser Mason Ball LLP ("**KMB**"), a real estate law firm;
 - iii. Groundswell Urban Planners Inc., the planner;

- iv. NIA Architects Inc., the architect;
- v. Jain Infrastructure Consultants Ltd., the civil engineer; and
- vi. J.D. Barnes Limited, the surveyor;
- e) working with KMB to complete the disclosure statement required to register the condominium;
- f) corresponding with Mint Asset Management Ltd. to prepare a condominium corporation budget;
- g) conducting and arranging site visits with the consultants and convening status meeting with same;
- h) corresponding with the Town of Ajax regarding the status of the development;
- i) corresponding with the Principals regarding safety, maintenance and development issues;

Barakaa

- a) corresponding with ReMAX Crossroads Realty Inc. regarding the listing and sale of 25 Madison;
- b) dealing with maintenance issues at 25 Madison, including snow removal;
- c) engaging in multiple negotiations for the sale of the 25 Madison property;
- d) conducting a sale process and closing the sale of 25 Madison;
- e) making a distribution to Foremost from the sale proceeds of 25 Madison;
- f) corresponding with the 23 Madison Purchaser and its legal counsel; and
- g) negotiating with the 23 Madison Purchaser's counsel regarding a transaction for that property.

6.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make the orders granting the relief requested in this Third Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF 2145499 ONTARIO INC. AND
CERTAIN PROPERTIES OF BARAKAA DEVELOPER INC. AND LERRATO INC.,
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Appendix “A”



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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE

)

MONDAY, THE 21ST DAY

JUSTICE W.D. BLACK

)

OF OCTOBER, 2024

)

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

- and -

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

Respondents

ORDER

(Appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing KSV Restructuring Inc. as receiver and manager (in such capacities, the "Receiver") without security, of the lands and premises described in Appendix "A" hereto (the "Madison Properties"), owned by Barakaa Developer Inc. ("Barakaa"), the lands and premises described in Appendix "B" hereto (the "Porte Properties"), owned by Lerrato Inc. ("Lerrato") and the property, assets and undertakings of 2145499 Ontario Inc. ("**214**" and, with Lerrato and Barakaa, the "**Debtors**"), the owner of the lands and premises described in Appendix "C" hereto (the "**Doric Property**" and, together with the Madison Properties and the Porte Properties, the "**Real Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrew Stern sworn October 11, 2024 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant and the other parties listed on the counsel slip, no one else appearing although duly served as appears from the lawyer's certificate of service of Ryan Shah dated October 15, 2024 and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of:

- (a) the Madison Properties, including all proceeds thereof;
- (b) the Porte Properties, including all proceeds thereof;
- (c) Lerrato's interest in the \$184,973 presently being held by the Town of Ajax as cash collateral in respect of Lerrato's obligations pursuant to a development agreement between Lerrato and the Town of Ajax dated August 21, 2018;
- (d) all of the properties, assets and undertakings of 214 acquired for, or used in relation to a business carried on by 214, including all proceeds thereof (collectively, the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) In the case of Barakaa and Lerrato, and only in respect of the Madison Properties and the Porte Properties, respectively, as the case may be, to manage, operate, and carry on the business of the Barakaa and Lerrato, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Barakaa and Lerrato in respect of the Madison Properties and the Porte Properties, respectively;
- (d) In the case of 214, to manage, operate, and carry on the business of 214, including the powers to enter into any agreements, incur any obligations in

the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of 214;

- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (f) In the case of Barakaa and Lerrato, and only in respect of the Madison Properties and the Porte Properties, respectively, as the case may be:
 - (i) to receive and collect all monies and accounts now owed or hereafter owing to Barakaa or Lerrato in relation to the Madison Properties and the Porte Properties, respectively, and to exercise all remedies of Barakaa or Lerrato in collecting such monies, including, without limitation, to enforce any security held by Barakaa or Lerrato in respect of the Madison Properties and Porte Properties, respectively;
 - (ii) to settle, extend or compromise any indebtedness owing to Barakaa or Lerrato in respect of the Madison Properties and the Porte Properties, respectively;
 - (iii) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Madison Properties or the Porte

Properties, respectively, or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (g) In the case of 214;
 - (i) to receive and collect all monies and accounts now owed or hereafter owing to 214 and to exercise all remedies of 214 in collecting such monies, including, without limitation, to enforce any security held by 214;
 - (ii) to settle, extend or compromise any indebtedness owing to 214;
 - (iii) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to 214, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario Personal Property Security Act or section 31 of the Ontario Mortgages Act, as the case may be, shall not be required,
- (k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the

Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (m) to register a copy of this Order and any other Orders in respect of the Real Property against title to any of the Real Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority with respect to the Property and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have in respect of the Property; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors in relation to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors in relation to the Property or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings

currently under way against or in respect of the Debtors in relation to the Property or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtors in relation to the Property, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors in relation to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program*

Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all

Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol.

25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

28. 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.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial

indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



APPENDIX "A"

PIN 03206-4245

Lot 741 and Part Lots 740 and 742, Plan 133, part 2, Plan 65R38228; Town of Richmond Hill

PIN 03206-4246

Lot 743 and Part Lot 742, Plan 133, Part 1, Plan 65R38228; Town of Richmond Hill

APPENDIX "B"

PIN 26454-0553

PT LT 6 CON 1, PT 1 40R30173, PICKERING; S/T EASEMENT AS IN P131742; TOWN OF AJAX

PIN 26454-0554

PT LT 6 CON 1, PT 2 40R30173, PICKERING; S/T EASEMENT AS IN P131742; TOWN OF AJAX

PIN 26454-0555

PT LT 6 CON 1 PT 3 40R30173, PICKERING; S/T EASEMENT AS IN P13742; TOWN OF AJAX

PIN 26454-0556

PT LT 6 CON 1 PT 4 40R30173, PICKERING; S/T EASEMENT AS IN P13742; TOWN OF AJAX

PIN 26454-0557

PT LT 6 CON 1 PT 5 40R30173, PICKERING; S/T EASEMENT AS IN P13742; TOWN OF AJAX

PIN 26454-0558

PT LT 6 CON 1 PT 6 40R30173, PICKERING; S/T EASEMENT AS IN P13742; TOWN OF AJAX

APPENDIX "C"

PIN 26452-0789

PART LOTS 108, 109, 110 AND 111 PLAN 377, PARTS 1 AND 2 PLAN 40R30571;
SUBJECT TO AN EASEMENT OVER PART LOT 108 PLAN 377 PART 2 PLAN
40R30571 IN FAVOUR OF THE CORPORATION OF THE TOWN OF AJAX AS IN
DR309514; SUBJECT TO AN EASEMENT IN FAVOUR OF ENBRIDGE GAS INC. AS
IN DR2203728; TOWN OF AJAX

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "Receiver") of, among other things, the assets and undertakings of 2145499 Ontario Inc. and the real property having the legal description set out in Appendices "A" and "B" to Order of Justice Black dated October 21, 2024 (the "Order") made in an application having Court file number CV-24-00724076-00CL, including all proceeds thereof (collectively, the "Property"), has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the

right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 202__.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

FOREMOST MORTGAGE HOLDING
CORPORATION
Applicant

-and- BARAKAA DEVELOPER INC. et al.
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ORDER
(Appointing Receiver)

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Lawyers for the Applicant

Appendix “B”



Court File No. CV-23-00710241-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)

THURSDAY, THE 27th

)

JUSTICE KOEHNEN

)

DAY OF MARCH, 2025

B E T W E E N:

SANJIVE JOSHI and XPERT CREDIT CONTROL SOLUTIONS INC.

Plaintiffs

- and -

**OSMI HOMES INC., HITESH RAJENDRA JHAVERI, LERRATO INC.,
OSMI9 LTD, BARAKAA DEVELOPER INC., INUKA DEVELOPER INC.,
2145499 ONTARIO INC. and NIKETA JHAVERI**

Defendants

ORDER

THIS MOTION, made by the Defendants, Osmi Homes Inc., Hitesh Rajendra Jhaveri, Lerrato Inc., Osmi9 Ltd., Barakaa Developer Inc., Inuka Developer Inc., 2145499 Ontario Inc. and Niketa Jhaveri (collectively, the “**Defendants**”) to determine what amount, if any, the Defendants owe to the Plaintiffs under six Promissory Notes described in Schedule “A” hereto and an order striking out the mortgages described in Schedule “C” herein (individually a “**Mortgage**” and collectively, the “**Mortgages**”), a cross-motion brought by the Plaintiffs, Sanjive Joshi and Xpert Credit Control Solutions Inc. (collectively the “**Plaintiffs**”) for a determination of whether they are entitled to a registered mortgage, an equitable mortgage, or alternatively leave to register certificates of pending litigation against the properties described Schedule “B” herein (individually, a “**Property**” and collectively, the “**Properties**”) as well as the properties owned by

the Defendants and other non-parties listed in Schedule “D” herein (the “**Additional Properties**”), was heard on January 23, 2025 virtually, at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Records of the Defendants dated December 21, 2023, January 8, 2024, December 20, 2024 and January 14, 2025, the Motion Records of the Plaintiffs dated January 3, 2024, December 19, 2024 and January 10, 2024, and the Motion Records of the non-parties, Bay 20 Inc. and Akkina Developers Inc., and BIP Management Corporation, dated January 10, 2025 (the “**Non-Parties**”, and collectively with the Plaintiffs and Defendants, the “**Parties**”), the transcripts from cross-examinations of the Parties, and on hearing submissions by counsel for the Parties, judgment being reserved to this day,

1. **THIS COURT ORDERS AND DECLARES** that the Promissory Notes described in Schedule “A” are void and there is no indebtedness owed by the Defendants or the Non-Parties to the Plaintiffs under the Promissory Notes.

2. **THIS COURT ORDERS AND DECLARES** that the Mortgages described in Schedule “C” registered against the Properties described in Schedule “B” are void and are struck out.

3. **THIS COURT ORDERS** that upon the registration of an Application to Register this Order in the applicable Land Registry Office for each of the Properties, the Land Titles Registrar for such Land Registry Office is hereby directed to delete and expunge from title to the applicable Property described in Schedule “B” the applicable Mortgage referred to in Schedule “C” attached hereto.

4. **THIS COURT ORDERS** that upon deletion of the applicable Mortgage against the applicable Property, the Land Registrar is further directed to delete and expunge this Order from title to the applicable Property.

5. **THIS COURT ORDERS** that the Plaintiffs' motion for a declaration that the Plaintiffs hold equitable interests, mortgages or equitable mortgages in or against the Properties and the Additional Properties is dismissed.

6. **THIS COURT ORDERS** that the Plaintiffs' motion for leave to issue and register certificates of pending litigation against title to the Properties and the Additional Properties is dismissed.

7. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable prior to its entry or filing.

8. **THIS COURT ORDERS** that any party seeking costs arising out of these reasons will have three weeks to deliver written submissions. The responding party to such cost submissions will have two weeks to deliver its answer on costs. There will be a further one week for reply costs submissions.



SCHEDULE “A”

Promissory Note #	Date	Lender	Borrower	Amount
1	June 11, 2020	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes, Lerrato	\$ 400,000
2	July 31, 2020	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes, Lerrato	\$ 400,000
3	August 25, 2020	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes	\$ 300,000
4	August 4, 2021	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes	\$ 400,000
5	September 13, 2021	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes, Lerrato, Barakaa	\$1,000,000
6	June 8, 2023	Sanjive Joshi and Xpert Credit Control Solutions Inc.	Hitesh Jhaveri, Osmi Homes, Lerrato	\$ 100,000

SCHEDULE "B"

PIN: 03206-4245 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: LOT 741 AND PART LOTS 740 AND 742, PLAN 133, PART 2, PLAN 65R38228

Address: 23 Madison Avenue, Richmond Hill, Ontario

PIN: 03206-4246 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: LOT 743 AND PART LOT 742, PLAN 133, PART 1, PLAN 65R38228

Address: 25 Madison Avenue, Richmond Hill, Ontario

PIN: 26575-0039 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 100 PL H50053 WHITBY; PT LT 101 PL H50053 WHITBY AS IN D177705;
WHITBY

Address: 82 Bagot Street, Whitby, ON

PIN: 26486-0010 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 11 BLK 1 PL H50035 WHITBY; PT LT 12 BLK 1 PL H50035 WHITBY PT 1,
40R7004; WHITBY

Address: 1717 Brock St Street, Whitby, ON

PIN: 26452-0789 (LT)

Interest/Estate Fee Simple

LT ABSOLUTE PLUS

Description: PART LOTS 108, 109, 110 AND 111 PLAN 377, PARTS 1 AND 2 PLAN 40R30571; SUBJECT TO AN EASEMENT OVER PART LOT 108 PLAN 377 PART 2 PLAN 40R30571 IN FAVOUR OF THE CORPORATION OF THE TOWN OF AJAX AS IN DR309514; SUBJECT TO AN EASEMENT IN FAVOUR OF ENBRIDGE GAS INC. AS IN DR2203728; TOWN OF AJAX

Address: 10 Doric Street, Ajax, Ontario

PIN: 26573-0227 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT BLK A, PL 601 AS IN D378110 SAVE AND EXCEPT PART 1 ON DR808229 ;;
TOWN OF WHITBY

Address: 1 Ferguson Avenue, Whitby, Ontario

PIN: 26468-0065 (LT)

Interest/Estate Fee Simple

ABSOLUTE

Description: PCL P-1 SEC M1114; BLK P PL M1114 ; AJAX

Address: 837 Finley Avenue, Ajax, Ontario

PIN: 58750-0552 (LT)

Interest/Estate Fee Simple

LT ABSOLUTE PLUS

Description: BLOCK 17, PLAN 51M1118; CITY OF BARRIE

Address: 133 Franks' Way, Barrie, Ontario

PIN: 26454-0557 (LT)

Interest/Estate	Fee Simple
	LT ABSOLUTE PUS
Description:	PT LT 6 CON 1, PT 5 40R30173 PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX
Address:	367 Porte Road, Ajax, Ontario

PIN 02937-0020 (LT)

Interest/Estate	Fee Simple
	LT CONVERSION QUALIFIED
Description:	LT 34 PL 6230 MARKHAM ; MARKHAM
Address:	9 Ridgevale Drive, Markham, Ontario

SCHEDULE “C”

PIN	Land Registry Office No.	Registration No.	Registration Date	Instrument Type
03206 – 4245 (LT) and 03206 - 4246 (LT)	65	YR3610007	October 19, 2023	Charge/Mortgage
26575 – 0039 (LT)	40	DR2272796	October 19, 2023	Charge/Mortgage
26486 – 0010 (LT)	40	DR2255795	August 17, 2023	Charge/Mortgage
26452 – 0789 (LT)	40	DR2255792	August 17, 2023	Charge/Mortgage
26573 – 0227 (LT)	40	DR2255793	August 17, 2023	Charge/Mortgage
26468 – 0065 (LT)	40	DR2255794	August 17, 2023	Charge/Mortgage
58750-0552 (LT)	51	SC2001926	August 17, 2023	Charge/Mortgage
26454 – 0557 (LT)	40	DR2272795	October 19, 2023	Charge/Mortgage
02937-0020 (LT)	65	YR3587324	August 17, 2023	Charge/Mortgage

SCHEDULE "D"

PIN: 26385-0113 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 35, CON 4 (PICKERING), PT 11 40R19603, T/W ROW OVER PT 1 40R19603 AS IN LT948413, S/T EASE OVER PT 11 40R19603 AS IN LT1021538, REGIONAL MUNICIPALITY OF DURHAM.

Address: 2825 York Durham Line, Pickering, Ontario

PIN: 26645-0194 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 23 PL 150 BOWMANVILLE AS IN N57467; S/T & T/W N57467; CLARINGTON

Address: 151 Cedar Crest Beach Road, Clarington, Ontario

PIN: 73349-0422 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PCL 23947 SEC SWS SRO; LT 25 PL M463 BALFOUR; LT 26 PL M463 BALFOUR; LT 27 PL M463 BALFOUR; LT 28 PL M463 BALFOUR; LT 29 PL M463 BALFOUR; LT 30 PL M463 BALFOUR EXCEPT PT 1 53R16388; T/W PT 1 53R16388 AS IN LT876520; GREATER SUDBURY,

Address: 214 David Street, Chelmsford, Ontario

PIN: 02132-0052 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: LTS 20, 21 & 22, PLAN 28SA CITY OF SUDBURY

Address: 38 Pearl Street, Sudbury, Ontario

PIN: 26453-0001 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 134 PL 377 AS IN D442047 ; TOWN OF AJAX

Address: 45 Harwood Avenue South, Ajax Ontario

PIN: 14144-0332 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PT LT 8, CON 2 EAST OF HURONTARIO ST CHINGUACOUSY , PARTS 1 & 2, 43R40230; CITY OF BRAMPTON, with PIN 14144-0798, and also legally described as PCL E-32, SEC M161 ; FIRSTLY ; BLK F, PL M161 , EXCEPT PTS 2 TO 9, 43R9987; CITY OF BRAMPTON

Address: 66 Bramhall Circle, Brampton, Ontario

PIN: 21012-0014 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PCL 9-4-18 SEC M10; PT LT 9 E/S WAYLAND AV BLK 18 PL M10 TORONTO; PT LT 11 E/S WAYLAND AV BLK 18 PL M10 TORONTO PT 5, 66R15806; TORONTO , CITY OF TORONTO

Address: 49 Wayland Avenue, Toronto, Ontario

PIN: 28055-0505 (LT)

Interest/Estate Fee Simple

ABSOLUTE

Description: BLOCK 70, PLAN 45M220, PETERBOROUGH.

Address: 245 Spillsbury Drive, Peterborough, Ontario

PIN: 26537-0261 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PART LOTS 355 AND 356 PLAN H50030 WHITBY PART 2, 40R31747; TOWN OF WHITBY

Address: 160 Hillcrest Drive, Whitby, Ontario

PIN: 26537-0262 (LT)

Interest/Estate Fee Simple

LT CONVERSION QUALIFIED

Description: PART LOT 355 PLAN H50030 WHITBY PART 1, 40R31747; TOWN OF WHITBY

Address: 160 Hillcrest Drive, Whitby, Ontario

SANJIVE JOSHI ET AL.
Plaintiffs

-and-

OSMI HOMES INC ET AL.
Defendants

Court file No. CV-23-00710241-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Defendants (Plaintiff by Counterclaim)

Appendix “C”



**First Report to Court of
KSV Restructuring Inc.
as Receiver and Manager
of 2145499 Ontario Inc. and certain properties
of Barakaa Developer Inc.,
and Lerrato Inc.**

January 20, 2025

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Interim Statement of Receipts and Disbursements	B

COURT FILE NUMBER: CV-24-00724076-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

FOREMOST MORTGAGE HOLDING CORPORATION

APPLICANT

- AND -

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

RESPONDENT

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

JANUARY 20, 2025

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (the "**Court**") made on October 21, 2024 (the "**Receivership Order**"), KSV Restructuring Inc. ("**KSV**") was appointed receiver and manager (the "**Receiver**") without security, of the real properties listed in Appendix "A" of the Receivership Order (the "**Barakaa Properties**") owned by Barakaa Developer Inc. ("**Barakaa**"), the real properties listed in Appendix "B" of the Receivership Order (the "**Lerrato Properties**") owned by Lerrato Inc. ("**Lerrato**"), and the property, assets and undertaking owned by 2145499 Ontario Inc. ("**214**", and together with the Barakaa Properties and the Lerrato Properties, (the "**Receivership Assets**"). A copy of the Receivership Order is attached as **Appendix "A"**.
2. The application to appoint KSV as Receiver was made by Foremost Mortgage Holding Corporation ("**Foremost**"), a secured creditor of Barakaa, Lerrato and 214 (collectively, the "**Debtors**") which has, *inter alia*, mortgages on each of the Receivership Assets, each of which was registered prior to the other mortgages registered on title to the Receivership Assets.

3. The principal purpose of the receivership is to sell the Receivership Assets. For reasons summarized in this report (the “**Report**”), the Receiver has not yet been able to sell any of the Receivership Assets.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) summarize the Receiver’s activities since the date that the Receivership Order was issued;
 - b) summarize issues affecting a timely sale of the Receivership Assets; and
 - c) provide the Receiver’s rationale for recommending that the Court issue an order (i) increasing the amount of the Receiver’s borrowing authority and Receiver’s Borrowing Charge (as defined in the Receivership Order) from \$250,000 to \$1.2 million and (ii) recognizing the Second Advance (as defined in paragraph 3.2 below) as being secured by the Receiver’s Borrowing Charge from the date that the Second Advance was made, being December 13, 2024.

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 Receiver has relied upon discussions with, and information provided by, *inter alia*:
 - a) representatives of the principals of the Debtors (the “**Principals**”), including Hitesh Jhaveri, and their legal counsel, Chaitons LLP;
 - b) Keyser Mason Ball, LLP (“**KMB**”), legal counsel retained by the Principals prior to the receivership to assist with 214’s project located at 10 Doric Street, Ajax, which is referred to herein as the Doric Development (the “**Doric Development**”);
 - c) Foremost, and its legal counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”);
 - d) purchasers of homes being developed by Lerrato having municipal addresses of 369 Porte and 377 Porte Road, Ajax;
 - e) Gardiner Roberts LLP (“**Gardiner Roberts**”), legal counsel to purchasers of three homes also being developed by Lerrato, being 371, 373 and 375 Porte Road (the “**GR Clients**”);

- f) representatives of BIP Management Inc. (“**BIP**”), Tripta Dhingra and 1417999 Ontario Ltd. (collectively, the “**Subsequent Mortgagees**¹”); and
 - g) the receivership application materials,
(collectively, the “**Information**”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook. Accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of the Information. Any party (other than the Court) wishing to place reliance on the Information is required to perform its own diligence.

2.0 Receivership Assets

1. **The Barakaa Properties** are comprised of two fully constructed homes having the municipal addresses of 23 Madison Avenue, Richmond Hill (“**23 Madison**”) and 25 Madison Avenue, Richmond Hill (“**25 Madison**”). The status of each is as follows:
 - a) Barakaa entered into an agreement of purchase and sale for 23 Madison dated October 23, 2023 and an Amendment to the Agreement of Purchase and Sale dated February 9, 2024 (the “**23 Madison APS Amendment**”). Pursuant to the 23 Madison APS Amendment, the purchaser paid a \$500,000 deposit (in addition to an earlier deposit of \$150,000, which is being held in trust), following which Barakaa permitted the purchaser to immediately occupy the home without being required to pay occupancy fees or property taxes. 23 Madison is registered with Ontario New Home Warranties and Protection Plan (“**Tarion**”); and
 - b) 25 Madison has been listed for sale by ReMAX Crossroads Realty since July 17, 2024. The Receiver has been advised that the property was previously subject to an agreement of purchase and sale, however, the purchaser refused to close. 25 Madison does not have Tarion warranty protection. In an email to the Receiver dated December 16, 2024, Torsys LLP, counsel to Tarion, advised *“there is no pathway for 25 Madison Avenue, Richmond Hill, Ontario, to be enrolled in the Ontario New Home Warranties and Protection Plan”*.
2. **The Lerrato Properties** are comprised of six parcels of land, five of which are fully constructed residential freehold townhomes. Pursuant to a development agreement between Lerrato and the Town of Ajax dated August 21, 2018, the parties agreed to convey the sixth parcel, which is an easement (the “**Porte Easement**”), to the Town of Ajax.

¹ There is another Subsequent Mortgagee, Galidan Inc., associated with BIP, but the Receiver has not corresponded with this party.

3. The Lerrato Properties (excluding the Porte Easement) have the following municipal addresses: 369 Porte Road, 371 Porte Road, 373 Porte Road, 375 Porte Road and 377 Porte Road (the “**Porte Properties**”). All five homes are subject to agreements of purchase and sale which have not closed. Each purchaser has paid one or more deposits and is presently occupying their residence. The GR Clients occupy units 371, 373 and 375 Porte Road (the “**GR Client Properties**”).
4. The purchasers of the Porte Properties entered into agreements allowing them to occupy their residences prior to closing. Of these, (i) Gardiner Roberts advises that each of its clients has paid a “licence fee” of \$2,500 per month from the effective dates of their occupancy agreements² to and including December 2024; and (ii) the purchasers of 369 Porte and 377 Porte each entered into occupancy agreements for their units, but neither has paid occupancy fees. The Receiver has requested the occupancy agreements for 369 Porte and 377 Porte from Mr. Jhaveri, but he has not provided them.³ None of the purchasers of the Porte Properties is paying property taxes. The Receiver has been advised that this is because, in each instance, Mr. Jhaveri has not delivered on various commitments.
5. **The Doric Development** is a substantially completed but vacant 10-unit townhouse condominium project. One unit has been contracted for sale; the purchaser of that unit paid a deposit of \$100,000 but the transaction has not closed. The Receiver understands that the agreement of purchase and sale for this unit did not comply with the *Condominium Act*. Based on discussions with the purchaser, it is unclear if the purchaser is prepared to complete the purchase.
6. The Doric Development condominiums cannot be occupied prior to finalizing a Draft Plan of Condominium (the “**Condo Plan**”) and connecting the development to the power grid. The Receiver has been dealing with the power grid issue, which requires execution of a contract (the “**Ellexicon Contract**”) with Ellexicon Energy Inc. (“**Ellexicon**”). Ellexicon’s work includes dealing with zoning issues and sourcing and installing an electrical transformer. This work is expected to take several months to complete.
7. The tables below summarize the secured charges on the Receivership Assets, including mortgages registered on title by Sanjive Joshi, Xpert Credit Control Solutions Inc. and Xpert law Inc. (collectively, the “**Joshi Parties**”). It is the Receiver’s understanding that the Respondents challenge the mortgages registered by the Joshi Parties against the Receivership Assets (and other non-receivership properties) and there is ongoing litigation in respect of this dispute. The amounts shown in the tables below are before interest, professional fees, property tax payments made by Foremost and other costs which continue to accrue.

Barakaa

Secured Party	(\$000)
Foremost	4,133
1417199 Ontario Limited	750
BIP	1,500
Joshi Parties	5,000
Total	11,383

² Being November 5, 2023 for 373 Porte and August 1, 2024 for 371 Porte and 375 Porte.

³ The Receiver has encountered significant difficulty receiving information from Mr. Jhaveri. To the extent he has provided information, it has often been untimely and/or unreliable.

Lerrato

Secured Party	(\$000)
Foremost	3,155
BIP	700
Joshi Parties (377 Porte Road and the Porte Easement only)	5,000
Total	8,855

214

Secured Party	(\$000)
Foremost	6,185
Tripta Dhingra	1,500
BIP	2,000
BIP and Galidan Inc.	1,000
Joshi Parties	5,000
Total	15,685

8. A summary of the deposits paid by the purchasers of the Receivership Assets is provided below (the “**Deposits**”). The Receiver understands that none of the Deposits are being held in trust, except for \$150,000 of the \$650,000 paid by the purchaser of 23 Madison.

Property	(\$000)
23 Madison ⁴	650
369 Porte Road	150
371 Porte Road	355
373 Porte Road	505
375 Porte Road	205
377 Porte Road	150
10 Doric Street, Unit J	100
Total	2,115

9. A summary of the issues impairing the sale of the Receivership Assets is provided below.
- a) The Receiver understands that one of the primary reasons for the commencement of these receivership proceedings was the inability of the developers of the Receivership Assets to convey clean title to the purchasers of each of the Receivership Assets, including because of the Joshi Parties’ mortgages. It was contemplated that the receivership proceedings would provide a forum through which Court approval of the sale of the Receivership Assets subject to Joshi Parties’ mortgages could be sold pursuant to approval and vesting orders. It is the Receiver’s understanding that the Joshi Parties are not prepared to discharge their mortgages to permit sales of the relevant Receivership Assets to be completed.

⁴ As noted, \$150,000 of this amount is held in trust.

- b) The Deposits were used by Mr. Jhaveri to pay down certain Subsequent Mortgagees and/or to fund costs related to the Receivership Assets and other projects being developed by the Principals. In the case of 23 Madison and the Porte Properties, the remaining purchase price for the Receivership Assets will not be sufficient to pay, in full, some or all of the mortgagees on the Receivership Assets.
- c) The purchasers of 369 Porte and 377 Porte have both expressed an intention to close; however, neither has provided a definitive answer in this regard. It should also be noted that neither purchaser responds to the Receiver on a timely basis (weeks can pass before the Receiver receives a reply, if at all). At this time, the Receiver is prepared to consider closing these sales as the remaining purchase price (net of their deposits), approximates the values in appraisals recently obtained by the Receiver (after considering professional costs, selling costs and other factors, such as the cost to ready the homes for sale given that they are presently occupied). If the purchasers do not commit to closing in the near term, the Receiver expects to seek an order permitting it to terminate the purchase agreements, obtain vacant possession, and market these properties for sale.⁵
- d) Based on appraisals recently sourced by the Receiver, each of the GR Clients' Properties (net of market rate deposits) are worth more than the balance of the purchase price (net of deposits) owing under their respective agreements of purchase and sale. For sufficient value of the GR Clients' Properties to be realized, either the GR Clients will have to increase the amount of cash they pay on closing, or each property will be required to be re-marketed for sale, with each GR Clients required to vacate their home. The Receiver has made a proposal to the GR Clients to resolve this situation. The GR Clients did not accept that proposal and the Receiver expects that the GR Clients will contest a motion to sell their properties. The Receiver has advised Gardiner Roberts that it intends to bring a motion to terminate the APSs and obtain vacant possession for the GR Clients' Properties so they can be re-marketed, if an agreement cannot be reached.
- e) Since the commencement of these proceedings, three parties submitted offers for 25 Madison, but none have gone firm. The Receiver intends to continue to list 25 Madison for sale.
- f) Similar to the GR Clients' Properties, the remaining purchase price (net of the \$500,000 second deposit paid) for 23 Madison, appears to be less than the market value of the property. Accordingly, as with the other properties discussed in this Report, the Receiver is considering a motion to terminate the agreement of purchase and sale for 23 Madison and obtain vacant possession so it can be re-marketed.

⁵ As this Report was being finalized, the purchaser of 377 Porte advised the Purchaser that it would like to close.

- g) The Receiver cannot close sales of the Doric condominiums until the condominium disclosure statement is completed, the condominium is registered and all construction is completed, the most significant of which is the work being performed by Elexicon. The Receiver does not expect to be able to close sales until late 2025 at the earliest; however, the Receiver is working to list the units for sale in the next few months.

3.0 Funding

1. Pursuant to the Receivership Order, the Receiver's Borrowing Charge is \$250,000.
2. On November 12, 2024, Foremost funded \$30,000 to cover receivership costs that required immediate funding. On December 13, 2024, Foremost funded an additional \$801,000 (the "**Second Advance**") to prevent further delays advancing the work to be performed by Elexicon, including \$433,000⁶ for an electrical transformer, and the balance for other critical expenditures, such as utility and consulting costs. Foremost funded the Second Advance on the basis that the Receiver would seek approval in early 2025 confirming that the Second Advance would be covered by an increase in the Borrowing Charge. As the Second Advance was made on December 13, 2024, it was not possible to bring a motion before the holidays to approve the Second Advance.
3. Foremost has advanced \$831,000 since the commencement of these proceedings. The amounts advanced under the Second Advance are properly considered receivership borrowings, and in the opinion of the Receiver, should be subject to the Receiver's Borrowing Charge. If time had permitted prior to the holidays, the Receiver would have sought approval of this funding in advance of receiving it from Foremost. The amounts funded were necessary to advance these proceedings and will in due course facilitate the sales of the Receivership Assets.
4. To avoid additional motions in the near term to increase the Borrowing Charge, the Receiver is recommending that the Court (i) increase the Receiver's borrowing authority and Receiver's Borrowing Charge to \$1.2 million and (ii) approve the funding from Foremost as being covered by, and having the benefit of, the Receiver's Borrowing Charge from December 13, 2024.
5. A copy of the Receiver's statement of receipts and disbursements from the date of the Receivership Order to January 19, 2025 is provided in **Appendix "B"**.

⁶ At the time the Receiver requested the Second Advance, it was believed that that Elexicon would require this amount to be paid immediately. The Receiver is still holding these funds.

4.0 Recommendation

1. For the reasons provided herein, the Receiver recommends that the Court approve an increase in the Receiver's borrowing authority and Receiver's Borrowing Charge from \$250,000 to \$1.2 million and that the Second Advance be subject to the Receiver's Borrowing Charge from December 13, 2024.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF 2145499 ONTARIO INC. AND
CERTAIN PROPERTIES OF BARAKAA DEVELOPER INC. AND LERRATO INC.,
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Appendix “D”

AMENDING AGREEMENT

THIS AGREEMENT made as of the _____ day of May, 2025.

B E T W E E N:

SARA QADEER AND TALHA AZIM BUTT

(collectively, the “**Purchaser**”)

OF THE FIRST PART,

- and -

KSV RESTRUCTURING INC., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

(the “**Vendor**”)

OF THE SECOND PART.

WHEREAS the Purchaser and Lerrato Inc. (“**Lerrato**”), as vendor, have entered into an agreement of purchase and sale dated May 9, 2024, as amended from time to time (the “**Purchase Agreement**”) pursuant to which Lerrato agreed to sell and the Purchaser has agreed to purchase the Real Property (as defined in the Purchase Agreement), in accordance with the terms and conditions set out in the Purchase Agreement.

AND WHEREAS by a receivership order dated October 21, 2024 of the Ontario Superior Court of Justice (Commercial List), among other things, the Vendor was appointed as receiver of the Real Property.

AND WHEREAS the Purchaser has been occupying the Real Property pursuant to a license to occupy agreement dated August 1, 2024 among Lerrato, as licensor, and the Purchaser, as licensee (the “**License**”);

AND WHEREAS the Purchaser and Vendor have agreed to execute and deliver this Agreement to further amend the Purchase Agreement, effective as of the date hereof, on the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Defined Terms:** Unless otherwise defined herein, all capitalized terms used in this agreement (the “**Agreement**”) shall have the respective meanings ascribed to them in the Purchase Agreement.
2. **Amendments:** The Purchase Agreement is hereby amended as follows:
 - a. Section 1(a) of the Purchase Agreement is deleted in its entirety and replaced with the following:

“the amount of one hundred and seventy five thousand dollars (\$175,000.00);”


Sara (May 21, 2025 11:59 EDT)


Talha (May 21, 2025 10:39 EDT)

- b. Section 2 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“This transaction of purchase and sale is to be completed on the date that is the later of: (i) the first Business Day following the date that is ten days following the date on which the Approval and Vesting Order is issued by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”); and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined, or, if the Parties agree, such other date as agreed in writing by the Parties (the “**Closing Date**” or “**Date of Closing**”).”

- c. Section 10 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“10. The Purchaser hereby acknowledges and agrees that any warranties of or liabilities for workmanship or materials, in respect of any aspect of the construction of the Dwelling, whether implied by this Agreement or at law or in equity or by any statute or otherwise, if any, shall be limited to only those warranties deemed to be given by the Vendor under the *Ontario New Home Warranties Plan Act*, as may be amended (the “**ONHWPA**”) and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition from the Vendor and Lerrato Inc. in any way affecting this Agreement, the Dwelling and/or the Real Property other than as expressed herein. Notwithstanding that the Dwelling may be identified by the Home Construction Regulatory Authority (“**HCRA**”) as being subject to a warranty under the ONHWPA for the period from June 6, 2024 to June 6, 2031, the Purchaser hereby acknowledges and agrees that it has conducted its own investigations and satisfied itself with respect to the foregoing warranty and ONHWPA, and the Vendor shall have no obligations with respect to such warranty, including but not limited to conducting a pre-delivery inspection of the Dwelling and obtaining a Tarion Certificate of Completion and Possession respecting the Dwelling and Real Property, provided that the foregoing shall not affect the obligations of Lerrato Inc. as the ‘builder’ of the Dwelling under the ONHWPA and *New Home Construction Licensing Act*, 2017.”

- d. Section 13 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“13. Title to the Real Property shall on the Closing Date be good and free from all encumbrances, except for Permitted Encumbrances (as defined in Schedule “C” hereto”) and except as provided for in this Agreement.”

- e. By adding the following as a new Section 25(d) to Schedule “A” of the Purchase Agreement:

“25(d) Notwithstanding anything contained herein and for greater clarity, all references to the ‘Vendor’ in this Section 25 shall be deemed to refer to ‘KSV Restructuring Inc., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity’, and not to Lerrato Inc., as vendor, including without limitation in all matters in respect to the Rebate and the assignment thereof, which shall not be assigned, paid or payable to Lerrato Inc. and shall be credited, assigned, directed or otherwise payable to KSV Restructuring Inc. in the foregoing capacity.”

- f. By deleting Schedule “B” to the Purchase Agreement in its entirety and replacing it with Exhibit “A” attached hereto as a new Schedule “B” to the Purchase Agreement;



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- g. By deleting Schedule "B" to the Purchase Agreement in its entirety and replacing it with Exhibit "B" attached hereto as a new Schedule "C" to the Purchase Agreement; and
 - h. by deleting the following additional provisions and sections from the Purchase Agreement in their entirety and replacing them with the words "Intentionally Deleted": Sections 5, 9, 13, 14, 17, 19, 22, 26, 50, 53 and 54 of Schedule "A", and Schedules "D", "F" and "Z" of the Purchase Agreement.
3. The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser's responsibility under the License.
 4. All other terms of the Purchase Agreement shall remain in full force and effect and unamended and time shall remain of the essence hereof.
 5. This Agreement may be executed in several counterparts and may be delivered by facsimile transmission, each of which parts when so executed and delivered shall be deemed to be an original, and all of which such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

KSV RESTRUCTURING INC., in its capacity as court-appointed receiver of the Purchased Assets, and not in its personal or corporate capacity

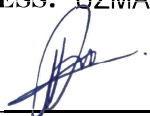
Per:



Name: Bobby Kofman
Title: President



WITNESS: UZMA UFAQ



WITNESS: UZMA UFAQ



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SARA QADEER



Talha (May 21, 2025 10:39 EDT)

TALHA AZIM BUTT

EXHIBIT "A"

SCHEDULE "B"

AGREEMENT OF PURCHASE AND SALE

PURCHASERS: **SARA QADEER AND TALHA AZIM BUTT**

VENDOR: **KSV RESTRUCTURING INC.**, in its capacity as court-appointed receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

PROPERTY: **371 Porte Road, Ajax, ON**

DATE: **May X, 2025**

1.1 Closing

For the purpose of this Agreement, "**Approval and Vesting Order**" means an order of the Court, obtained by the Vendor, in form and substance satisfactory to the Purchasers and the Vendor, within 60 days from the date of this Agreement, vesting title to the Real Property in the Purchasers free and clear of all mortgages, claims and encumbrances other than Permitted Encumbrances listed in section 1.4 below, with effect on, and conditional on Closing.

1.2 Condition of the Property

The Purchasers acknowledge that the Vendor is selling and the Purchasers are purchasing the Real Property on an "*as is, where is*" and "*without representations, warranties or recourse*" basis as the Real Property shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchasers further acknowledge and agree that they have entered into this Agreement on the basis that the Purchasers have conducted such inspections of the condition and title to the Real Property as they deem appropriate and have satisfied themselves with regard to these matters.

1.3 Deposit and Remedies

- (A) The Purchasers and Vendor agree that notwithstanding anything contained in this Agreement, the deposit amount to be credited to the Purchasers on account of the purchase price on Closing shall be \$175,000 (the "**Deposit**").
- (B) The Purchasers acknowledge and agree that the Deposit was paid by the Purchasers to Lerrato Inc. or its principals, and not to the Vendor, and was not held in trust by any party for and on


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behalf of the Purchasers. If this Agreement is terminated as a result of the inability of the Vendor to obtain the Approval and Vesting Order within the time period set out in 1.1 above, or the breach of a covenant or obligation of the Vendor or the Purchasers, the Vendor shall have no liability or obligation to the Purchaser(s) in respect of the return of the Deposit, and the Purchaser's sole recourse and remedies shall be against Lerrato Inc. and/or its principals.

1.4 Adjustments and Realty Taxes

The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser's responsibility under any license or other similar agreement entitling the Purchaser to access and occupy the Real Property prior to the Closing Date. The Purchasers shall be solely responsible for any supplementary/omit bills for realty taxes issued after the Closing Date, whether relating to the period prior to or after the Closing Date.


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EXHIBIT “B”
SCHEDULE “C”



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ● DAY, THE ● DAY
JUSTICE [NAME]) OF [MONTH], 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



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“**Purchaser**”), dated May 9, 2024, as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May 1, 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 May 1, 2025, filed,

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.

SALE APPROVAL

2. **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. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as



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may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **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


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of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **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.

5. **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.

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

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

(a) the pendency of these proceedings;


Sara (May 21, 2025 11:59 EDT)


Talha (May 21, 2025 10:39 EDT)

- (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.

8. **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.


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Talha (May 21, 2025 10:39 EDT)

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



Sara (May 21, 2025 11:59 EDT)



Talha (May 21, 2025 10:39 EDT)

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 May 9, 2025, the Court approved the amending agreement dated May 9, 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


Sara (May 21, 2025 11:59 EDT)


Talha (May 21, 2025 10:39 EDT)

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


Sara (May 21, 2025 11:59 EDT)


Talha (May 21, 2025 10:39 EDT)

Title: President


Sara (May 21, 2025 11:59 EDT)

Talha
Talha (May 21, 2025 10:39 EDT)

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)



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Talha (May 21, 2025 10:39 EDT)

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	Lerrato Inc.	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 Cour of Justice	KSV Restructuring Inc.



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Talha (May 21, 2025 10:39 EDT)

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			Hydro-Electric Power Commission of Ontario
CO94360	1961/05/17	By Law			
LT989006	2000/10/16	By Law		Regional Municipality of Durham	
LT989054	2000/10/16	By Law		Regional Municipality of Durham	
DR291339	2004/06/29	Notice	\$2	Regional Municipality of Durham	Ashwani Joshi, Susmita Mohan



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Talha (May 21, 2025 10:39 EDT)

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		Corporation of the Town of Ajax	Lerrato Inc.
DR1738402	2018/09/26	Transfer		Lerrato Inc	Lerrato Inc.



Sara (May 21, 2025 11:59 EDT)



Talha (May 21, 2025 10:39 EDT)







tALHA sIGNED

Final Audit Report

2025-05-21

Created:	2025-05-21
By:	Uzma Ufaq (uzma@uklaw.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQNN-Gr2UgAO9Fur495dgOOeP8kLAOVV5

"tALHA sIGNED" History

-  Document created by Uzma Ufaq (uzma@uklaw.ca)
2025-05-21 - 3:48:02 PM GMT- IP address: 64.229.64.50
-  Document emailed to sara_qadeer@hotmail.com for signature
2025-05-21 - 3:48:23 PM GMT
-  Email viewed by sara_qadeer@hotmail.com
2025-05-21 - 3:54:07 PM GMT- IP address: 104.242.19.106
-  Signer sara_qadeer@hotmail.com entered name at signing as Sara
2025-05-21 - 3:59:32 PM GMT- IP address: 104.242.19.106
-  Document e-signed by Sara (sara_qadeer@hotmail.com)
Signature Date: 2025-05-21 - 3:59:34 PM GMT - Time Source: server- IP address: 104.242.19.106
-  Agreement completed.
2025-05-21 - 3:59:34 PM GMT



Appendix “E”

AMENDING AGREEMENT

THIS AGREEMENT made as of the 20 day of May, 2025.

B E T W E E N:

ZEBA QADEER AND RAJA ABDUL QADEER

(collectively, the “**Purchaser**”)

OF THE FIRST PART,

- and -

KSV RESTRUCTURING INC., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

(the “**Vendor**”)

OF THE SECOND PART.

WHEREAS the Purchaser and Lerrato Inc. (“**Lerrato**”), as vendor, have entered into an agreement of purchase and sale dated May 6, 2024, as amended from time to time (the “**Purchase Agreement**”) pursuant to which Lerrato agreed to sell and the Purchaser has agreed to purchase the Real Property (as defined in the Purchase Agreement), in accordance with the terms and conditions set out in the Purchase Agreement.

AND WHEREAS by a receivership order dated October 21, 2024 of the Ontario Superior Court of Justice (Commercial List), among other things, the Vendor was appointed as receiver of the Real Property.

AND WHEREAS the Purchaser has been occupying the Real Property pursuant to a license to occupy agreement dated November 5, 2023 among Lerrato, as licensor, and the Purchaser, as licensee (the “**License**”);

AND WHEREAS the Purchaser and Vendor have agreed to execute and deliver this Agreement to further amend the Purchase Agreement, effective as of the date hereof, on the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Defined Terms:** Unless otherwise defined herein, all capitalized terms used in this agreement (the “**Agreement**”) shall have the respective meanings ascribed to them in the Purchase Agreement.
2. **Amendments:** The Purchase Agreement is hereby amended as follows:
 - a. Section 1(a) of the Purchase Agreement is deleted in its entirety and replaced with the following:

“the amount of one hundred and seventy five thousand dollars (\$175,000.00);”

 Raja Abdul Qadeer (May 21, 2025 03:24 GMT+5)

 Zeba Qadeer (May 21, 2025 03:27 GMT+5)

- b. Section 2 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“This transaction of purchase and sale is to be completed on the date that is the later of: (i) the first Business Day following the date that is ten days following the date on which the Approval and Vesting Order is issued by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”); and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined, or, if the Parties agree, such other date as agreed in writing by the Parties (the “**Closing Date**” or “**Date of Closing**”).”

- c. Section 10 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“10. The Purchaser hereby acknowledges and agrees that any warranties of or liabilities for workmanship or materials, in respect of any aspect of the construction of the Dwelling, whether implied by this Agreement or at law or in equity or by any statute or otherwise, if any, shall be limited to only those warranties deemed to be given by the Vendor under the *Ontario New Home Warranties Plan Act*, as may be amended (the “**ONHWPA**”) and shall extend only for the time period and in respect of those items as stated in the ONHWPA, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition from the Vendor and Lerrato Inc. in any way affecting this Agreement, the Dwelling and/or the Real Property other than as expressed herein. Notwithstanding that the Dwelling may be identified by the Home Construction Regulatory Authority (“**HCRA**”) as being subject to a warranty under the ONHWPA for the period from June 6, 2024 to June 6, 2031, the Purchaser hereby acknowledges and agrees that it has conducted its own investigations and satisfied itself with respect to the foregoing warranty and ONHWPA, and the Vendor shall have no obligations with respect to such warranty, including but not limited to conducting a pre-delivery inspection of the Dwelling and obtaining a Tarion Certificate of Completion and Possession respecting the Dwelling and Real Property, provided that the foregoing shall not affect the obligations of Lerrato Inc. as the ‘builder’ of the Dwelling under the ONHWPA and *New Home Construction Licensing Act*, 2017.”

- d. Section 13 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“13. Title to the Real Property shall on the Closing Date be good and free from all encumbrances, except for Permitted Encumbrances (as defined in Schedule “C” hereto”) and except as provided for in this Agreement.”

- e. By adding the following as a new Section 25(d) to Schedule “A” of the Purchase Agreement:

“25(d) Notwithstanding anything contained herein and for greater clarity, all references to the ‘Vendor’ in this Section 25 shall be deemed to refer to ‘KSV Restructuring Inc., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity’, and not to Lerrato Inc., as vendor, including without limitation in all matters in respect to the Rebate and the assignment thereof, which shall not be assigned, paid or payable to Lerrato Inc. and shall be credited, assigned, directed or otherwise payable to KSV Restructuring Inc. in the foregoing capacity.”

- f. By deleting Schedule “B” to the Purchase Agreement in its entirety and replacing it with Exhibit “A” attached hereto as a new Schedule “B” to the Purchase Agreement;

- 3 -

- g. By deleting Schedule "B" to the Purchase Agreement in its entirety and replacing it with Exhibit "B" attached hereto as a new Schedule "C" to the Purchase Agreement; and
 - h. by deleting the following additional provisions and sections from the Purchase Agreement in their entirety and replacing them with the words "Intentionally Deleted": Sections 5, 9, 13, 14, 17, 19, 22, 26, 50, 53 and 54 of Schedule "A", and Schedules "D", "F" and "Z" of the Purchase Agreement.
3. The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser's responsibility under the License.
 4. All other terms of the Purchase Agreement shall remain in full force and effect and unamended and time shall remain of the essence hereof.
 5. This Agreement may be executed in several counterparts and may be delivered by facsimile transmission, each of which parts when so executed and delivered shall be deemed to be an original, and all of which such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

KSV RESTRUCTURING INC., in its capacity as court-appointed receiver of the Purchased Assets, and not in its personal or corporate capacity

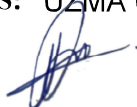
Per:




Name: Bobby Kofman
Title: President




WITNESS: UZMA UFAQ



WITNESS: UZMA UFAQ

 (May 21, 2025 03:27 GMT+5)

ZEBA QADEER

 (May 21, 2025 03:24 GMT+5)

RAJA ABDUL QADEER

EXHIBIT "A"

SCHEDULE "B"

AGREEMENT OF PURCHASE AND SALE

PURCHASERS: **ZEBA QADEER AND RAJA ABDUL QADEER**

VENDOR: **KSV RESTRUCTURING INC.**, in its capacity as court-appointed receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

PROPERTY: **373 Porte Road, Ajax, ON**

DATE: **May 20, 2025**

1.1 Closing

For the purpose of this Agreement, "**Approval and Vesting Order**" means an order of the Court, obtained by the Vendor, in form and substance satisfactory to the Purchasers and the Vendor, within 60 days from the date of this Agreement, vesting title to the Real Property in the Purchasers free and clear of all mortgages, claims and encumbrances other than Permitted Encumbrances listed in section 1.4 below, with effect on, and conditional on Closing.

1.2 Condition of the Property

The Purchasers acknowledge that the Vendor is selling and the Purchasers are purchasing the Real Property on an "*as is, where is*" and "*without representations, warranties or recourse*" basis as the Real Property shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchasers further acknowledge and agree that they have entered into this Agreement on the basis that the Purchasers have conducted such inspections of the condition and title to the Real Property as they deem appropriate and have satisfied themselves with regard to these matters.

1.3 Deposit and Remedies

- (A) The Purchasers and Vendor agree that notwithstanding anything contained in this Agreement, the deposit amount to be credited to the Purchasers on account of the purchase price on Closing shall be \$175,000 (the "**Deposit**").
- (B) The Purchasers acknowledge and agree that the Deposit was paid by the Purchasers to Lerrato Inc. or its principals, and not to the Vendor, and was not held in trust by any party for and on

 Raja Abdul Qadeer (May 21, 2025 03:24 GMT+5)

 Zeba Qadeer (May 21, 2025 03:27 GMT+5)

behalf of the Purchasers. If this Agreement is terminated as a result of the inability of the Vendor to obtain the Approval and Vesting Order within the time period set out in 1.1 above, or the breach of a covenant or obligation of the Vendor or the Purchasers, the Vendor shall have no liability or obligation to the Purchaser(s) in respect of the return of the Deposit, and the Purchaser's sole recourse and remedies shall be against Lerrato Inc. and/or its principals.

1.4 Adjustments and Realty Taxes

The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser's responsibility under any license or other similar agreement entitling the Purchaser to access and occupy the Real Property prior to the Closing Date. The Purchasers shall be solely responsible for any supplementary/omit bills for realty taxes issued after the Closing Date, whether relating to the period prior to or after the Closing Date.

EXHIBIT “B”
SCHEDULE “C”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) ● DAY, THE ● DAY
JUSTICE [NAME]) OF [MONTH], 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 Zeba Qadeer and Raja Abdul Qadeer, as purchasers (collectively,

the “**Purchaser**”), dated May 6, 2024, as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May ●, 2025 (collectively, the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 373 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 May ●, 2025, filed,

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.

SALE APPROVAL

2. **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. 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 Property to the Purchaser.

3. **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.

4. **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.

5. **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.

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

7. **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.

8. **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.

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


Rajiv Mehta (May 21, 2025 03:24 GMT+5)


Zohar Mehta (May 21, 2025 03:27 GMT+5)

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 May 21, 2025, the Court approved the amending agreement dated May 21, 2025 (the “**Amending Agreement**”) between the Receiver, as vendor, and Zeba Qadeer and Raja Abdul Qadeer, as purchasers (collectively, the “**Purchaser**”) amending the agreement of purchase and sale between the Purchaser and Lerrato Inc. dated May 8, 2024 (collectively, 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

 Raja Abdul Qadeer (May 21, 2025 03:24 GMT+5)

 Zeba Qadeer (May 21, 2025 03:27 GMT+5)

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
20 MAY, 2025 [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

A-3

Title: President

Schedule “B” (AVO) – Real Property

Legal Description:

PT LT 6 CON 1, PT 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0555 (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	Lerrato Inc.	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 Cour of Justice	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			Hydro-Electric Power Commission of Ontario
CO94360	1961/05/17	By Law			
LT989006	2000/10/16	By Law		Regional Municipality of Durham	
LT989054	2000/10/16	By Law		Regional Municipality of Durham	
DR291339	204/06/29	Notice	\$2	Regional Municipality of Durham	Ashwani Joshi, Susmita Mohan

Appendix “F”

AMENDING AGREEMENT

THIS AGREEMENT made as of the 20 day of May, 2025.

B E T W E E N:

UMAIR QADEER

(the “**Purchaser**”)

OF THE FIRST PART,

- and -

KSV RESTRUCTURING INC., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

(the “**Vendor**”)

OF THE SECOND PART.

WHEREAS the Purchaser and Lerrato Inc. (“**Lerrato**”), as vendor, have entered into an agreement of purchase and sale dated May 9, 2024, as amended from time to time (the “**Purchase Agreement**”) pursuant to which Lerrato agreed to sell and the Purchaser has agreed to purchase the Real Property (as defined in the Purchase Agreement), in accordance with the terms and conditions set out in the Purchase Agreement.

AND WHEREAS by a receivership order dated October 21, 2024 of the Ontario Superior Court of Justice (Commercial List), among other things, the Vendor was appointed as receiver of the Real Property.

AND WHEREAS the Purchaser has been occupying the Real Property pursuant to a license to occupy agreement dated August 1, 2024 among Lerrato, as licensor, and the Purchaser, as licensee (the “**License**”);

AND WHEREAS the Purchaser and Vendor have agreed to execute and deliver this Agreement to further amend the Purchase Agreement, effective as of the date hereof, on the terms and conditions set out herein.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Defined Terms:** Unless otherwise defined herein, all capitalized terms used in this agreement (the “**Agreement**”) shall have the respective meanings ascribed to them in the Purchase Agreement.
2. **Amendments:** The Purchase Agreement is hereby amended as follows:
 - a. Section 1(a) of the Purchase Agreement is deleted in its entirety and replaced with the following:

“the amount of one hundred and seventy five thousand dollars (\$175,000.00);”

Umais Qadeer
Umais Qadeer (May 20, 2025 13:02 EDT)

- b. Section 2 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“This transaction of purchase and sale is to be completed on the date that is the later of: (i) the first Business Day following the date that is ten days following the date on which the Approval and Vesting Order is issued by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”); and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined, or, if the Parties agree, such other date as agreed in writing by the Parties (the “**Closing Date**” or “**Date of Closing**”).”

- c. Section 10 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“10. The Purchaser hereby acknowledges and agrees that any warranties of or liabilities for workmanship or materials, in respect of any aspect of the construction of the Dwelling, whether implied by this Agreement or at law or in equity or by any statute or otherwise, if any, shall be limited to only those warranties deemed to be given by the Vendor under the *Ontario New Home Warranties Plan Act*, as may be amended (the “**ONHWP**”) and shall extend only for the time period and in respect of those items as stated in the ONHWP, it being understood and agreed that there is no representation, warranty, guarantee, collateral agreement, or condition from the Vendor and Lerrato Inc. in any way affecting this Agreement, the Dwelling and/or the Real Property other than as expressed herein. Notwithstanding that the Dwelling may be identified by the Home Construction Regulatory Authority (“**HCRA**”) as being subject to a warranty under the ONHWP for the period from June 6, 2024 to June 6, 2031, the Purchaser hereby acknowledges and agrees that it has conducted its own investigations and satisfied itself with respect to the foregoing warranty and ONHWP, and the Vendor shall have no obligations with respect to such warranty, including but not limited to conducting a pre-delivery inspection of the Dwelling and obtaining a Tarion Certificate of Completion and Possession respecting the Dwelling and Real Property, provided that the foregoing shall not affect the obligations of Lerrato Inc. as the ‘builder’ of the Dwelling under the ONHWP and *New Home Construction Licensing Act*, 2017.”

- d. Section 13 of the Purchase Agreement is deleted in its entirety and replaced with the following:

“13. Title to the Real Property shall on the Closing Date be good and free from all encumbrances, except for Permitted Encumbrances (as defined in Schedule “C” hereto) and except as provided for in this Agreement.”

- e. By adding the following as a new Section 25(d) to Schedule “A” of the Purchase Agreement:

“25(d) Notwithstanding anything contained herein and for greater clarity, all references to the ‘Vendor’ in this Section 25 shall be deemed to refer to ‘KSV Restructuring Inc., in its capacity as Court appointed Receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity’, and not to Lerrato Inc., as vendor, including without limitation in all matters in respect to the Rebate and the assignment thereof, which shall not be assigned, paid or payable to Lerrato Inc. and shall be credited, assigned, directed or otherwise payable to KSV Restructuring Inc. in the foregoing capacity.”

- f. By deleting Schedule “B” to the Purchase Agreement in its entirety and replacing it with Exhibit “A” attached hereto as a new Schedule “B” to the Purchase Agreement;

- 3 -

- g. By deleting Schedule “B” to the Purchase Agreement in its entirety and replacing it with Exhibit “B” attached hereto as a new Schedule “C” to the Purchase Agreement; and
 - h. by deleting the following additional provisions and sections from the Purchase Agreement in their entirety and replacing them with the words “Intentionally Deleted”: Sections 5, 9, 13, 14, 17, 19, 22, 26, 50, 53 and 54 of Schedule “A”, and Schedules “D”, “F” and “Z” of the Purchase Agreement.
3. The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser’s responsibility under the License.
4. All other terms of the Purchase Agreement shall remain in full force and effect and unamended and time shall remain of the essence hereof.
5. This Agreement may be executed in several counterparts and may be delivered by facsimile transmission, each of which parts when so executed and delivered shall be deemed to be an original, and all of which such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first mentioned.

KSV RESTRUCTURING INC., in its capacity as court-appointed receiver of the Purchased Assets, and not in its personal or corporate capacity

Per:



Name: Bobby Kofman

Title: President



WITNESS: UZMA UFAQ

Umais Qadeer
Umais Qadeer (May 20, 2025 13:02 EDT)

Umais QADEER

EXHIBIT "A"

SCHEDULE "B"

AGREEMENT OF PURCHASE AND SALE

PURCHASERS: **UMAIR QADEER**

VENDOR: **KSV RESTRUCTURING INC.**, in its capacity as court-appointed receiver of the Real Property and Dwelling (as hereinafter defined), and not in its personal or corporate capacity

PROPERTY: **375 Porte Road, Ajax, ON**

DATE: **May X, 2025**

1.1 Closing

For the purpose of this Agreement, "**Approval and Vesting Order**" means an order of the Court, obtained by the Vendor, in form and substance satisfactory to the Purchasers and the Vendor, within 60 days from the date of this Agreement, vesting title to the Real Property in the Purchasers free and clear of all mortgages, claims and encumbrances other than Permitted Encumbrances listed in section 1.4 below, with effect on, and conditional on Closing.

1.2 Condition of the Property

The Purchasers acknowledge that the Vendor is selling and the Purchasers are purchasing the Real Property on an "*as is, where is*" and "*without representations, warranties or recourse*" basis as the Real Property shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchasers further acknowledge and agree that they have entered into this Agreement on the basis that the Purchasers have conducted such inspections of the condition and title to the Real Property as they deem appropriate and have satisfied themselves with regard to these matters.

1.3 Deposit and Remedies

- (A) The Purchasers and Vendor agree that notwithstanding anything contained in this Agreement, the deposit amount to be credited to the Purchasers on account of the purchase price on Closing shall be \$175,000 (the "**Deposit**").
- (B) The Purchasers acknowledge and agree that the Deposit was paid by the Purchasers to Lerrato Inc. or its principals, and not to the Vendor, and was not held in trust by any party for and on

Umar Qadeer
Umar Qadeer (May 20, 2025 13:02 EDT)

behalf of the Purchasers. If this Agreement is terminated as a result of the inability of the Vendor to obtain the Approval and Vesting Order within the time period set out in 1.1 above, or the breach of a covenant or obligation of the Vendor or the Purchasers, the Vendor shall have no liability or obligation to the Purchaser(s) in respect of the return of the Deposit, and the Purchaser's sole recourse and remedies shall be against Lerrato Inc. and/or its principals.

1.4 Adjustments and Realty Taxes

The Purchaser acknowledges and confirms that notwithstanding anything contained in the Purchase Agreement, the Purchaser shall not be entitled to any adjustment, credit or other amount in its favour with respect to the period prior to the Closing Date for any items that are the Purchaser's responsibility under any license or other similar agreement entitling the Purchaser to access and occupy the Real Property prior to the Closing Date. The Purchasers shall be solely responsible for any supplementary/omit bills for realty taxes issued after the Closing Date, whether relating to the period prior to or after the Closing Date.

EXHIBIT “B”
SCHEDULE “C”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) XX DAY, THE YY DAY
)
JUSTICE [NAME]) OF [MONTH], 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 Umair Qadeer, as purchaser (the “**Purchaser**”), dated May 9, 2024,

Umair Qadeer
Umair Qadeer (May 20, 2025 13:02 EDT)

as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May 10, 2025 (collectively, the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 375 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 May 22, 2025, filed,

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.

SALE APPROVAL

2. **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. 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 Property to the Purchaser.

3. **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.

4. **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.

5. **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.

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

7. **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.

8. **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.

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

Umar Qadeer

Umar Qadeer (May 20, 2025 13:02 EDT)

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 May 9, 2025, the Court approved the amending agreement dated May 9, 2025 (the “**Amending Agreement**”) between the Receiver, as vendor, and Umair Qadeer, as purchaser (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

Umair Qadeer
Umair Qadeer (May 20, 2025 13:02 EDT)

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
20 MAY, 2025 [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

Umar Qadeer
 Umar Qadeer (May 20, 2025 13:02 EDT)

Schedule “B” (AVO) – Real Property

Legal Description:

PT LT 6 CON 1, PT 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0556 (LT)

Umar Qadeer
Umar Qadeer (May 20, 2025 13:02 EDT)

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Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
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DR1850099	2019/11/26	Notice of Security Interest	\$2,375,000	Lerrato Inc.	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 Cour of Justice	KSV Restructuring Inc.

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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			Hydro-Electric Power Commission of Ontario
CO94360	1961/05/17	By Law			
LT989006	2000/10/16	By Law		Regional Municipality of Durham	
LT989054	2000/10/16	By Law		Regional Municipality of Durham	
DR291339	2004/06/29	Notice	\$2	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		Corporation of the Town of Ajax	Lerrato Inc.
DR1738417	2018/09/26	Transfer		Lerrato Inc	Lerrato Inc.










AMENDING AGREEMENT (UMAIR)

Final Audit Report

2025-05-20

Created:	2025-05-20
By:	Uzma Ufaq (uzma@uklaw.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAd9YavKjpNHswOv3-yvwzhz3WLYuXKCjsL

"AMENDING AGREEMENT (UMAIR)" History

-  Document created by Uzma Ufaq (uzma@uklaw.ca)
2025-05-20 - 4:56:42 PM GMT- IP address: 70.31.185.209
-  Document emailed to uq90@hotmail.com for signature
2025-05-20 - 4:56:47 PM GMT
-  Document emailed to Uzma Ufaq (uzma@uklaw.ca) for signature
2025-05-20 - 4:56:47 PM GMT
-  Email viewed by uq90@hotmail.com
2025-05-20 - 4:58:31 PM GMT- IP address: 206.223.179.46
-  Signer uq90@hotmail.com entered name at signing as Umair Qadeer
2025-05-20 - 5:02:20 PM GMT- IP address: 206.223.179.46
-  Document e-signed by Umair Qadeer (uq90@hotmail.com)
Signature Date: 2025-05-20 - 5:02:22 PM GMT - Time Source: server- IP address: 206.223.179.46
-  Email viewed by Uzma Ufaq (uzma@uklaw.ca)
2025-05-20 - 6:52:54 PM GMT- IP address: 70.31.185.209
-  Document e-signed by Uzma Ufaq (uzma@uklaw.ca)
Signature Date: 2025-05-20 - 7:01:03 PM GMT - Time Source: server- IP address: 70.31.185.209
-  Agreement completed.
2025-05-20 - 7:01:03 PM GMT

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

FOREMOST MORTGAGE HOLDING CORPORATION

Applicant

-and-

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

Respondents

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 orders, *inter alia*, approving the sale transactions (the “**Transactions**”) contemplated by three agreements of purchase and sale (the “**Sale Agreements**”) between the Receiver, as vendor, and Sara Qadeer, Talha Azim Butt, Zeba Qadeer, Raja Abdul Qadeer and Umair Qadeer, as purchasers (the “**Purchasers**”), and vesting in the respective Purchasers the land and building chattels listed in the Sale Agreements on closing of the Transactions, and authorising the Receiver to make distributions to Foremost Mortgage Holding

Corporation (“**Foremost**”) from the proceeds of the Transactions, was heard this day by videoconference.

ON READING the Receiver’s Third Report to Court dated May 29, 2025 and appendices thereto (the “**Third Report**”), and on hearing the submissions of counsel for the Receiver and such other counsel and parties 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 X, 2025, filed,

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.
2. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to make one or more distributions to Foremost from the proceeds of sale of the Transactions, net of such amounts the Receiver determines, in consultation with Foremost, shall be held back on account of professional fees and Receiver’s Borrowing secured by the Receiver’s Charge or the Receiver’s Borrowing Charge (as defined in the Order of Justice Black appointing the Receiver in these proceedings, dated October 21, 2024 as amended by the Order of Justice Kimmel dated February 3, 2025).
3. **THIS COURT ORDERS** that the Third Report, and the actions, conduct and activities of the Receiver described therein be and are hereby approved, provided however that only the

Receiver, in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	FRIDAY, THE 13TH DAY
)	
JUSTICE CAVANAGH)	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 X, 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.

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.

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

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

THE HONOURABLE)	FRIDAY, THE 13TH DAY
)	
JUSTICE CAVANAGH)	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 Zeba Qadeer and Raja Abdul Qadeer, as purchasers (collectively, the “**Purchaser**”), dated May 6, 2024, as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May 20, 2025 (collectively, the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 373

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 X, 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.

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 20, 2025 (the “**Amending Agreement**”) between the Receiver, as vendor, and Zeba Qadeer and Raja Abdul Qadeer, as purchasers (collectively, the “**Purchaser**”) amending the agreement of purchase and sale between the Purchaser and Lerrato Inc. dated May 8, 2024 (collectively, 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 3 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0555 (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 Cour 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.
DR1738403	2018/09/26	Transfer		Lerrato Inc.	Lerrato Inc.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	FRIDAY, THE 13TH DAY
)	
JUSTICE CAVANAGH)	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 Umair Qadeer, as purchaser (the “**Purchaser**”), dated May 9, 2024, as amended by an amending agreement between the Receiver as vendor, and the Purchaser, dated May 20, 2025 (collectively, the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 375 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 X, 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.

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 20 2025 (the “**Amending Agreement**”) between the Receiver, as vendor, and Umair Qadeer, as purchaser (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 4 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0556 (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 Cour 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.
DR1738417	2018/09/26	Transfer		Lerrato Inc.	Lerrato Inc.

FOREMOST MORTGAGE HOLDING CORPORATION
Applicant

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

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

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

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

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Toronto, ON M5H 2R2

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Lawyers for the Receiver