

**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 December 1, 2025 at 12:00 p.m.)**

November 24, 2025

DLA PIPER (CANADA) LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 5100
Toronto, ON M5H 2R2

Edmond F.B. Lamek (LSO #33338U)
Direct Tel: 416.365.4444
Email: edmond.lamек@dlapiper.com

Lawyers for the Receiver

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TAB 1

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

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 **Monday, December 1, 2025 at 12:00 p.m.**, 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 4** 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 Orders of Justice Kimmel dated February 3, 2025 and Justice Myers dated October 10, 2025);
 - (c) approving the Fifth Report of the Receiver dated November 24, 2025 (the “**Fifth Report**”) and the Receiver’s activities described therein;
 - (b) sealing the Confidential Appendix to the Fifth Report until the filing of the Receiver’s Certificates in respect of the closing of each of the Transactions, or further order of this Honourable Court; and
 - (c) 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 5** of the Motion Record (the “**369 Porte AVO**”), among other things, approving the transaction (the “**369 Porte Transaction**”) contemplated by the Agreement of Purchase and Sale dated November 24, 2025 (the “**369 Porte Sale Agreement**”), between the Receiver, as vendor, and the Muhammed Jenhazeb Agha (the “**369 Porte Purchaser**”), as purchaser, pursuant to which the 369 Porte Purchaser has agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 369 Porte Road, Ajax, Ontario (comprising Part 1 and Part 6 Plan 40R30173) and the chattels listed in the 369 Porte Sale Agreement (collectively, the “**369 Porte Purchased Assets**”), and vesting the 369 Porte

- Purchased Assets in the 369 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 369 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 369 Porte AVO, and authorizing the Receiver to complete the 369 Porte Transaction; and
3. an Approval and Vesting Order substantially in the form attached at **Tab 6** of the Motion Record (the “**377 Porte AVO**”), among other things, approving the transaction (the “**377 Porte Transaction**”) contemplated by the Amending Agreement dated November 24, 2025 between the Receiver, as vendor, and Rohitkumar M. Patel and Arvindaben R. Patel (the “**377 Porte Purchasers**”), as purchasers amending the Agreement of Purchase and Sale dated May 14, 2024 between Lerrato, as vendor, and the 377 Porte Purchasers, as purchasers (together, the “**377 Porte Sale Agreement**”), pursuant to which the 377 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 377 Porte Road, Ajax, Ontario and the chattels listed in the Sale Agreement (collectively, the “**377 Porte Purchased Assets**”), and vesting the 377 Porte Purchased Assets in the 377 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 377 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 377 Porte AVO, and authorizing the Receiver to complete the 377 Porte Transaction;
 4. an Approval and Vesting Order substantially in the form attached at **Tab 7** of the Motion Record (the “**23 Madison AVO**”), among other things, approving the transaction (the “**23 Madison Transaction**” and together with the 369 Porte Transaction and the 377 Porte Transaction, the “**Transactions**”) contemplated by the Agreement of Purchase and Sale dated November 20, 2025 between the Receiver, as vendor, and the Mohammed Alsharafi and Fatima Jeddi (the “**23 Madison Purchasers**”), as purchasers (the “**23 Madison Sale Agreement**”), pursuant to which the 23 Madison Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 23 Madison Avenue, Richmond Hill, Ontario and the chattels listed in the Sale Agreement (collectively, the “**23 Madison Purchased Assets**”), and vesting the 23 Madison Purchased Assets in

the 23 Madison 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 23 Madison Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 23 Madison AVO, and authorizing the Receiver to complete the 23 Madison 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 Foremost Mortgages

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 Porte Mortgage**”) registered on title to the Porte Properties on or about July 5, 2022. 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.
8. In June of 2025 the Receiver completed three Court approved sales, of 371, 373 and 357 Porte Road which generated proceeds of \$2.75 million, of which approximately \$129,000, was paid to Foremost to repay Lerrato-specific advances by Foremost secured by the Receiver’s Borrowing Charge, and the balance, approximately \$1.871 million, was used to partially repay the Foremost Porte Mortgage. Accordingly, as of the date of this Fifth Report, the Lerrato debt owing under the Foremost Porte Mortgage is approximately \$1.28 million, before interest, fees and other costs, which remains subordinate to the outstanding amounts secured by the Receiver’s Borrowing Charge.
9. On or around June 24, 2022, FFC entered into a credit agreement pursuant to which FFC advanced \$4,133,000 to Barakaa. The FFC loan was subsequently assigned to Foremost. The loan was secured by, *inter alia*, mortgages registered on title to the Madison Properties (the “**Foremost Madison Mortgage**” and together with the Foremost Porte Mortgage, the “**Foremost Mortgages**”). In addition to the Foremost Madison Mortgage, the Madison Properties are subject to a mortgage in favour of BIP in the initial principal amount of \$1,500,000, and a mortgage in favour of 1417199 Ontario Limited (“**141 Ontario**”) in the initial principal amount of \$750,000, which is postponed to BIP, and ranks after the Foremost Madison Mortgage.

10. Prior to these receivership proceedings, in January 2024, Foremost, BIP and 141 Ontario each agreed to discharge their mortgages over the Barakaa owned property at 19 Madison Avenue in connection with the sale of that property by Barakaa, resulting in the following payments on account of their respective mortgage indebtedness at the time: a) \$1,421,191 to Foremost; b) \$353,917 to BIP; and c) \$353,287 to 141 Ontario.
11. On April 1, 2025, the Receiver completed the sale of 25 Madison. The net proceeds from the sale of 25 Madison (approximately \$1.33 million) have been distributed to Foremost including in reduction of the Receiver's borrowing secured by the Receiver's Borrowing Charge, such that Barakaa's indebtedness now owing under the Foremost Madison Mortgage is approximately \$1.4 million, before interest, fees and costs which continue to accrue, which remains subordinate to the outstanding amounts secured by the Receiver's Borrowing Charge.

Disclaimer of Prior APSs and Additional Deposit disputes

12. Since the date of the Receiver's appointment, each of the 369 Porte Purchaser, the 377 Porte Purchasers and the 23 Madison Purchasers have been in occupancy of their respective residences pursuant to arrangements made by each with Hitesh Jhaveri, pending closing.
13. Though the Receiver had, since its appointment, advised the 369 Porte Purchaser that the Receiver was prepared to close with him based on the financial terms of the existing purchase agreement between Lerrato and the 369 Porte Purchaser, as amended to reflect the "as is where is" nature of a receivership approval and vesting order transaction, despite the passage of many months, the 369 Porte Purchaser failed to meaningfully engage in discussions with the Receiver concerning the purchase of 369 Porte, and by late summer 2025, the 369 Porte Purchaser appeared to the Receiver to be financially incapable of closing a transaction with the Receiver to purchase 369 Porte at all.
14. As a result of disputes with the 377 Purchasers and the 23 Madison Purchasers regarding the quantum of the deposit credits to which they asserted they were legally entitled to (\$679,949 and \$650,000 (\$150,000 of which was in trust), respectively) in respect of the purchase of their properties, including in respect of a sale by the Receiver, the Receiver

was unable to reach acceptable economic terms with either the 377 Purchasers or the 25 Madison Purchasers by late summer of 2025. Because most or all of the claimed deposit amounts were not held in trust pending closing, each such transaction would have resulted in net proceeds payable on closing materially lower than could be obtained by the Receiver by way of taking possession of and marketing the 377 Porte and 23 Madison properties to the public through a real estate broker, based on the Receiver's appraisals.

15. In order to maximize the realizable value of each of 369 Porte, 377 Porte and 23 Madison for the benefit of stakeholders, and obtain vacant possession in order to be able to return the residences to saleable condition, and re-expose them to the market for sale, the Receiver brought motions returnable October 7, 2025 (369 and 377 Porte) and October 10, 2025 (23 Madison) and obtained orders of Justice Steele and Justice Myers (the “**Disclaimer Orders**”) authorising the disclaimer of the three existing agreements of purchase and sale and ordering vacant possession of the residences following delivery of vacancy notices by the Receiver.
16. Subsequent to the making of the Disclaimer Orders and delivery of disclaimer notices by the Receiver, the Receiver negotiated alternative transactions (the “**Transactions**”) and sale agreements (the “**Sale Agreements**”) with each of the 23 Madison Purchasers, the 377 Porte Purchasers and the 369 Porte Purchaser for which approval is sought herein. Each of the proposed Transaction terms were reviewed with Foremost, who has consented to each of the Transactions.
17. The Receiver is of the view that completing the 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, are consistent with the value of the respective properties, based on appraisals recently obtained by the Receiver, which are summarized in Confidential Appendix 1 to the Fifth Report;

- (b) the time, professional fees, interest and risks associated with remarketing the properties could be significant, without any certainty that a higher net purchase price could be achieved;
- (c) the properties have been lived in by the purchasers, and proceeding with the Transactions avoids the time and cost associated with repairing any damage to the properties before remarketing them;
- (d) closing the Transactions with the existing purchasers under the Sale Agreements avoids the need for the Receiver to retain a real estate broker and incur the associated broker commissions;
- (e) in the Receiver's view, it is equitable in the circumstances to avoid having to obtain vacant possession of the residences pursuant to the Disclaimer Orders; and
- (f) Foremost consents to the Transactions.

Distributions to Foremost

- 18. Foremost is the principal secured creditor of Lerrato and Barakaa has first in time mortgage registered on title to the each of the Transaction properties pursuant to the Foremost Mortgages. The Receiver's counsel, DLA Piper (Canada) LLP, has provided the Receiver with its opinion confirming the validity and enforceability of the Foremost Mortgages.
- 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 Mortgages 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.

Sealing

- 20. The Receiver recommends that Confidential Appendix "1" be sealed until the later of a further order of the Court or closing of the Transactions. The only sealed information relates to the appraised values of the three properties. The Receiver believes making the appraised values

publicly available prior to closing the Transactions may negatively impact any future sale process if the Transactions are not approved by the Court or if one or more of them do not close. This approach is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25.

21. such further and other grounds as set out in the Fifth Report; and
22. 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 Fifth Report; and
- (b) such further and other material as counsel may advise and this Honourable Court may allow.

November 24, 2025

DLA PIPER (CANADA) LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 5100
Toronto, ON M5H 2R2

Edmond Lamek (LSO No. 33338U)
Tel: (416) 365-3444
Cell: (416) 579-1871
Email: edmond.lamek@dlapiper.com

Lawyers for the Receiver

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

DLA PIPER (CANADA) LLP
Suite 5100, Bay Adelaide - West Tower
333 Bay Street
Toronto, ON M5H 2R2

Edmond Lamek (LSO No. 33338U)
Tel.: (416) 365-4444
Email: edmond.lamek@dlapiper.com

Lawyers for the Receiver

TAB 2

**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**

**SERVICE LIST
(November 24, 2025)**

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646.4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Dillon Gohil (LSO#89738M)
Tel: 416.646.6353
dillon.gohil@paliareroland.com

**Lawyers for Foremost Mortgage Holding
Corporation**

TO: **Chaitons LLP**
5000 Yonge Street
North York, ON M2N 7E9

Harvey Chaiton
Tel: 416-218-1129
Email: Harvey@chaitons.com

Danish Afroz
Tel: 416.218.1137
Email: dafroz@chaitons.com

**Lawyers for the Respondents, 2145499 Ontario Inc.,
Barakaa Developer Inc. and Lerrato Inc.**

AND TO: **KSV Restructuring Inc.**
220 Bay St. Suite 1300
Toronto, ON M5J 2W4

Bobby Kofman
Tel: 416-932-6228
Email: bkofman@ksvadvisory.com

Ben Luder
Tel: 416-953-9421
Email: bluder@ksvadvisory.com

Court Appointed Receiver

AND TO: **DLA Piper (Canada) LLP**
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St. W.
Toronto, ON M5X 1E2

Edmond Lamek
Tel: 416-365-3444
Email: edmond.lamek@dlapiper.com

**Lawyers for the Receiver,
KSV Restructuring Inc.**

AND TO: **BERKOW YOUD LEV-FARRELL DAS LLP**
141 Adelaide Street West, Suite 400
Toronto, ON M5H 3L5

Peter Smiley
Email: psmiley@byldlaw.com

Ranjan Das
Email: rdas@byldlaw.com

John Jeyaratnam
Email: jjeyaratnam@byldlaw.com

Lawyers for Sanjive Joshi

AND TO: **FIJ Law LLP**
Barristers & Solicitors
50 West Pearce Street, Suite 10
Richmond Hill, ON L4B1C5
Fax: +1 (905) 763 3772

Ryan Hanna (LSO #55536V)
Email: rhanna@fijlaw.com
Office: +1 (905) 763-3770 x250

**Lawyers for BIP Management Corporation
and Galidan Inc. (re: Joshi litigation)**

AND TO: **BIP MANAGEMENT CORPORATION**

Boris Piesok, Trustee
Tel: (289) 553-4838
Email: piesok@hotmail.com

AND TO: **Corporation of the Town of Ajax**
65 Harwood Avenue S
Ajax, ON L1S 2H9

Email: jessica.ruhl@ajax.ca

AND TO: **City of Richmond Hill**
25 East Beaver Creek Road, Ground Floor
Richmond Hill, ON L4B 3P4

Email: legal@richmondhill.ca

AND TO: **Hans Dhingra and 1417199 Ontario Limited**
dhingrahans@gmail.com

AND TO: **Remax Crossroads Realty Inc.**
8901 Woodbine Avenue, Unit 208,
Markham, ON L3R 9Y4
Attention: Hans Dhingra
dhingrahans@gmail.com
info@topremax.ca

AND TO: **PALLET VALO LLP**
77 City Centre Drive, Suite 300,
Mississauga, ON L5B 1M5

Sarah Rustomji
Email: srustomji@pallettvalo.com
Tel.: (289) 805-3384

Monty Dhaliwal
Email: mdhaliwal@pallettvalo.com
Tel.: (289) 805-3921

Lawyers for the 23 Madison Purchasers

AND TO: **Muhammed Jehanzeb Agha (369 Porte Purchaser)**
369 Porte Road, Ajax, ON
mjagha79@gmail.com

AND TO: **INTIZAR ALI**
intizar@barristerslinks.com

Lawyer for Muhammed Jehanzeb Agha

ROHOMAN & MOHAMMED LLP
885 Progress Avenue, Suite LPH5

Toronto, Ontario
M1H 3G3

Allan Mohammed

Tel: 416.878.6168

Email: allanmohammed@gmail.com

**Lawyers for Rohitkumar M. Patel and Arvindaben R. Patel
(377 Porte Purchasers)**

E-SERVICE LIST

Harvey@chaitons.com; dafroz@chaitons.com; bkofman@ksvadisory.com;
bluder@ksvadisory.com; edmond.lamek@dlapiper.com; jessica.ruhl@ajax.ca;
ryan.shah@paliareroland.com; jeff.larry@paliareroland.com; legal@richmondhill.ca;
dillon.gohil@paliareroland.com; jjeyaratnam@byldlaw.com; rdas@byldlaw.com;
psmiley@byldlaw.com; rhanna@fijlaw.com; dafroz@chaitons.com; piesok@hotmail.com;
dhingraahans@gmail.com ; srustomji@pallettvalo.com; mdhalwal@pallettvalo.com;
wilson58@rogers.com; allanmohammed@gmail.com; intizar@barristerslinks.com

TAB 3

November 24, 2025

**Fifth 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.**

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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**

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

NOVEMBER 24, 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 pursuant to the Receiver's Borrowing Charge, as defined in the Receivership Order. In addition to its outstanding mortgages discussed below, Foremost is presently owed approximately \$1.43 million under the Receiver's Borrowing Charge. The Receiver's Borrowing Charge ranks senior to all other security interests registered against the Receivership Assets, except for the Receiver's Charge, in respect of the Receiver's fees and expenses, including costs of its legal counsel.¹
4. Pursuant to an order of the Court made on March 24, 2025, the Receiver completed the sale of a home built by Barakaa located at 25 Madison Avenue, Richmond Hill ("**25 Madison**").
5. Following a motion heard on June 13, 2025, the Court issued: (i) Approval and Vesting Orders which authorized the Receiver to complete the sales of three homes built by Lerrato located at 371 Porte, 373 Porte and 375 Porte Road, Ajax (the "**Completed Porte Sales**"); and (ii) an Ancillary Order which, among other things, authorized the Receiver to make one or more distributions to Foremost from the proceeds of the Completed Porte Sales and approved the Receiver's Third Report to Court dated May 30, 2025 (the "**Third Report**") and the Receiver's activities described therein. Each of the Completed Porte Sales closed within a few days of the issuance of the AVOs referenced above.
6. Following motions heard on October 7, 2025 and October 10, 2025 (the "**Disclaimer Motions**"), the Court issued Orders which, among other things:
 - i. authorized and approved the disclaimer by the Receiver of the agreements of purchase and sale dated August 12, 2022 and May 23, 2024 (together, the "**369 Porte APS**") between Lerrato, as vendor, and Muhammed Jehanzeb Agha (the "**369 Porte Purchaser**"), as purchaser, pursuant to which the 369 Porte Purchaser agreed to purchase the land and building known municipally as 369 Porte Road, Ajax, Ontario ("**369 Porte**"), and the chattels listed in the 369 Porte APS. (Only Part 1);
 - ii. authorized and approved the disclaimer by the Receiver of the agreements of purchase and sale dated August 12, 2022 and May 14, 2024 (together, the "**377 Porte APS**") between Lerrato, as vendor, and Rohitkumar M. Patel and Arvindaben R. Patel (the "**377 Porte Purchasers**"), as purchasers, pursuant to which the 377 Porte Purchasers agreed to purchase the land and building known municipally as 377 Porte Road, Ajax, Ontario ("**377 Porte**"), and the chattels listed in the 377 Porte APS;
 - iii. authorized and approved the disclaimer by the Receiver of the agreement of purchase and sale dated October 29, 2023 (the "**23 Madison APS**") between Barakaa, as seller, and Mohammed Alsharafi and Fatima Jeddi (the "**23 Madison Purchasers**"), as purchasers, pursuant to which the 23 Madison Purchasers agreed to purchase the land and building known municipally as 23 Madison Avenue, Richmond Hill, Ontario ("**23 Madison**"), and the chattels listed in the 23 Madison APS, as amended by: (i) an Amendment dated January 9, 2024 extending the closing date to February 9, 2024, and (ii) a Second Amendment dated February 9, 2024 pursuant to which, *inter alia*, the 23 Madison Purchasers agreed to pay additional deposits to Barakaa in the aggregate amount of \$500,000 by February

¹ To the extent applicable, the Receiver will allocate amounts borrowed under the Receiver's Borrowing Charge, when and if recoveries are available to do so.

16, 2024, and Barakaa agreed to give possession of 23 Madison on February 17, 2024 to the 23 Madison Purchasers; and

- iv. ordered that the Receiver is entitled to vacant possession of 369 Porte, 377 Porte and 23 Madison (the “**Remaining Residential Properties**”) and requiring the 369 Porte Purchaser, 377 Porte Purchasers and 23 Madison Purchasers, or any other occupants of 369 Porte, 377 Porte and 23 Madison, to vacate those properties by no later than 4:00 pm on the date that is:
 - a) for 369 Porte, 45 days after the issuance of a notice by the Receiver (the “**Notice of Disclaimer and Vacant Possession**”); and
 - b) for 377 Porte and 23 Madison, 30 days after the issuance of the Notice of Disclaimer and Vacant Possession.
- 7. The Receiver delivered Notices of Disclaimer and Vacant Possession to the 369 Porte Purchaser and the 377 Porte Purchaser on October 9 and October 28, 2025, respectively. The Receiver delivered a notice of disclaimer (but not vacant possession) to the 23 Madison Purchasers on October 10, 2025.
- 8. Following the Disclaimer Motions, the Receiver negotiated alternative transactions with each of the 23 Madison Purchasers, the 377 Porte Purchasers and the 369 Porte Purchaser. This report (the “**Fifth Report**”) deals with those transactions, as detailed below.

1.1 Purposes of this Fifth Report

- 1. The purposes of this Fifth Report are to:
 - a) provide background information about these proceedings;
 - b) summarize the following recommended transactions (the “**Transactions**”):
 - i. the sale (the “**369 Porte Transaction**”) contemplated by the Agreement of Purchase and Sale dated November 21, 2025, between the Receiver, as vendor, and the 369 Porte Purchaser, as purchaser (the “**369 Porte Sale Agreement**”), pursuant to which the 369 Porte Purchaser has agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 369 Porte Road, Ajax, Ontario and the chattels listed in the 369 Porte Sale Agreement, which include both Part 1 and Part 6 on Reference Plan No. 40R30173 (collectively, the “**369 Porte Purchased Assets**”);
 - ii. the sale (the “**377 Porte Transaction**”) contemplated by the Amending Agreement dated November 24, 2025 between the Receiver, as vendor, the 377 Porte Purchasers, amending the Agreement of Purchase and Sale dated August 12, 2022 and May 14, 2024 between Lerrato, as vendor, and the 377 Porte Purchasers, as purchasers (together, the “**377 Porte Sale Agreement**”), pursuant to which the 377 Porte Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 377 Porte Road, Ajax, Ontario and the chattels listed in the 377 Porte Sale Agreement (collectively, the “**377 Porte Purchased Assets**”); and

- iii. the transaction (the “**23 Madison Transaction**”) contemplated by the Agreement of Purchase and Sale dated November 20, 2025 between the Receiver, as vendor, the 23 Madison Purchasers, as purchasers, amending the Agreement of Purchase and Sale dated October 29, 2023 between Barakaa, as vendor, and the 23 Madison Purchasers, as purchasers (together, the “**23 Madison Sale Agreement**”), pursuant to which the 23 Madison Purchasers have agreed to purchase, and the Receiver has agreed to sell, the land and building known municipally as 23 Madison Avenue, Richmond Hill, Ontario and the chattels listed in the Sale Agreement (collectively, the “**23 Madison Purchased Assets**”); and
 - c) recommend that the Court issue:
 - i. an Approval and Vesting Order substantially in the form attached at Tab 5 of the Motion Record (the “**369 Porte AVO**”) approving the 369 Porte Transaction, authorizing the Receiver to complete the 369 Porte Transaction, and vesting the 369 Porte Purchased Assets in the 369 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 369 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 369 Porte AVO;
 - ii. an Approval and Vesting Order substantially in the form attached at Tab 6 of the Motion Record (the “**377 Porte AVO**”) approving the 377 Porte Transaction, authorizing the Receiver to complete the 377 Porte Transaction, and vesting the 377 Porte Purchased Assets in the 377 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 377 Porte Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 377 Porte AVO;
 - iii. an Approval and Vesting Order substantially in the form attached at Tab 7 of the Motion Record (the “**23 Madison AVO**”) approving the 23 Madison Transaction, authorizing the Receiver to complete the 23 Madison Transaction, and vesting the 23 Madison Purchased Assets in the 23 Madison 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 23 Madison Sale Agreement), estates, rights and claims upon delivery by the Receiver of a certificate in the form attached as Schedule “A” to the 23 Madison AVO; and
 - iv. an Order substantially in the form attached at Tab 4 of the Motion Record: (a) 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 Orders of Justice Kimmel dated February 3, 2025 and Justice Myers dated October 10, 2025, (b) sealing the Appraised Values (as defined below) at **Confidential Appendix “1”**, and (c) approving this Fifth Report and the Receiver’s activities described herein.

1.2 Currency

1. All currency references in this Report are in Canadian dollars.

1.3 Restrictions

1. In preparing this Fifth 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) representatives of Foremost, and its legal counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”); and
 - c) the 369 Porte Purchaser, 377 Porte Purchasers and 23 Madison Purchasers and their legal counsel.
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

1. Lerrato and Barakaa are real estate development companies controlled by Mr. Jhaveri and his wife, Niketa Wadia.

2.1 Lerrato

1. 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 is a three metre by three metre rear lot catch basin abutting the rear corner of the 369 Porte Road property (“**Porte Part 6**”), which is being included in the Receiver’s sale to the 369 Porte Purchaser.
2. 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 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.
3. The municipal addresses of the five residential Lerrato Properties are 369 Porte Road, 371 Porte Road, 373 Porte Road, 375 Porte Road and 377 Porte Road.
4. As of the date of the Receivership Order, all five Lerrato Properties’ residences were subject to agreements of purchase and sale with Lerrato (each a “**Lerrato APS**” and collectively the “**Lerrato APSs**”), which did not close prior to these receivership proceedings. As noted above, the Receiver closed the Completed Porte Sales in June 2025.

5. Each purchaser of a Lerrato property paid one or more deposits to Lerrato, and in some cases, made payments to other Jhaveri-related entities or persons. Mr Jhaveri has confirmed that none of the Lerrato purchaser deposits were held in trust pending closing. The aggregate amounts of the deposits paid by the Lerrato purchasers exceeded a market deposit, except for the deposit paid by 369 Porte Purchaser, who paid a market deposit. A summary of the purchase price in the Lerrato APSs and the deposits² claimed to have been paid by each Lerrato property purchaser is provided below.

(\$)	369	371	373	375	377
Purchase Price	1,300,000	950,000	925,000	950,000	1,300,000
Claimed Deposits	(150,000)	(355,000)	(505,000)	(205,000)	(679,949 ³)
Other adjustments	31,135	24,405	24,400	24,405	31,135
Remaining 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, before interest, fees and other costs, which continue to accrue.

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

7. The Completed Porte Sales generated proceeds of \$2.75 million, of which \$2 million was distributed to Foremost. Of this amount, approximately \$129,000, was used to repay Lerrato-specific advances by Foremost under Receiver’s Certificates, and the balance, approximately \$1.871 million, was used to partially repay Foremost’s mortgages on the Lerrato Properties. Accordingly, as of the date of this Fifth Report, the Lerrato debt owing to Foremost is approximately \$1.28 million, before interest, fees and other costs.
8. The mortgages registered on title to the Lerrato Properties (excluding the Joshi Parties’ mortgages) are registered on title to each of the Lerrato Properties.
9. 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”**.
10. The Receiver has been advised by Mr. Jhaveri that none of the deposits received from the respective Lerrato purchasers were used by Mr. Jhaveri or Lerrato to pay down the Foremost mortgage, BIP mortgage or Joshi Parties’ mortgages registered against the Lerrato Properties.

² The Receiver notes that significant portions of the “deposits” paid by the 377 Porte Purchaser were: (i) paid to the Principals or other entities; and/or (ii) paid long before the date of the 377 Porte APS.

³ This amount is disputed by Mr. Jhaveri who has advised the Receiver that only \$150,000 of the \$679,949 were deposits in respect of 377 Porte, and other amounts were either for upgrades in addition to the purchase price, or unrelated to 377 Porte, given the various dealings between the 377 Porte Purchasers and Mr. Javeri and his companies.

11. As set out in the First Report dated January 20, 2025 (see **Appendix “C”**), 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 those assets. It was originally 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. However, since the commencement of these proceedings numerous other issues have come to the Receiver’s attention concerning the mismanagement and poor state of construction of the Receivership Assets that have prevented their salability, including, in the case of the Remaining Residential Properties, the use by Mr. Jhaveri of the purchaser deposits for purposes other than paying down the mortgages registered on title to the Receivership Assets. This resulted in disputes with the purchasers of the Remaining Residential Properties as to amounts required to close their respective transactions, which was further complicated by the fact that each of the purchasers of the Remaining Residential Properties was permitted to occupy their property in advance of closing.

2.2 Barakaa

1. Barakaa is a real estate development corporation, which is also controlled by Mr. Jhaveri and his wife.
2. Among other real property owned by Barakaa, Barakaa built three homes in Richmond Hill, Ontario: 19 Madison Avenue (“**19 Madison**”), 23 Madison Avenue, and 25 Madison Avenue (collectively, the “**Madison Properties**”).
3. On or around June 24, 2022, Foremost Financial Corporation (“**FFC**”), an affiliate of Foremost, and Barakaa entered into a credit agreement pursuant to which FFC advanced \$4,133,000 to Barakaa. The FFC loan was subsequently assigned to Foremost. The loan was secured by, *inter alia*, mortgages registered on title to the Madison Properties (the “**Foremost Madison Mortgage**”).
4. In addition to the Foremost Madison Mortgage, the Madison Properties are subject to a mortgage in favour of BIP in the initial principal amount of \$1,500,000, and a mortgage in favour of 1417199 Ontario Limited (“**141 Ontario**”) in the initial principal amount of \$750,000, which is postponed to BIP, and ranks after the Foremost Mortgage.
5. Prior to these receivership proceedings, in January 2024, Foremost, BIP and 141 Ontario each agreed to discharge their mortgages over 19 Madison in connection with the sale of that property by Barakaa, resulting in the following payments on account of their respective mortgage indebtedness at the time: a) \$1,421,191 to Foremost; b) \$353,917 to BIP; and c) \$353,287 to 141 Ontario.
6. In addition to the Madison Properties, Barakaa owns five other properties in Ontario which are not subject to these receivership proceedings or the Foremost, BIP or 141 Ontario Mortgages referenced above.

7. The table below summarizes the amounts owing under the mortgages registered on title to the Madison Properties as of the date of the Receivership Order. The amounts in the table are net of the proceeds that each mortgagee received from the sale of 19 Madison, but before interest, fees and costs that have continued to accrue since the date of the Receivership Order.

Secured Party	(\$000)
Foremost	2,753
BIP	1,150
141 Ontario	400
Joshi Parties	5,000
Total	9,303

8. On April 1, 2025, the Receiver completed the sale of 25 Madison. The net proceeds from the sale of 25 Madison (approximately \$1.33 million) have been distributed to Foremost⁴, such that Barakaa's indebtedness now owing to Foremost under its mortgage is approximately \$1.4 million, again, before interest, fees and costs which continue to accrue, and subordinate to the amounts secured by the Receiver's Borrowing Charge.

3.0 The Transactions

1. Following the Disclaimer Motions, the Receiver negotiated transactions for the Remaining Residential Properties, each of which is summarized below.

3.1 369 and 377 Porte

1. The Receiver has agreed with the 369 Porte Purchaser and the 377 Porte Purchasers to sale transaction terms set out in the 369 Porte Sale Agreement and the 377 Porte Sale Agreement, respectively. A copy of the 369 Porte Sale Agreement executed by the Receiver is attached as **Appendix "D"** and a copy of the fully executed 377 Porte Sale Agreement is provided in **Appendix "E"**. As of the date of this Fifth Report, the Receiver was awaiting the signature of the 369 Porte Purchaser on the 369 Porte Sale Agreement, but the Receiver understands that it has agreed to the terms of the 369 Porte Sale Agreement. The Receiver will provide the Court with a copy of the signed 369 Porte Sale Agreement on the return of the motion. The key terms of these transactions are provided below.

	369 Porte	377 Porte
Vendor	Receiver	
Purchaser	Muhammed Jehanzeb Agha	Rohitkumar M. Patel and Arvindaben R. Patel
Purchased Assets	All right, title and interest of Lerrato in and to the respective property and the chattels therein as set out in the 369 Porte Sale Agreement and the 377 Porte Sale Agreement, as applicable.	
Purchase Price	\$1,025,000	\$925,000
Deposit Credit	-	-

⁴ A material portion of these proceeds was used to repay borrowing secured by the Receiver's Borrowing Charge allocated to Barakaa.

Non-Refundable Deposit	\$75,000, which has been paid to the Receiver	-
Excluded Liabilities	<p>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.</p> <p>The 369 Porte Purchaser has agreed to the payment/adjustment of \$3,336.56 to the Receiver in reimbursement of Foremost's payment of that amount on account of 2024 property taxes on 369 Porte. The 369 Porte Purchaser will assume and be responsible for the unpaid balance of 2024 property taxes, all 2025 property taxes in respect of 369 Porte Part 1, and the 2025 property taxes for Part 6 (and all associated penalties and interest on each of the assumed property tax amounts).</p> <p>The 377 Porte Purchasers have agreed to assume the liability and obligation for payment of property taxes (and associated interest and penalties) on 377 Porte from January 1, 2025 onward.</p>	
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	<p>By January 30, 2026.</p> <p>If the 369 Porte Purchaser is unable to close the transaction by the Closing Date, the Notice of Disclaimer will take immediate effect and the 369 Porte Purchaser will be required to vacate the 369 Porte dwelling by no later than January 30, 2026.</p>	Ten days after Court approval or next business day if a Holiday.

3.2 23 Madison

1. Similarly, the Receiver has agreed with the 23 Madison Purchasers to the terms of a 23 Madison sale transaction as reflected in the terms of the 23 Madison Sale Agreement, a copy of which is provided as **Appendix "F"**. The key terms of this transaction are provided below.

	23 Madison
Vendor	Receiver
Purchaser	Mohammed Alsharafi and Fatima Jeddi
Purchased Assets	All right, title and interest of Barakaa in and to the respective property and the chattels therein as set out in the APS.
Purchase Price	\$2,241,500
Deposit Credit	-
Non-Refundable Deposit	-

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	December 18, 2025 or such other date as may be agreed to by the parties.

3.3 Recommendation

1. The Receiver recommends that 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 to remarket the properties, costs to repair each home into saleable condition (as each is presently occupied by the respective purchaser), the current state of the residential market and realtor commissions;
 - b) the Receiver is satisfied that the value of the Transactions is consistent with the value of the Remaining Residential Properties, based on appraisals recently obtained by the Receiver (the “**Appraised Values**”), which are provided in Confidential Appendix “1”. The Receiver’s rationale for seeking an order sealing this information is provided in Section 3.4 below;
 - c) the Remaining Residential Properties have been lived in by their respective purchasers, and proceeding with the Transactions avoids the purchasers vacating their respective properties pursuant to the Notices of Disclaimer and Vacant Possession issued by the Receiver;
 - d) the Transactions are unconditional other than Court approval; and
 - e) Foremost consents to each of the Transactions.

3.4 Sealing

1. The Receiver recommends that Confidential Appendix “1” be sealed until the later of a further order of the Court or closing of the Transactions. The only sealed information relates to the appraised values of the Remaining Residential Properties.
2. The Receiver believes making the appraised values publicly available prior to closing the Transactions may negatively impact any future sale process for the Remaining Residential Properties if the Transactions are not approved by the Court, or if one or more of them do not close.
3. The Receiver is of the view that the sealing of Confidential Appendix “1” is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing of the Confidential Appendix is appropriate in the circumstances.

4.0 Distribution

1. Foremost holds the senior mortgages registered on title to the Remaining Residential Properties.
2. Based on an opinion dated March 11, 2025 from the Receiver's counsel, DLA Piper (Canada) LLP ("**DLA**"), confirming the validity and enforceability of the Foremost Mortgages over the Lerrato and Barakaa properties, the Receiver is seeking the Court's approval to make distributions to Foremost up to the amount of Foremost's mortgage debts on the Remaining Residential 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 discussed above, Foremost is currently owed approximately \$1.43 million under the Receiver's Borrowing Charge. A portion of the amounts distributed to Foremost will be in respect of advances under the Receiver's Certificates. The Receiver will report to Court in this regard in due course.

5.0 Receiver's Activities

1. In addition to the activities described in this Fifth Report, since the date of the Third Report, the Receiver's activities have included:

General

- a) Corresponding with the Principals and their legal counsel regarding an HST refund payable to Lerrato that was diverted to other entities owned by the Principals;
- b) corresponding with Foremost, Paliare and DLA regarding, among other things, all aspects of the receivership and the sale of the Receivership Assets;
- c) negotiating the Transactions;
- d) responding to questions from mortgagees regarding these proceedings;
- e) corresponding with the Principals to obtain information concerning the Receivership Assets;
- f) arranging to secure and maintain the Receivership Assets, including insuring same;
- g) filing quarterly HST returns with Canada Revenue Agency;
- h) preparing the Receiver's Fourth Report to Court dated August 7, 2025, the Supplement to the Fourth Report dated October 8, 2025 and this Fifth Report;

Lerrato

- a) corresponding with the purchasers of the Remaining Porte Properties and their legal counsel regarding the Transactions;
- b) obtaining appraisals for the Remaining Porte Properties;

Barakaa

- a) corresponding with the 23 Madison Purchasers and their legal counsel regarding the Transactions;
- b) obtaining an appraisal for 23 Madison;
- c) corresponding with RE/MAX Crossroads Realty Inc., Brokerage, the listing agent for 23 Madison, regarding the return of the deposit held in trust under the 23 Madison APS to the 23 Madison Purchasers;

214⁵

- a) engaging with a construction manager to complete the development;
- b) corresponding with Elexicon Energy Inc. regarding the installation of an electrical transformer for the development;
- c) 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. ("**Groundswell**"), the planner;
 - iv. NIA Architects Inc., the architect;
 - v. Jain Infrastructure Consultants Ltd., the civil engineer; and
 - vi. J.D. Barnes Limited, the surveyor;
- d) working with KMB and Groundswell to complete the draft condominium plan required to register the condominium;
- e) corresponding with the Town of Ajax regarding the status of the development;
- f) dealing with remediation of the site due to the state of the workmanship on the Doric development;
- g) corresponding with Tarion Warranty Corporation;
- h) corresponding with the Home Construction Regulatory Authority ("**HCRA**") regarding the status of the development; and
- i) renewing 214's HCRA license.

⁵ This is a 10-unit condominium located in Ajax, Ontario that is under construction.

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 Fifth 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)
	PALIARE ROLAND ROSENBERG ROTHSTEIN LLP 155 Wellington Street West, 35 th Floor Toronto, ON M5V 3H1 Fax: (416) 646-4301 Jeffrey Larry (LSO#44608D) Tel: (416) 646-4330 jeff.larry@paliareroland.com Ryan Shah (LSO# 88250C) Tel: 416.646.6356 ryan.shah@paliareroland.com Dillon Gohil (LSO#89738M) Tel: 416.646.6353 dillon.gohil@paliareroland.com 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

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9
Harvey Chaiton
LSO No. 21592F
Tel: (416) 218-1129
Email: Harvey@chaitons.com

Stephen Schwartz
LSO No. 25980A
Tel: (416) 218-1132
Email: Stephen@chaitons.com

Darren Marr
LSO No. 79660G
Tel: (416) 218-1136
Email: Dmarr@chaitons.com

Lawyers for the Defendants (Plaintiff by Counterclaim)

Appendix “C”

January 20, 2025

**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.**

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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 AMENDEDFIRST 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 “**Elexicon Contract**”) with Elexicon Energy Inc. (“**Elexicon**”). Elexicon’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”

AGREEMENT OF PURCHASE AND SALE

MUHAMMED JEHANZEB AGHA, as purchaser

and

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager of, *inter alia*, the Property (as hereinafter defined) and not in its personal or corporate capacity, as seller.

November 24, 2025

THIS AGREEMENT is made as of the 25th day of November, 2025.

B E T W E E N:

MUHAMMED JEHANZEB AGHA

(hereinafter referred to as the “**Purchaser**”)

AND:

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity of, *inter alia*, the Property (as hereinafter defined), including all proceeds thereof

(hereinafter referred to as the “**Seller**”)

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 21, 2024, in the proceeding bearing Court file number CV-24-00724076-00CL, KSV Restructuring Inc. was appointed as receiver and manager, without security, of *inter alia*, real properties listed in Appendix “A” of the Receivership Order, including all proceeds thereof (the “**Receivership Order**”);

AND WHEREAS Lerrato is the owner of the Property;

AND WHEREAS the Purchaser has been in occupation of the Property since approximately January 1, 2024 pursuant to a License to Occupy dated as of January 1, 2024 between Lerrato and the Purchaser (the “**Occupancy License**”).

AND WHEREAS the Seller desires to sell to the Purchaser and the Purchaser desires to purchase from the Seller the Purchased Assets (as defined herein) in accordance with the terms of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and the Purchaser agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Adjustments**” has the meaning set out in Section 2.7.

“**Business Day**” means any day, other than a Saturday or a Sunday, on which commercial banks in Toronto, Ontario, are open for business during normal banking hours;

“**Closing**” means the closing of the Transaction, including the satisfaction of the Purchase Price and the delivery of the Closing Deliveries on the Closing Date;

“**Closing Date**” means the day that is no later than [ten days (10)] after the date on which the Court grants the Sale Approval and Vesting Order (or such earlier day after the Court grants the Sale Approval and Vesting Order that is agreed to by the parties), provided that if such day is not a Business Day, then the Closing Date shall be the next following Business Day;

“**Closing Deliveries**” means the agreements, instruments and other documents to be delivered by the Seller to the Purchaser pursuant to Section 3.2 and the agreements, instruments, money and other documents to be delivered by the Purchaser to the Seller pursuant to Section 3.3;

“**Court**” has the meaning set out in the Recitals to this Agreement;

“**Deposit**” means the sum of Seventy-Five Thousand Dollars (\$75,000.00) held by the Seller on and subject to the terms set out in Section 7.2 hereof.

“**Dwelling**” means the residential home constructed on the Property;

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing;

“**Excluded Assets**” means any assets of Lerrato other than the Purchased Assets;

“**Governmental Authority**” means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

“**HST**” means all taxes payable under the *Excise Tax Act* (Canada), including goods and services taxes and any harmonized sales taxes in applicable provinces, or under any provincial legislation similar to the *Excise Tax Act* (Canada), and any reference to a specific provision of the *Excise Tax Act* (Canada) or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

“Outside Date” means the day that is the latter of: (i) twenty (20) days after the date on which the Court grants the Sale Approval and Vesting Order; and (ii) January 30, 2026, or such other date as agreed to by the parties;

“Permitted Encumbrances” means all those Encumbrances described in Schedule “A” hereto;

“Property” means the lands and premises municipally known as 369 Porte Road, Ajax, Ontario, and legally described as Firstly: Pt Lt 6 Con 1, Pt 1 R0R30173; S/T Easement as in PL31742; Town of Ajax, Being PIN 26454-0553 (LT) (**“Part One”**), and Secondly: Pt Lt 6 Con 1, Pt 6 40R30173; Pickering; Town of Ajax, being PIN 26454-0558 (LT) (**“Part Six”**);

“Purchase Price” has the meaning set out in Section 2.2;

“Purchased Assets” means all of the right, title and interest of Lerrato in and to the Property together with all chattels, fixtures and improvements located in or on the Property;

“Sale Approval and Vesting Order” means an order of the Court, in form and substance satisfactory to the Seller and the Purchaser, acting reasonably, approving this Agreement and vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all Encumbrances other than Permitted Encumbrances; and

“Transaction” means the transaction of purchase and sale contemplated by this Agreement.

1.2 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian currency.

1.3 Sections and Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or Schedule refers to the specified Article, Section or Schedule of or to this Agreement.

1.4 Number, Gender and Persons

In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 Interpretation of Certain Non-Capitalized Terms

The word **“including”** means including without limitation.

1.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.7 Time of Essence

Time shall be of the essence of this Agreement.

1.8 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

1.9 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

The Seller hereby agrees to sell the Purchased Assets to the Purchaser and the Purchaser hereby agree to purchase the Purchased Assets from the Seller in consideration of the payment of the Purchase Price on the Closing Date, on the terms and subject to the conditions set out in this Agreement.

2.2 Excluded Assets

The Seller shall not sell to the Purchaser and the Purchaser shall not purchase from the Seller any assets other than the specifically enumerated Purchased Assets (collectively, the “Excluded Assets”).

2.3 Purchase Price.

The purchase price payable by the Purchaser to the Seller for the Purchased Assets shall be the amount of \$1,025,000.00 (the “**Purchase Price**”), inclusive of Harmonized Sales Tax (“**HST**”), subject to Adjustments.

2.4 Satisfaction of Purchase Price

The Purchase Price shall be satisfied on Closing by; (i) the application of the Deposit by the Seller against the Purchase Price and (ii) by the Purchaser delivering by way of wire transfer of immediately available funds to an account designated in writing by the Seller the balance of the Purchase Price and Adjustments (the “**Closing Consideration**”).

2.5 Registration and Transfer Taxes

The Seller and the Purchaser shall each be responsible for the costs of their respective solicitors. The Purchaser shall be responsible, if applicable, for all sales and transfer taxes other than HST which is included in the Purchase Price, payable in connection with the sale and transfer of the Purchased Assets pursuant to this Agreement. The Purchaser shall be responsible for registration fees payable, if any, in connection with the registration of the Sale Approval and Vesting Order and discharges of any Encumbrances.

2.6 Property Tax, Refunds and Rebates

In accordance with the Occupancy License, the Purchaser is responsible for the payment (or reimbursement if paid) of all property taxes applicable to Part One during the period of his occupancy. The Purchaser acknowledges and confirms that he has made no payments to Lerrato, the Town of Ajax or any other person on account of property taxes applicable to Part One for the period from January 1, 2024 to the date of this Agreement. (the “**Part One Property Tax Obligation**”). Accordingly, the Adjustment shall include and reflect the satisfaction of the Part One Property Tax Obligation, together with all penalties and interest thereon, by the Purchaser as a condition of Closing. Property Taxes in respect of part Six shall be adjusted as of the Closing Date. Any refund or rebate of realty tax relating to the Purchased Assets in respect of the period before the Closing Date (each, a “**Property Tax Refund**”) received after the Closing Date will be property of the Purchaser. To the extent the Seller receives payment or credit on account of any Property Tax Refund, the Seller shall hold such amount in trust for the Purchaser, endorse such amount (without recourse) in favour of the Purchaser and immediately deliver such amounts to the Purchaser. The Purchaser 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.

2.7 Adjustment of Purchase Price.

(a) The Purchase Price shall be adjusted as of Closing in a manner and amount to be agreed upon by the Parties, acting reasonably, including for the Part One Property Tax Obligations owing by the Purchaser including interest and penalties thereon, and Part Six

property taxes, any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale, excluding all utilities, which are wholly for the account of the Purchaser in accordance with the provisions of the Occupancy License.

(b) The Seller shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than three (3) business days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined by the Closing Date, then, and only then an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such agreed upon estimate shall be final and binding, and no further adjustments shall be made post Closing Date.

(c) Notwithstanding the terms of this Agreement and the completion of the transaction contemplated by this Agreement, the Parties acknowledge that the Purchaser is not receiving any Purchase Price credit on closing of the purchase of the Purchase Assets on account of deposits or other amounts that the Purchaser asserts paid to Lerrato, and/or certain of its directors, officers, shareholders and associated or affiliated corporations.

(d) the Parties acknowledge and agree that, pursuant to this Agreement, the Purchaser is not assigning the Rebate (or any related HST/GST new housing rebate or credit) to the Seller and the Purchaser shall not receive any credit on account of such Rebate on the Statement of Adjustments. The Purchaser may apply directly to the Canada Revenue Agency (“CRA”) or applicable governmental authority having jurisdiction for any such rebate to which it may be entitled (including but not limited to the Rebate), and the Seller shall have no responsibility, liability or obligation to the Purchaser in respect of the Rebate or any other such rebate or any related credits, adjustments or recoveries, whether on Closing or thereafter.

(e) The Purchaser further acknowledges that it shall be responsible for, and the Statement of Adjustments shall reflect, the following specific adjustments in favour of the Seller:

- (i) \$18,000 plus HST representing capped development charges in connection with the construction and development of the Dwelling; and
- (ii) \$1,245 plus HST representing charges for electricity, water and gas meters.

ARTICLE 3

CLOSING AND CLOSING CONDITIONS

3.1 Transfer

Subject to compliance with the terms and conditions hereof, the transfer of possession of the Purchased Assets shall be deemed to take effect, and Closing shall be deemed to

have occurred, upon the delivery of the Receiver's Certificate pursuant to the Sale Approval and Vesting Order (and as defined therein).

3.2 Closing Deliveries by Seller

On or before the Closing Date, subject to the provisions of this Agreement, the Seller shall execute (as applicable) and deliver to the Purchaser, each of which shall be in form and substance satisfactory to the Purchaser acting reasonably:

- (a) a receipt for the satisfaction of the Purchase Price;
- (b) a direction regarding funds directing the party to which the balance of the Purchase Price shall be paid;
- (c) a statement of adjustments in form and substance satisfactory to the Purchaser, acting reasonably;
- (d) a copy of the issued and entered Sale Approval and Vesting Order;
- (e) the Document Registration Agreement;
- (f) an application for vesting in Teraview in accordance with the Purchaser's direction regarding title;
- (g) a certificate of an officer of the Seller confirming that all conditions to Closing in its favour are either satisfied or waived; and
- (h) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

3.3 Closing Deliveries by the Purchaser

On or before the Closing Date, subject to the provisions of this Agreement, the Purchaser shall execute (as applicable) and deliver to the Seller, each of which shall be in form and substance satisfactory to the Seller acting reasonably:

- (a) the Closing Consideration;
- (b) the Document Registration Agreement;
- (c) a certificate of the Purchaser confirming that all conditions to Closing in its favour are either satisfied or waived; and
- (d) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

3.4 Further Assurances

Each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

3.5 Electronic Registration

If electronic registration of documents at the applicable land registry office is mandatory on the Closing Date, or is optional and is requested by the Purchaser, the following terms shall form part of this Agreement:

- a) the Seller and the Purchaser shall each authorize and instruct their respective legal counsel to enter into an escrow closing agreement in the form mandated by the Law Society of Ontario, subject to such reasonable amendments as such legal counsel or the circumstances of the Transaction may require, establishing the procedures and timing for completion of the Transaction (the “**Document Registration Agreement**”);
- b) the delivery and exchange of documents and funds and the release thereof to the Seller and the Purchaser, as the case may be:
 - i. shall not occur contemporaneously with the registration of the transfer; and
 - ii. shall be governed by the Document Registration Agreement, pursuant to which the lawyer receiving the documents and/or funds will be required to hold the same in escrow and will not be entitled to release the same except in accordance with the provisions of the Document Registration Agreement.

3.6 Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser’s solicitors on behalf of the Purchaser and by the Seller’s solicitors on behalf of the Seller and any tender of Closing Documents may be made upon the Seller’s solicitors and the Purchaser’s solicitors, as the case may be.

ARTICLE 4 **CONDITIONS**

4.1 Conditions of Closing in Favour of the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) Representations and Warranties. On Closing, the representations and warranties of the Seller contained in this Agreement shall be true and correct as if made as of the Closing Date;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing shall have been complied with or performed in all material respects; and
- (c) Documents. The Seller shall have delivered the documents referred to in Section 3.2.

4.2 Conditions of Closing in Favour of the Seller

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Seller, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) Representations and Warranties. On Closing, the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if made as of the Closing Date;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing shall have been complied with or performed in all material respects; and
- (c) Documents. The Purchaser shall have made the payments and delivered the documents referred to in Section 3.3.

4.3 Conditions of Closing for the Mutual Benefit of the Seller and Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the mutual benefit of the Seller and the Purchaser, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) Sale Approval and Vesting Order. (i) By no later than fourteen (14) calendar days following the first available Court date thereafter (or such later date as the Seller and the Purchaser may agree in their sole discretion), the Seller shall have obtained the Sale Approval and Vesting Order; and (ii) on Closing, the Sale Approval and Vesting Order shall not have been stayed, varied in any material respect or set aside;
- (b) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby; and
- (c) Injunctions. There shall be in effect no injunction against closing the Transaction entered by a court of competent jurisdiction.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Seller

The Seller represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement:

- (a) the Seller is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada); and
- (b) the Seller has been appointed by the Court as receiver and manager, without security, of the Purchased Assets. Subject only to the entry of the Sale Approval and Vesting Order, (i) it will on Closing have the necessary authority to enter into this Agreement and to carry out the Transaction on the terms and subject to the conditions set out in this Agreement and (ii) this Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller by the Purchaser in accordance with its terms.

5.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Seller that, as of the date of this Agreement, the Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

5.3 Survival

The representations, warranties and certifications of the Seller and the Purchaser contained in this Agreement and in any Closing Deliveries shall merge on Closing and not survive following Closing.

ARTICLE 6

AS IS, WHERE IS SALE

6.1 “As is, Where is”

- (a) The Purchaser acknowledges that the Seller is selling the Purchased Assets on an “as is, where is” basis as they shall exist on the Closing Date and that, as of the date of this Agreement, the Purchaser has completed all of its due diligence in respect of the transaction contemplated by this Agreement and has satisfied itself in all respects as to the Purchased Assets. Any information provided by the Seller to the Purchaser describing the Purchased Assets has been prepared solely for the convenience of prospective Purchaser and is not warranted to be complete, accurate or correct. Unless specifically stated in this Agreement, no representation, warranty, covenant or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given in this Agreement or in any instrument furnished in connection with this Agreement as to

title, outstanding liens, Encumbrances, description, merchantability, value, suitability or marketability thereof or in respect of any other matter or thing whatsoever including, without limitation, the respective rights, titles and interests of the Seller, if any, therein. The Purchaser shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the Transaction.

- (b) The Purchaser further acknowledges that the Dwelling is not enrolled in the New Home Warranties and Protection Plan. 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 Seller 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 Seller and Lerrato in any way affecting this Agreement, the Property other than as expressed herein. Notwithstanding that the Dwelling may be identified by the Home Construction Regulatory Authority (“HCRA”) as being subject to registration under the builder name OSMI Homes Inc., an affiliate of Lerrato, 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 Seller 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 as the ‘builder’ of the Dwelling under the ONHWPA and *New Home Construction Licensing Act*, 2017.
- (c) The Purchaser acknowledges and agrees that the hot water heater/tank is not included in the Purchase Price and is intended to be non-owned and that it shall remain chattel property and shall not be or become a fixture.

ARTICLE 7

TERMINATION

7.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) automatically and without any action or notice by either party, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the Transaction;
- (b) by mutual written consent of the Seller and the Purchaser;

- (c) by either the Seller or the Purchaser if the Closing has not occurred on or before the Outside Date; provided, however, that a party may not exercise such termination right if they are in material breach of their obligations under this Agreement;
- (d) by the Seller, if the Purchaser fails to fulfill any condition set forth in Section 4.2 by the Outside Date and failure has not been waived by the Seller or cured by the Outside Date;
- (e) by the Purchaser, if the Seller fails to fulfill any condition set forth in Section 4.1 by the Outside Date and such failure has not been waived by the Purchaser or cured by the Outside Date; or
- (f) by either, if the conditions set forth in Section 4.3 have not been satisfied by the date specified therein or, if not specified, by the Outside Date.

7.2 Effects of Termination

If this Agreement is terminated pursuant to Section 7.1, except as expressly provided herein, all further rights and obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any party to the other.

In the event that the Agreement is terminated as a result of Sections 7.1(a), (b), (e) or (f), the Deposit shall be promptly returned to the Purchaser and in all other cases, shall be forfeited to the Receiver upon termination.

ARTICLE 8 MISCELLANEOUS

8.1 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or sent by registered mail, charges prepaid, addressed as follows:

- (i) if to the Seller:

KSV Restructuring Inc.
220 Bay Street, 13th Floor PO Box 20
Toronto, Ontario M5J 2W4

Attention: Bobby Kofman
E-Mail: bkofman@ksvadvisory.com

with a copy to, which copy shall not constitute notice:

DLA Piper (Canada) LLP
333 Bay Street, Suite 5100
Toronto, ON M5H 2S7

Attention: Edmond Lamek and Jonathan Born
E-Mail: Edmond.lamek@dlapiper.com;
Jonathan.born@dlapiper.com;

(ii) if to the Purchaser:

Muhammed Jehanzeb Agha
369 Porte Rd
Ajax, Ontario
L1S 0B9
Mjagha79@gmail.com

with a copy to, which copy shall not constitute notice:

Law Office of Intizar Ali
316 – 1200 Markham Road
Toronto, ON M1H 2Y9

Attention: Intizar Ali
E-Mail: intizar@barristerslinks.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 8.1.

8.2 Brokers' or Finders' Fees

The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction or for which the Seller shall have any obligation or liability to pay.

8.3 Enurement and Assignment

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent may be unreasonably withheld or delayed. No assignment by the Purchaser shall relieve the Purchaser from any of its obligations hereunder.

8.4 Amendment and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to by such party in a writing specifically referencing the provision waived.

8.5 Business Days

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

8.6 Independent Legal Advice

Each of the parties hereto acknowledge that they have been afforded the opportunity of receiving independent legal advice concerning this Agreement, and in the event that any party has executed this Agreement without the benefit of independent legal advice, such party hereby waives the right to receive such independent legal advice.

8.7 Planning Act

This Agreement is effective to create an interest in the Property only if the subdivision control provisions of the *Planning Act* (Ontario), as amended, are complied with on or before Closing.

8.8 Non-Registration of Agreement

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or Court order or judgement providing evidence of this Agreement against title to the Property. The Purchaser acknowledges and agrees that the Seller may rely on the terms of this Section 8.8 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Property any of the items set out in this Section 8.8.

8.9 No Personal Liability of the Seller

The Seller is executing this Agreement solely in its capacity as Court-appointed receiver and manager of the Purchased Assets and not in personal or corporate capacity and

none of the Seller, KSV Restructuring Inc. or any of their respective directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof.

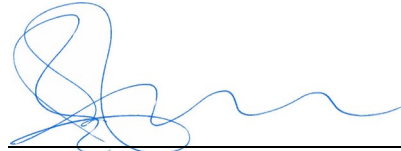
8.10 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

KSV RESTRUCTURING INC., solely
in its capacity as court-appointed
receiver and manager and not in its
personal or corporate capacity of, *inter*
alia, the Property, including all
proceeds thereof

by



Name: Bobby Kofman

Title: President

WITNESS:

MUHAMMED JEHANZEB AGHA

Schedule “A”
Permitted Encumbrances

Permitted Encumbrances with respect to the Property (as defined in the Agreement) means:

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			
DR173568 1	2018/09/17	Notice		Corporation of the Town of Ajax	Lerrato Inc.
DR173840 2	2018/09/26	Transfer		Lerrato Inc	Lerrato Inc.
Part 6 only					
DR240701 4	2025/05/26	Easement		Corporation of the Town of Ajax	Lerrato Inc., by the Receiver

Appendix “E”

AMENDING AGREEMENT

THIS AGREEMENT made as of the 24th day of November, 2025.

BETWEEN:

ROHITKUMAR M. PATEL AND ARVINDABEN R. PATEL

(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 14, 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), for a purchase price of \$1,300,000 inclusive of HST in accordance with the terms and conditions set out in the Purchase Agreement, including a purchase price deposit of \$75,000 (the “Deposit”).

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 an oral arrangement with Lerrato since the date of the Receiver’s appointment;

AND WHEREAS the Purchaser and Vendor have agreed to execute and deliver this Agreement to 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 of the Purchase Agreement is amended to deleted:
“One Million Three Hundred Thousand DOLLARS (\$1,300,000)”
in its entirety and replaced with the following:
“Nine Hundred and Twenty Five Thousand DOLLARS (\$925,000)”

And subsection 1(a) is deleted in its entirety without replacement.

- 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; and
 - g. 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, 21, 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 any lease, license or other similar agreement entered into with respect to the occupancy of the Property prior to the Closing Date.
4. Provided the transaction is completed, the Parties agree that the Vendor shall be responsible for the payment of all real property taxes (which term includes charges, rates and assessments, and other governmental charges or levies) up to and including December 31, 2024 and that the Purchaser shall be responsible for the payment of all such amounts from January 1, 2025 onwards.
5. Notwithstanding the terms of this Agreement and the completion of the transaction contemplated by the Purchase Agreement, the Parties acknowledge that the Purchaser is not receiving any credit on closing of the purchase of the Property representing deposits that the Purchaser claims were paid to Lerrato Inc., and/or certain of its directors, shareholders and associated corporations. This Agreement and the Purchase Agreement are not intended to restrict or otherwise prevent the Purchaser from making claims against Lerrato Inc., its directors, shareholders and associated corporations, as well as submitting a warranty claim to Taron regarding such alleged deposits. For clarity, the Purchaser acknowledges, agrees and confirms that the Vendor makes no representation, warranty or covenant with respect to the existence, validity or enforceability of any such claims.
6. All other terms of the Purchase Agreement shall remain in full force and effect and unamended and time shall remain of the essence hereof.
7. 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

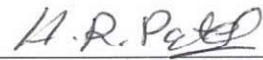

WITNESS:

ALLAN RASHEED MOHAMMED
Barrister, Solicitor & Notary Public
Province of Ontario
Canada


ROHITKUMAR M. PATEL

WITNESS:




ARVINDABEN R. PATEL

ALLAN RASHEED MOHAMMED
Barrister, Solicitor & Notary Public
Province of Ontario
Canada

Part Lot 6, Concession 1, being part 5, Plan 40R30173, Pickering; S/T Easement as in P131742; Town of Ajax [PIN 26454-0553 (LT)]

Townhouse No. 5 at 377 Porte Road, Ajax, Ontario, as shown on the attached Site Plan

AGREEMENT OF PURCHASE AND SALE
(the "Agreement")

1. The undersigned ROHITKUMAR M. PATEL AND ARVINDABEN R. PATEL
(collectively, the "**Purchaser**"), hereby agrees with **LERRATO INC.** (the "**Vendor**") to purchase all and singular the lands and premises in the Town of Ajax, in Durham Region (the "**Municipality**"), presently forming and comprising a portion of those lands described above and as generally described on the site plan attached as Schedule "C" (the "**Real Property**") and on which has been or is to be constructed a dwelling townhome as hereinafter provided (the "**Dwelling**") at the purchase price inclusive of HST of One Million Three Hundred Thousand DOLLARS (\$ 1,300,000.00) of lawful money of Canada (the "**Purchase Price**"), payable as follows:

- (a) by cheque with this offer in the amount of Seventy Five Thousand (\$ 75 000.00) Dollars;
- (b) by cheque with this offer in the amount of _____ (\$ _____) Dollars
dated _____ (____) days from the date of acceptance of this offer;
- (c) by cheque with this offer in the amount of _____ (\$ _____) Dollars
dated _____ (____) days from the date of acceptance of this offer;

to the Vendor or as it may otherwise direct, as deposits (collectively, the “**Deposit**”) and covenants, promises and agrees to pay the balance of the Purchase Price by wire transfer from the trust account of the Purchaser’s solicitor to the Vendor’s solicitors in Trust or as they otherwise direct, on the Closing (as defined in the Tarion Addendum), subject to the adjustments hereinafter set forth.

2. This transaction of purchase and sale is to be completed on the First Tentative Closing Date (as defined in the Statement Of Critical Dates being a part of the Tarion Addendum as hereinafter defined) or such extended or accelerated date established in accordance with the terms of this Agreement including, without limitation, the Tarion Addendum (the "Closing Date" or "Date of Closing").

3. The following Schedules of this Agreement attached shall form a part of this Agreement. The form of Acknowledgement attached shall form part of this Agreement and shall be executed by the Purchaser and delivered to the Vendor on the Closing Date. The Purchaser acknowledges that he has read all Sections and Schedules of this Agreement and the form of Acknowledgement.

Schedule "A" – Additional Terms
Schedule "B" – Additional Information
Schedule "C" – Site Plan
Schedule "D" – Floor Plan
Schedule "E" – Warning Clauses and Notice Provisions
Schedule "F" – Feature List

Schedule "Z" – Tarion Warranty Corporation ("Tarion")
Statement Of Critical Dates and Addendum to Agreement of
Purchase and Sale (collectively, the "Tarion Addendum")
and such other Schedules annexed hereto and specified as
Schedule(s) " " " "

4. The Purchaser's address for delivery of any notices pursuant to this Agreement is the address as set out in the Tarion Addendum.

DATED, SIGNED, SEALED AND DELIVERED this 12th day of August, 2022.

SIGNED, SEALED AND DELIVERED in the presence of	ROHITKUMAR M. PATEL	OCOTBER 26, 1954	<i>[Signature]</i>
	PURCHASER:	D.O.B.	S.I.N.
WITNESS: (as to all Purchaser's signatures, if more than one Purchaser)	ARVINDABEN R. PATEL	MAY 14, 1959	<i>A.R. Patel</i>
	PURCHASER:	D.O.B.	S.I.N.
Address: 29 ROSEBANK DR UNIT 703, SCARBOROUGH, ON M1B 5Y7			

WITNESS:
(as to all Purchaser's
signatures, if more than
one Purchaser)

Address: 29 ROSEBANK DR UNIT 703, SCARBOROUGH, ON M1B 5Y7

Telephone: 647 786 0957

Facsimile:

Email Address: Shreshth@mcn.com

The Vendor hereby accepts the within offer and agrees to complete this transaction in accordance with the terms hereof.

DATED, SIGNED, SEALED AND DELIVERED this 14th day of MAY 2024

LERRATO INC.

Per: [Signature]
[Authorized Signing Officer]

Additional Information

Purchaser's Solicitor: _____ E-mail: Shreechit@msm.com
Telephone: 647 784 0957 Facsimile: _____

Vendor's Solicitors: **LOROY LLP**
1300 Hurontario Street
Mississauga, Ontario, L5G 3H3
Attention: **Muhammad Atique Malik**

Telephone No.: (647) 726-1949

SCHEDULE "A"

ADDITIONAL TERMS

DWELLING MATTERS, SITING, MATERIALS CHANGES, ETC

5. The Vendor agrees that it will erect on the Real Property the Dwelling in accordance with plans and specifications (the "Plans") already examined by the Purchaser and in accordance with Schedule "C" and Schedule "D". The Purchaser acknowledges and agrees that the Vendor may from time to time, in its sole discretion, or as requested or required by the Vendor's architect or any design consultants or by any governmental authority, change, alter, vary or modify the Plans, the siting of the Dwelling and/or the grading of the Real Property without notice thereof to the Purchaser. The Purchaser agrees to accept such changes, alterations, variations or modifications and, without limiting the generality of the foregoing, variations to the lot/block number, municipal address, location, area and frontage or depth of the Real Property without any abatement of the Purchase Price or claim for compensation whatsoever. The Purchaser also acknowledges and agrees that architectural control of exterior elevations, driveway construction, boulevard tree planting, landscaping, corner lot fencing (including the location of such corner lot fencing), exterior colour schemes, or any other material external to the Dwelling designed to enhance the aesthetics of the community as a whole, may be imposed by the Municipality and/or the developer. In the event the Vendor is required, in compliance with such architectural control requirements to construct an exterior elevation for the Dwelling other than as specified in this Agreement or amend the driveway construction or location, boulevard tree planting or landscaping plan for the Dwelling and/or Real Property, as the case may be, (all of which is hereinafter referred to as the "Amended Exterior Plans"), the Purchaser hereby irrevocably authorizes the Vendor to complete the Dwelling and/or Real Property, as the case may be, in accordance with the Amended Exterior Plans, and the Purchaser hereby irrevocably agrees to accept such Amended Exterior Plans in lieu of the plans for same specified in this Agreement without any abatement of the Purchase Price or claim for compensation whatsoever. The Vendor shall have the right, in its sole discretion, to construct the Dwelling either as shown on the Plans or to construct such Dwelling on a reverse mirror image plan, including reversal of the garage siting and reversal of the interior floor plan layout. Construction of a reverse mirror image plan is hereby irrevocably accepted by the Purchaser without any right of abatement of the Purchase Price or claim for compensation whatsoever. Further, in the event the Vendor determines, in its sole discretion, to construct the Dwelling at a grade level different than as depicted in the Plans, necessitating a step or series of steps to the front door, side door, rear door, or any door from the garage to the interior of the Dwelling or any elimination of the side door or door from the house to the garage or garage to outside, if any, the Purchaser hereby agrees to accept such change(s) without any abatement of the Purchase Price or claim for compensation whatsoever. The Vendor shall further have the right to substitute other material for that provided for in the Plans, in the sole discretion of the Vendor, for any cause which it may deem reasonable without notice thereof to the Purchaser, provided that such material is, in the sole judgment of the Vendor, of substantially equal or better quality than the material in the Plans and the Purchaser shall accept same without any abatement of the Purchase Price or claim for compensation whatsoever. The provisions of this Section may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or his successors in title or assigns against the Vendor.
6. The Purchaser acknowledges and agrees that as the Dwelling being purchased herein is a townhouse dwelling, the subject lot/block of which the Real Property forms a part will not necessarily be divided equally but may instead be divided in unequal proportions. The Purchaser agrees to accept any such unequal division of the lot/block without any abatement of the Purchase Price or claim for compensation whatsoever.

FEATURES AND FINISHES

7. The Purchaser acknowledges that he has purchased the Dwelling on the basis of the Plans and not from a model. The Purchaser acknowledges that the model home(s), if any, are for display purposes only, and that some or all of the features contained therein may not be included in the Dwelling unless the same is specifically provided for in a Schedule forming part of this Agreement. Any item identified as optional or an upgrade in the sales or marketing material(s) is not included in the Dwelling but may be purchased at additional cost under a separate Schedule to this Agreement or by separate agreement. The Purchaser's attention is drawn to Schedule "B" which forms part of this Agreement and which sets out therein the items which will be included in the Dwelling as standard features. The Purchaser hereby acknowledges that the Dwelling will only include those standard features and, accordingly, if the Purchaser requires any clarification or explanation as to items, features or finishes as referred to in Schedule "B" or anywhere else in this Agreement, or with respect to any matters whatsoever which the Purchaser has discussed with the Vendor's sales representative(s), such clarifications or explanations must be made in writing and included in this Agreement, failing which the Purchaser shall be estopped from making a claim for any such clarifications, explanations, items, features, finishes or representations, other than as set out in writing in this Agreement. The Purchaser hereby acknowledges that there are no representations, warranties, guarantees, collateral agreements or conditions whatsoever affecting this Agreement, the Dwelling or the Real Property or supported hereby other than as is expressed in writing, in this Agreement.
8. The Purchaser specifically acknowledges that in the manufacture and/or production of items, variances may occur from the Vendor's samples and also such items shown as samples may not be subsequently available. The Purchaser hereby agrees to accept any such resulting variations whether as to supplier, brand name, colour and/or otherwise without any abatement of the Purchase Price or claim for compensation whatsoever.

SUBSTANTIAL COMPLETION OF THE DWELLING/OCCUPANCY

9. In the event that the Dwelling is substantially completed and ready for occupancy by the Closing Date, the sale shall be completed on such date without any holdback whatsoever of any part of the Purchase Price and the Vendor shall complete any outstanding items of construction required by this Agreement within a reasonable time thereafter and during normal business hours, having regard to weather conditions and the availability of labour and materials. If there is a detached garage as part of the Real Property, substantial completion of the Dwelling shall not include completion of the said garage and the Purchaser shall complete the within transaction notwithstanding that the construction of the garage is not completed or even started. For the purpose of this Agreement, the Dwelling shall be deemed to be substantially complete when the interior work has been substantially finished to permit occupancy, notwithstanding that there remains grading or landscaping or other outside work to be completed. The Vendor shall provide evidence that occupancy is permitted in accordance with and only to the extent required by the Tarion Addendum.

TARION WARRANTY CORPORATION

10. (a) The Vendor covenants that on completion of this transaction a warranty certificate for the Dwelling will be requested from Tarion. Such warranty shall contain the only warranties covering the Dwelling. The Purchaser 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, shall be limited to only those warranties deemed to be given by the Vendor under the *Ontario New Homes 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 in any way affecting this Agreement, the Dwelling and/or the Real Property other than as expressed herein.
- (b) The Purchaser or the Purchaser's designate as hereinafter provided agrees to meet the Vendor's representative at the date and time designated by the Vendor, prior to the Closing Date, to conduct a pre-delivery inspection of the Dwelling (the "PDI") and to list all items remaining incomplete at the time of such inspection together with all mutually agreed deficiencies with respect to the Dwelling on the Tarion Certificate of Completion and Possession (the "CCP") and the PDI form, in the forms prescribed from time to time by, and required to be completed pursuant to the provisions of the ONHWP. The said CCP and PDI forms shall be executed by both the Purchaser or the Purchaser's designate and the Vendor's representative at the PDI and shall constitute the Vendor's only undertaking with respect to incomplete or deficient work and the Purchaser shall not require any further undertaking of the Vendor to complete any outstanding items. In the event that the Vendor performs any additional work to the Dwelling in its discretion, the Vendor shall not be deemed to have waived the provision of this paragraph or otherwise enlarged its obligations hereunder.

- (c) The Purchaser shall be entitled to send a designate to conduct the PDI in the Purchaser's place or attend with their designate, provided the Purchaser first provides to the Vendor a written authority appointing such designate for PDI prior to the PDI. If the Purchaser appoints a designate, the Purchaser acknowledges and agrees that the Purchaser shall be bound by all of the documentation executed by the designate to the same degree and with the force and effect as if executed by the Purchaser directly.
 - (d) In the event the Purchaser and/or the Purchaser's designate fails to attend the PDI or fails to execute the CCP and PDI forms at the conclusion of the PDI, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement and/or at law. Alternatively, the Vendor may, at its option complete the within transaction but not provide the keys to the Dwelling to the Purchaser until the CCP and PDI forms have been executed by the Purchaser and/or its designate or complete the within transaction and complete the CCP and PDI forms on behalf of the Purchaser and/or the Purchaser's designate and the Purchaser hereby irrevocably appoints the Vendor the Purchaser's attorney and/or agent and/or designate to complete the CCP and PDI forms on the Purchaser's behalf and the Purchaser shall be bound as if the Purchaser or the Purchaser's designate had executed the CCP and PDI forms.
 - (e) The Purchaser acknowledges that the Homeowner Information Package as defined in Tarion Bulletin 42 (the "HIP") is available from Tarion and that the Vendor further agrees to provide the HIP to the Purchaser or the Purchaser's designate, at or before the PDI. The Purchaser, or the Purchaser's designate agrees to execute and provide to the Vendor the Confirmation of Receipt of the HIP forthwith upon receipt of the HIP.
 - (f) In the event the Purchaser and/or the Purchaser's designate fails to execute the Confirmation of Receipt of the HIP forthwith upon receipt thereof, the Vendor may declare the Purchaser to be in default under this Agreement and may exercise any or all of its remedies set forth in this Agreement and/or at law.
 - (g) The Purchaser agrees with the Vendor that the Vendor and/or its representatives shall have the right to enter the Dwelling and the Real Property after completion of the purchase in order to complete any of the items listed on the CCP and PDI forms, provided that if the Purchaser fails or refuses to permit the Vendor and/or its representatives such entry, the Vendor's obligations hereunder shall terminate and be at an end. Any such entry shall be deemed not to be a trespass.
 - (h) The Purchaser acknowledges that the area of the Dwelling, as may be represented or referred to by the Vendor or any sales representative, or which appears in any sales or marketing material(s) is approximate only and is measured in accordance with Builder Bulletin No. 22 published by Tarion. Actual useable floor space may (therefore) vary from any stated or represented floor area or gross floor area, and the extent of the actual or useable living area within the confines of the Dwelling may vary from any represented square footage or floor area measurement(s) made by or on behalf of the Vendor. Accordingly, the Purchaser hereby confirms and agrees that all details and dimensions of the Dwelling purchased hereunder are approximate only, and that there shall be no adjustment of the Purchase Price or claim for compensation whatsoever, whether based upon the ultimate square footage of the Dwelling, or the actual or useable living space within the confines of the Dwelling or otherwise. The Purchaser further acknowledges that where ceiling bulkheads or telecommunication devices are installed within the Dwelling and/or where dropped ceilings are required, then the ceiling height of the Dwelling may be less than that represented, and the Purchaser shall correspondingly be obliged to accept the same without any abatement or claim for compensation whatsoever.
 - (i) The completion of the foregoing inspection and the preparation and endorsement of the Certificate are conditions of the Vendor's obligation to complete this transaction. Failure by the Purchaser to attend at the appointed time for the inspection and to complete the Certificate shall be deemed to be default by the Purchaser under this Agreement. The Vendor, at its sole, absolute, subjective and unfettered option, may thereupon either re-schedule the inspection subject to an administrative fee of \$250.00 plus Applicable Taxes payable to the Vendor or terminate the transaction in accordance with the provisions set out herein, or may elect to complete the Certificate on behalf of the Purchaser. The Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor or any of its authorized signing officers to be and act as his lawful attorney in the Purchaser's name, place and stead for this purpose.
11. The Purchaser covenants and agrees that he will exhaust all the remedies available to him with Tarion with respect to any claim relating to defects in workmanship or materials or with respect to any other claim arising under the ONHWPA or in respect of the Tarion Addendum, prior to pursuing any other means of redress with regard to such claims. In the event the Purchaser does not comply with the provisions of this Section, or takes any unwarranted or unreasonable actions with respect to such claims, the Purchaser shall be held liable for any damages sustained by the Vendor as a result thereof.

TITLE AND CONVEYANCING MATTERS

12. The Purchaser agrees to accept title to the Real Property subject to the following items and the Purchaser covenants and agrees to adhere to the terms and conditions as set out therein. The Purchaser agrees to satisfy himself as to compliance with any of the following items and the Vendor shall not be obligated on the Closing Date or thereafter to obtain any compliance, releases or discharges with respect to any of the following items:
- (a) any agreement, subdivision agreement, site plan agreement, development agreement, financial agreement or other agreement entered into with any municipal authority or other governmental authority or with any public or private utility commission or railway company, including any restrictions, covenants, obligations or liabilities contained therein (collectively the "**Subdivision Agreements**");
 - (b) any building or other restrictions and covenants that may be registered against the title of the Real Property and the Purchaser agrees, if required by the Vendor, to sign the transfer/deed of land containing such restrictions and covenants to extract the same from any subsequent Purchasers;
 - (c) a right in the nature of an easement or license for the Vendor and/or the developer and their respective successors and assigns and their servants and agents to enter upon the Real Property (without such act being a trespass) at any time prior to the complete acceptance of the subdivision of which the Real Property forms a part (the "**Development**") by the Municipality or thereafter for completion or correction of grading and surface drainage and in order to permit the Vendor and/or the developer to carry out the obligations, if any, under the Subdivision Agreements or as imposed by any governmental authority or bonding company to effect any corrective measures with respect to the Subdivision Agreements applicable to the Real Property and the transfer/deed of land may contain a clause to this effect;
 - (d) such easements or rights-of-way, licenses or leases, permanent or temporary, as exist or may subsequently be granted in favour of the Municipality, any railway company, any applicable regional municipality, the developer or any public or private utility, including, but not limited to, any telephone supplier, any hydro supplier and any gas supplier for hydro, fuel, telephone, television, cable, sewers, water, municipal or other services or utilities; and, further, the Purchaser covenants and agrees to assume, accept and permit any such easements, rights-of-way, licenses or leases and if such easements, rights-of-way, licenses or leases have not been determined when the Purchaser receives his conveyance, such conveyance may contain a covenant by the Purchaser for himself, and his heirs, executors, administrators, successors and assigns, to grant any additional easements, rights-of-way, licenses or leases as may be required by the Vendor, developer, any municipal or other governmental authority or utility or railway company and the Purchaser further covenants and agrees to execute all documents without charge which may be required to convey or confirm any such easement, right-of-way, license or lease and shall exact a similar covenant in any agreement entered into between the Purchaser and any subsequent Purchaser from him;
 - (e) such easements as may be required by the Vendor and/or adjoining owners for maintenance or encroachment purposes and

the encroachments permitted thereby;

- (f) any other agreements, covenants, or other instruments as herein expressly provided; and
- (g) any minor breaches of any of the foregoing that have been remedied or are in the process of being remedied.

13. Title to the Real Property shall on the Closing Date be good and free from all encumbrances, except as provided for in this Agreement. The title is to be examined by the Purchaser at his own expense and he is not to call for the production of any deeds or abstracts of title, surveys, proof of evidence of title or to have furnished any copies thereof, other than those in the Vendor's possession or as provided for in this Agreement. The Purchaser is to be allowed until thirty (30) days prior to the Closing Date to examine the title at his own expense and if within that time he shall furnish the Vendor in writing with any valid objections to the title which the Vendor shall be unwilling or unable to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations, be null and void and the monies paid to the Vendor to that date on account of the Deposit shall be returned as provided for herein and the Vendor shall not be liable for any damages or costs whatsoever, including, without limiting the generality of the foregoing, loss of bargain, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs. Save as to any valid objections so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Real Property.
14. The Purchaser acknowledges that the Real Property is or will be encumbered by mortgages and/or encumbrances which the Purchaser is not to assume and that the Vendor will not be obligated to obtain and register a discharge of such mortgages and/or encumbrances insofar as they affect the Real Property until a reasonable time after the Closing (as defined in the Tarion Addendum) and the Purchaser shall accept the undertaking of the Vendor's solicitors to obtain and register as soon as reasonably possible after Closing a discharge of such mortgages and/or encumbrances except as provided for herein and further agrees not to refuse to complete this transaction on the grounds that such mortgages and/or encumbrances have not been discharged.
15. The transfer/deed of land shall be prepared at the Vendor's expense and may contain any or all of the provisions set forth in this Agreement and shall be executed by the Purchaser, if required by the Vendor, and the Purchaser shall execute and deliver on the Closing Date a covenant, undertaking or agreement incorporating all or any of the terms contained herein or as may be required by the Vendor. The Purchaser undertakes and agrees to register the transfer/deed of land at his own expense at the time of Closing. Each party is to pay the cost of registration and taxes on its own documents. The Purchaser shall deliver to the Vendor, on or before the Closing Date, as required by the Vendor the Acknowledgement in the form attached to this Agreement, if any, duly completed and executed. The Purchaser agrees to advise the Vendor or its solicitors no less than thirty (30) days prior to the Closing Date of the manner in which title is to be taken by the Purchaser, including, the date(s) of birth and marital status and the Purchaser shall be required to close the transaction in the manner so advised unless the Vendor otherwise consents in writing, which consent may be arbitrarily withheld, failing which title to the Real Property shall be engrossed in the name of the Purchaser as noted on this Agreement and the Purchaser shall be estopped from requiring any further changes to the manner in which the transfer/deed of land is engrossed.
16. The Purchaser hereby acknowledges the full priority of any mortgage or construction financing arranged by the Vendor and/or secured by the Real Property over his interest as Purchaser for the full amount of the said mortgage or construction financing, notwithstanding any law or statute to the contrary and agrees to execute all acknowledgements or postponements required to give full effect thereto. The Purchaser covenants and agrees that this Agreement is subordinate to and postponed to any mortgages arranged by the Vendor and any advances thereunder from time to time, and to any easement, license or other agreement concerning the Real Property. The Purchaser further agrees to consent to and execute all documentation as may be required by the Vendor in this regard and the Purchaser hereby irrevocably appoints the Vendor as the Purchaser's attorney to execute any consents or other documents required by the Vendor to give effect to this paragraph. The Purchaser hereby consents to the Vendor and its designated or proposed lenders obtaining a consumer's report containing credit and/or personal information for the purposes of this transaction. The Purchaser further agrees to deliver to the Vendor, from time to time, within ten (10) days of written demand from the Vendor, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's ability to pay the balance of the Purchase Price on the Closing Date, including without limitation, written confirmation of the Purchaser's income, copy of mortgage approval letter and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement. Without limiting the generality of the foregoing and notwithstanding any other provision in this Agreement to the contrary, within ten (10) days of written demand from the Vendor, the Purchaser agrees to produce evidence of a satisfactory mortgage approval signed by a lending institution or other mortgagee acceptable to the Vendor confirming that the said lending institution or acceptable mortgagee will be advancing funds to the Purchaser sufficient to pay the balance due on the Closing Date. If the Purchaser fails to provide the mortgage approval as aforesaid, then the Purchaser shall be deemed to be in default under this Agreement. The Vendor may, in its sole discretion, elect to accept in the place of such mortgage commitment, other evidence satisfactory to the Vendor that the Purchaser will have sufficient funds to pay the balance due on the Closing Date.
17. In the event that the Municipality does at some point in time provide a release of any of the Subdivision Agreements, the Vendor may either provide such release to the Purchaser for registration of such release by the Purchaser at the Purchaser's expense or register the release, if any, in which event the Purchaser shall pay the Vendor the cost of registration of such release forthwith upon request although the Vendor may, at its option, add such cost to the statement of adjustments as a credit to the Vendor. The foregoing provision does not in any way whatsoever require the Vendor to request any such release or impose an obligation on the Vendor to take any steps to obtain any such release.
18. The Purchaser acknowledges that the transfer/deed of land to the Real Property to be given on the Closing Date may emanate from the registered owner of the Real Property and not from the Vendor herein, and the Purchaser agrees to accept same and to accept such owner's title covenants in lieu of the Vendor's, in the event the Vendor is not the registered owner of the Real Property on Closing. In that event, the Purchaser agrees to execute an acknowledgement on the closing confirming that: (i) the registered owner is providing title directly to the Purchaser at the direction of the Vendor; (ii) the registered owner is not the builder or Vendor and has no liability to the Purchaser as such; (iii) the registered owner is not responsible for any matters related to the development of the subject lands; and (iv) the Purchaser releases and forever discharges the registered owner from any manner of claim, costs, damages or other losses in any way related to the development of the subject lands.

PLANNING ACT

19. This Agreement shall be conditional upon compliance with the subdivision control provision of the *Planning Act* (Ontario), as may be amended, which compliance shall be obtained by the Vendor, at its sole expense, on or before Closing.

INSURANCE

20. The Purchaser shall place his own insurance on the Real Property for Closing.

ADJUSTMENTS

21. On the Closing Date, the Purchaser shall pay to the Vendor, as an adjustment on the statement of adjustments (plus HST), in addition to any other monies required to be paid as set out in this Agreement, the following:
 - (a) an amount equal to the Tarion enrolment fee and the Home Construction Regulatory Authority paid by the Vendor for the Real Property;
 - (b) any amounts which remain unpaid and owing to the Vendor on account of upgrades and/or extras and/or changes ordered by the Purchaser;

- (c) the Vendor's proportionate amount of the realty taxes (including local improvement charges) which shall be apportioned and allowed to the Closing Date. Realty taxes (including local improvement charges) shall be estimated by the Vendor for the calendar year in which the transaction is completed as well as for the following calendar year, and shall be adjusted as if such sum has been paid by the Vendor, notwithstanding that same may not have been levied or paid by the Closing Date, subject, however, to readjustment when the actual amount of such taxes are ascertained. The Purchaser acknowledges and agrees that the Purchaser shall be solely responsible for any supplementary or omit assessments for realty taxes for period from and after the Closing Date;
- (d) the costs of any utility check meter, water meter, hydro meter or gas meter installed in or about the Dwelling, the installation of any such meters, the connection charges for any such meters and/or sewers and the installation and energization charges, as the case may be, of hydro, water and gas services provided to the Dwelling, provided that adjustments pursuant to this subparagraph shall not exceed Five Hundred (\$500.00) Dollars plus HST per meter or service. A certificate of the Vendor or statutory declaration of an officer of the Vendor specifying the said costs shall be final and binding on the Purchaser;
- (e) all amounts chargeable and billable to the Purchaser for water, hydro, gas, cable T.V. and any other services arising as a result of the Purchaser's failure to make his own contractual arrangements with the relevant public or private utility authorities and suppliers on the Closing Date and for which the Vendor is subsequently charged, it being the express intent of the parties that it shall be the sole responsibility of the Purchaser to notify all relevant utility authorities and make the necessary contractual arrangements to ensure service to the Dwelling;
- (f) the charges imposed upon the Vendor or its solicitors by the Law Society of Ontario upon registration of a transfer/deed of land or charge/mortgage of land or any other instrument;
- (g) the sum of Three Hundred (\$300.00) Dollars plus HST as a contribution towards the cost of fees payable by the Vendor to its lenders, including but not limited to the obtaining of (partial) discharges of mortgages not intended to be assumed by the Purchaser;
- (h) any tax, whether categorized as multi-stage sales tax, a business transfer tax, a modified retail sales tax, a value-added tax, or any other type of tax whatsoever that may be levied or charged in the future by any governmental authorities, including, but without limiting the generality of the foregoing the municipal, federal, or provincial governments or any of their agencies, on or with respect to any sale, transfer, lease or disposition of property or any provision of goods or services made in the course of a taxable activity and the Purchaser shall be solely responsible for paying and/or reimbursing the Vendor for such tax, whether or not the legislation imposing such tax places the primary responsibility for payment thereof onto the Vendor, and the Vendor shall be allowed to charge the Purchaser as an adjustment on the Closing Date with the estimated amount of any such tax, notwithstanding that such tax may not have been formally or finally levied and payable with such tax adjustment being subject to readjustment, if necessary, when the actual final assessment or levy is available or determinable;
- (i) the sum of Two Thousand (\$2,000.00) Dollars plus HST as a contribution towards the costs of boulevard tree planting in the vicinity of the Real Property. The Purchaser acknowledges that there may not be a tree planted in front of the Real Property;
- (j) the sum of Three Hundred Fifty (\$350.00) Dollars plus HST as a contribution towards the costs of internet delivery of documentation to the Purchaser's solicitor and of electronic registration of documentation;
- (k) the sum of Two Hundred (\$400.00) Dollars plus HST as a contribution towards the costs of preparation of a survey for the Dwelling;
- (l) the amount of any development charge(s) assessed against the Real Property (or attributable to the Real Property as determined by the Vendor), pursuant to the *Development Charges Act, 1997*, as amended from time to time;
- (m) the amount of any education development charge(s) assessed against the Real Property (or attributable to the Real Property as determined by the Vendor) pursuant to the *Education Act*, as amended from time to time;
- (n) the amount of any charge pursuant to a section 37 Agreement pursuant to the *Planning Act*, or any parks levy and/or any public art levy or similar contributions or charges assessed against the Real Property (or attributable to the Real Property as determined by the Vendor) which has been paid or are payable to the Municipality or any other relevant governmental authority or agency thereof with respect to or in connection with the Development, including the obtaining of any approvals for the Development;
- (o) the cost with respect to the Vendor completing the final coat of asphalt on the driveway, provided that adjustments pursuant to this subparagraph shall not exceed Two Thousand (\$2,000.00) Dollars plus HST; and,
- (p) any other additional or further adjustments agreed to in writing between the Vendor and Purchaser subsequent to the execution of this Agreement.
- (q) the following shall be paid to the Vendor on the Closing, plus Applicable Taxes eligible thereon: any increase between the development charges and education development charges assessed against or attributable to the Property (pursuant to the Development Charges Act, the Education Act or any successor or replacement legislation) on the date of execution of this Agreement by the Purchaser (if same are paid or could be paid on such date) and the amount actually paid for said development charges and education development charges, together with any interest (if any) on such development charges and education development charges as well as any other or new levies, charges, payments, contributions, fees or assessments, including without limitation, any parks levies, cash-in-lieu of parkland dedication payments, new development charges, new education development charges, public art contributions, impost charges, and/or community benefit charges or payments (or the fair value of any non-cash in-kind contributions assessed against or attributable to the Property by the Municipality, a regional municipality, a transit authority, a public or separate school board or any other authority having jurisdiction under the Development Charges Act, the Education Act, the Planning Act (as amended by the More Homes, More Choice Act, 2019) and any other existing or new legislation, bylaw and/or policy of a similar nature. If the amounts owing under this subsection are assessed against, charged or imposed against the subject project (or portion thereof) as a whole and not against the Property separately, then the Vendor shall be entitled to a reimbursement for the foregoing, equally among all of the dwellings within the subject project or in such other manner as the Vendor may elect, acting reasonably;
- (r) All proper readjustments shall be made after Closing, if necessary, forthwith upon written request. The Vendor may register a Notice of Vendor's Lien or a Charge, in the Vendor's usual form, for unpaid purchase monies or adjustments or claims herein provided together with the interest thereon as provided for herein, and the Purchaser covenants and agrees to forthwith pay all costs in relation to said Notice of Vendor's Lien or Charge including, without limitation, the Vendor's solicitor's legal fees and disbursements and the cost to register said Notice of Vendor's Lien or Charge on title to the Unit. The Vendor will upon request deliver to the Purchaser (for registration at the Purchaser's expense) a release of the Notice of Vendor's Lien or a Discharge of the Charge after such unpaid purchase monies or adjustments or claims herein provided, as applicable, together with the interest thereon as provided for herein have been received by the Vendor and upon payment of a fee of \$250.00 plus Applicable Taxes. The Purchaser hereby irrevocably consents and authorizes the Vendor and the Vendor's solicitors to register the aforementioned Notice of Vendor's Lien or Charge on title to the Unit, without liability on the part of the Vendor or the Vendor's solicitors with respect to such registration;
- (s) The amounts (if any), plus Applicable Taxes, paid by the Vendor to the Municipality and/or other governmental authority or other person (including a private waste contractor) with respect to recycling containers/bins, recycling programs, food/kitchen waste

collection containers/bins, and/or food/kitchen waste collection programs such charges to be absolutely determined by statutory declaration sworn on the part of the Vendor shall be reimbursed to the Vendor on the Closing;

- (t) any costs incurred by the Vendor for the internet delivery of documentation to the Purchaser's solicitor;
 - (u) any amounts which may, in the Vendor's discretion, remain unpaid and owing to the Vendor on account of any extras, upgrades or changes for the Property ordered by the Purchaser;
 - (v) The Purchaser shall advise the Vendor of any changes in any of its mailing address, telephone number or electronic mail address or of its solicitors forthwith upon such change, failing which the Purchaser shall be charged a fee of \$250.00 plus Applicable Taxes on the Statement of Adjustments.
 - (w) Appliances purchased by the Purchaser from the Vendor (or which may be included in the Purchase Price) may not include installation charges which may be charged by the Vendor on the Closing Date as an adjustment at the Vendor's sole, absolute, subjective and unfettered discretion.
 - (x) The Purchaser acknowledges that grading and sodding and landscape plantings (if any) shall be done between June and October (weather permitting and subject to availability of supplies) of any year as per the Vendor's scheduling program. The Purchaser agrees that the Purchaser shall be solely responsible for watering and general maintenance of sod and landscape plantings (if any) from the Occupancy Date or from the date that sod is laid (or landscape plantings are planted), whichever shall be the later, and the Vendor shall have no obligation in that regard. In the event the Vendor is, for any reason, required to replace laid sod (or other landscape plantings, if any), the Vendor shall not be obligated to do so until payment has been made therefor by the Purchaser and if so replaced, the Purchaser agrees to reimburse the Vendor for the costs and expenses of same as determined by the Vendor. Further, the Purchaser acknowledges that the order of closing of the Property and/or the order of completion or closing of other lots sold by the Vendor is not indicative of the order of sodding (or landscaping planting) of the Property and said other lots. If the Vendor is required by the Subdivider, developer or any governmental authority to replace any laid sod or landscape plantings, etc. as a result of the Purchaser's default under this subsection, the Purchaser shall promptly pay the Vendor for same and the Vendor shall not be obliged to replace same until payment has been made therefore in full to the Vendor by the Purchaser. The Vendor shall not be required to supply the Purchaser with evidence of payment for the replacement of same. The aforementioned obligations of the Purchaser shall survive the closing of the herein transaction.
 - (y) In the event that the Purchaser (or a person representing or acting on behalf of the Purchaser) enters upon the Property prior to the Purchaser having completed their obligations under this Agreement on the Occupancy Date without the consent in writing of the Vendor and carries out changes or additions to the Dwelling (the "Unlawful Works"), the Purchaser will forthwith pay to the Vendor the amount incurred by it in order to correct any damages caused by the installation or existence of the Unlawful Works including, without limiting the generality of the foregoing, time lost by the resulting delays and interest on monies invested. In addition to the foregoing, if the Unlawful Works shall be determined by any inspector having jurisdiction in that regard as not complying with the statutes, by-laws or regulations applying thereto, the Purchaser shall forthwith carry out any required work to remedy any such non-compliance and failing which, the Vendor, at its option may carry out such work at the expense of the Purchaser which he shall pay to the Vendor forthwith upon written request for payment for same. Should the Vendor, in its sole, absolute, subjective and unfettered discretion, allow the Purchaser to close the purchase of the transaction described herein despite the performance of the Unlawful Works, the Purchaser acknowledges and agrees that the unlawful works shall not be covered under the Warranty Act's warranties and that anything constructed by the Vendor which is not accessible due to the Unlawful Works shall not be covered under the Warranty Act's warranties.
 - (z) In the event the Purchaser requests an extension to the Firm Closing Date or Delayed Closing Date, as the case may be, the Purchaser shall pay the Vendor's solicitor's fees and disbursement (plus Applicable Taxes and disbursements) with respect to such requests and any extensions.
 - (aa) In the event that the Purchaser shall desire to select colours or materials from other than the Vendor's samples, the Purchaser must negotiate such colours or materials directly with the Vendor or the Vendor's subtrade or supplier as directed by the Vendor and attend to payment of any additional cost as a result of such choice to the Vendor or the Vendor's subtrade or supplier directly, as directed by the Vendor.
 - (bb) The Purchaser hereby acknowledges that complete engineering data in respect of the Municipally approved final grading of the Property may not, as yet, be complete and accordingly, it may not be possible to construct a Dwelling with a walk-out basement, look-out or rear deck where so indicated in this Agreement, or vice versa. In the event this Agreement calls for a walk-out basement, look-out or rear deck and such is not possible or reasonable in the Vendor's opinion or in the event this Agreement does not call for a walk-out basement, look-out or rear deck and such is required, pursuant to final approved grading and engineering plans, the Purchaser shall accept a credit in the Purchase Price, or, pay the additional cost involved in constructing such walk-out basement, look-out or rear deck, as the case may be (such costs shall be absolutely determined by the Vendor).
 - (cc) The Purchaser shall advise the Vendor of any changes in any of its mailing address, telephone number or electronic mail address or of its solicitors forthwith upon such change, failing which the Purchaser shall be charged a fee of \$250.00 plus Applicable Taxes on the Statement of Adjustments.
 - (dd) the Purchaser shall pay as an adjustment on closing to the Vendor or its solicitors all fees and charges imposed by the provider of the EFTS together with any wire transfer fees and charges imposed upon the Vendor or its solicitors by their banks in connection with the transfer of funds
22. If any of the adjustments to be made on the Closing Date cannot be accurately determined at the time of Closing, then the Vendor may estimate the adjustment to be made and the Closing shall take place in accordance with this estimate. There shall be a later and final adjustment when all the items to be adjusted can be accurately determined.
23. The Purchaser acknowledges and agrees that the hot water heater/tank is not included in the Purchase Price and is intended to be non-owned and that it shall remain chattel property and shall not be or become a fixture and/or part of the Dwelling. The Purchaser may be informed of the terms and conditions governing the rental of the hot water heater/tank prior to Closing, and agrees, if required, to execute on, before or after Closing as the Vendor determines a rental document or other contract as required by any relevant municipal authority, public or private utility, sub-metering company or third party company with respect to the said hot water heater/tank, failing which, at the Vendor's sole option, the Vendor shall be entitled to execute the hot water heater/tank's supplier's, sub-metering or other such company's standard rental document or other contract on behalf of the Purchaser as his attorney or agent.
24. In the event any cheque given by the Purchaser is returned after being presented for payment to the financial institution on which it is drawn, by reason of there not being sufficient funds in the account on which said cheque is drawn, the Purchaser shall pay the Vendor for each such returned cheque the sum of Five Hundred (\$500.00) plus HST as liquidated damages and not as a penalty which payment shall, at the Vendor's option, be made as an adjustment on the Closing Date in favour of the Vendor or be delivered to the Vendor together with the replacement cheque.

HARMONIZED OR SINGE SALES TAX

25. (a) It is acknowledged and agreed by the parties hereto that the Purchase Price already includes a component equivalent to both the federal portion and the provincial portion of the harmonized goods and services tax or single sales tax exigible with respect to this purchase and sale transaction less the Rebate as defined below (the "HST"), and that the Vendor shall remit the HST to Canada Revenue Agency ("CRA") on behalf of the Purchaser forthwith following the completion of this transaction. The

Purchaser hereby warrants and represents to the Vendor that with respect to this transaction, the Purchaser qualifies for the federal and provincial new housing rebates applicable pursuant to the *Excise Tax Act* (Canada) ("ETA"), as may be amended, (collectively, the "Rebate") and further warrants and represents that the Purchaser is a natural person who is acquiring the Real Property with the intention of being the sole beneficial owner thereof on the Closing Date (and not as the agent or trustee for or on behalf of any other party or parties), and covenants that upon the Closing Date the Purchaser or one or more of the Purchaser's relations (as such term is defined in the *Excise Tax Act*) shall personally occupy the Dwelling as his primary place of residence, for such period of time as shall be required by the *Excise Tax Act*, and any other applicable legislation, in order to entitle the Purchaser to the Rebate (and the ultimate assignment thereof to and in favour of the Vendor) in respect of the Purchaser's acquisition of the Real Property. The Purchaser further warrants and represents that he has not claimed (and hereby covenants that the Purchaser shall not hereafter claim), for the Purchaser's own account, any part of the Rebate in connection with the Purchaser's acquisition of the Real Property, save as may be otherwise hereinafter expressly provided or contemplated. The Purchaser hereby irrevocably assigns to the Vendor all of the Purchaser's rights, interests and entitlements to the Rebate (and concomitantly releases all of the Purchaser's claims or interests in and to the Rebate, to and in favour of the Vendor), and hereby irrevocably authorizes and directs CRA to pay or credit the Rebate directly to the Vendor. In addition, the Purchaser shall execute and deliver to the Vendor, forthwith upon the Vendor's or Vendor's solicitors' request for same (and in any event on or before the Closing Date), all requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require in order to confirm the Purchaser's entitlement to the Rebate and/or to enable the Vendor to obtain the benefit of the Rebate (by way of assignment or otherwise), including without limitation, the GST/HST New Housing Rebate Application for Houses Purchased from a Builder or other similar form as prescribed from time to time (the "Rebate Form"). The Purchaser covenants and agrees to indemnify and save the Vendor harmless from and against any loss, cost, damage and/or liability (including an amount equivalent to the Rebate, plus penalties and interest thereon) which the Vendor may suffer, incur or be charged with, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate to the Vendor (or the ineffectiveness of the documents purporting to assign the benefit of the Rebate to the Vendor). As security for the payment of such amount, the Purchaser does hereby charge and pledge his interest in the Real Property with the intention of creating a lien or charge against same. It is further understood and agreed by the parties hereto that:

- (i) if the Purchaser does not qualify for the Rebate, or fails to deliver to the Vendor or the Vendor's solicitors forthwith upon the Vendor's or the Vendor's solicitors request for same (and in any event on or before the Closing Date) the Rebate Form duly executed by the Purchaser, together with all other requisite documents and assurances that the Vendor or the Vendor's solicitors may reasonably require from the Purchaser or the Purchaser's solicitor in order to confirm the Purchaser's eligibility for the Rebate and/or to ensure that the Vendor ultimately acquires (or is otherwise assigned) the benefit of the Rebate; or
- (ii) if the Vendor believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Closing Date;

then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), by certified cheque delivered on the Closing Date, an amount equivalent to the Rebate, in addition to the Purchase Price and in those circumstances where the Purchaser maintains that he is eligible for the Rebate despite the Vendor's belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to pursue the procurement of the Rebate directly from CRA. It is further understood and agreed that in the event that the Purchaser intends to rent out the Dwelling before or after the Closing Date, the Purchaser shall not be entitled to the Rebate, but may nevertheless be entitled to pursue, on his own after the Closing Date, the federal and provincial new rental housing rebates directly with CRA, pursuant to Section 256.2 of the *Excise Tax Act*, as may be amended, and other applicable legislation to be enacted relating to the provincial new rental housing rebate.

- (b) The Vendor will not collect HST if the Purchaser is a corporation (i.e. not an individual) and provides to the Vendor the following:
 - (i) a warranty in the Vendor's standard form that the Purchaser is registered under the ETA, together with a copy of the Purchaser's ETA registration, (ii) a warranty in the Vendor's standard form that the Purchaser shall self-assess and remit the GST/HST payable and file the prescribed form and shall indemnify the Vendor in respect of any GST/HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction.
- (c) Notwithstanding any other provision herein contained in this Agreement, the Purchaser acknowledges and agrees that the Purchase Price does not include any HST exigible with respect to any of the adjustments payable by the Purchaser pursuant to this Agreement, or any extras, upgrades or changes purchased, ordered or chosen by the Purchaser from the Vendor which are not specifically set forth in this Agreement, and the Purchaser covenants and agrees to pay such HST to the Vendor in accordance with the *Excise Tax Act*. In addition, and without limiting the generality of the foregoing, in the event that the Purchase Price is increased by the addition of extras, changes, upgrades or adjustments and as a result of such increase, the quantum of the Rebate that would otherwise be available is reduced or extinguished (the quantum of such reduction being hereinafter referred to as the "Reduction"), then the Purchaser shall pay to the Vendor on the Closing Date the amount of (as determined by the Vendor in its sole and absolute discretion) the Reduction.

26. **EXTRAS/UPGRADES**

The Purchaser covenants and agrees that he shall pay to the Vendor in advance for all extras, upgrades or changes ordered by the Purchaser at the time such order is made and the Purchaser further acknowledges and agrees that such payment is non-refundable in the event that this transaction is not completed as a result of the Purchaser's default under any of the terms of this Agreement. Notwithstanding anything herein contained to the contrary, the Purchaser acknowledges and agrees that if, upon Closing, any of the extras, upgrades or changes ordered by the Purchaser remain incomplete in whole or in part or if the Vendor shall, in its sole discretion, determine that it will not provide extras, upgrades or changes or cannot complete the extras, upgrades or changes, then there shall be refunded to the Purchaser upon the Closing Date that portion of the amount paid by the Purchaser in connection with such extras, upgrades or changes allocated to those extras, upgrades or changes which remain incomplete in whole or in part as aforesaid, as determined by the Vendor. In the event such extras, upgrades or changes were included at no charge whether or not included as part of this Agreement then the Vendor's cost of completing such incomplete items will be refunded as determined by the Vendor in its sole discretion. The Purchaser further acknowledges and agrees that the amount so paid to the Purchaser (or for which, in the alternative, the Purchaser receives credit in the statement of adjustments) shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to the extras, upgrades or changes which remain incomplete as aforesaid. The Purchaser further acknowledges that the Vendor's liability with respect to such incomplete extras, upgrades or changes shall be limited to the return of the amounts referred to aforesaid and, thereafter, there shall be no further liability upon the Vendor in connection with such incomplete extras, upgrades or changes and upon such payment being made or credit being given, the Vendor shall be deemed to have been released from any and all obligations, claims or demands whatsoever with respect to such incomplete extras, upgrades or changes.

27. **NOTICE AND WARNING CLAUSES**

The Purchaser acknowledges that the Subdivision Agreements and any and/or future development agreements between the Vendor and the Municipality or any other applicable party may require the Vendor to provide the Purchaser with certain notices or warnings including, without limiting the generality of the foregoing, notices or warnings regarding the use of the Real Property, environmental issues, noise levels from adjacent roadways or otherwise, maintenance of municipal fencing, school transportation and related educational issues, and the status of services and works in the Development. The Purchaser acknowledges and agrees that the Vendor may be unable, at this time, to provide the Purchaser with all such notices and warnings. On or before Closing, the Purchaser shall forthwith execute upon request an acknowledgment or amendment to this Agreement containing the required notices and warning clauses. The Purchaser acknowledges and agrees that the Vendor may be unable to sell the Real Property to the Purchaser unless the Purchaser executes such acknowledgments or amendments as aforesaid. In the event that the Purchaser fails to execute such acknowledgments or amendments

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forthwith upon being requested to do so, the Vendor shall be entitled, at its sole option, to terminate this Agreement and upon such termination, all monies paid to the Vendor hereunder shall be forfeited to the Vendor and this Agreement shall be at an end, and the Purchaser shall not have any further rights hereunder. Alternatively, at the sole discretion of the Vendor, after all required notices and warnings are available, a copy thereof may be sent to the Purchaser as a notice in the manner set out in this Agreement and such transmittal shall constitute acknowledgment of receipt of a copy thereof and the Purchaser irrevocably designates the Vendor as its attorney and/or agent to execute and deliver on his behalf to the Municipality or any other applicable party any required acknowledgments with respect thereto. Without limiting the generality of the foregoing, the Purchaser acknowledges being advised of the notices as set out in Schedule "E".

INSURANCE/RISK

28. All buildings and equipment comprising the Dwelling and the Real Property shall be and remain at the risk of the Vendor until Closing and pending completion of the sale, the Vendor will hold all insurance policies and the proceeds thereof for the Vendor's benefit alone. In the event of damage to the Dwelling, the Vendor may either in its sole discretion (a) repair the damage, finish the Dwelling and complete the sale and, if necessary, delay the Closing Date in the manner permitted in the Taron Addendum; or (b) terminate this Agreement and return to the Purchaser all deposit monies paid by the Purchaser to the Vendor payable under law if the damage to the Dwelling has frustrated this Agreement at law.

PURCHASER COVENANTS AND AGREEMENTS

29. Notwithstanding the closing of this transaction, the Purchaser hereby authorizes and shall not obstruct or interfere in any way with the Vendor, the developer, the Municipality, the regional municipality, the public and/or private utilities, the telephone and/or cable company or persons authorized by any of them, free access to the Real Property and the Dwelling at all reasonable hours in order to make inspections and to do such work or repairs, including, but not restricted to, correction of sodding and/or grading, installation of catch basins, installation, repair, construction or reconstruction and/or maintenance of any of the municipal services, public and/or private utilities and other services, including sewers and water mains; and for any of the purposes aforesaid or related thereto, such entry on the Real Property and Dwelling by any such persons shall not be deemed to be committing trespass and the Purchaser does hereby give leave and licence to any of such persons for the purposes aforesaid and free access for any such persons shall continue for such period of time as may be set out in the Subdivision Agreements or any other agreements affecting the Real Property or as may be required by the Vendor or the developer and/or any municipal or governmental authority, regulatory body or public or private utility. The Purchaser further covenants to comply with and not to breach any of the Subdivision Agreements or any other such agreements.
30. The Purchaser undertakes and covenants that he will not, at any time either before or after the Closing Date, without the prior written authority of the Vendor and the developer (which may be unreasonably or arbitrarily withheld) interfere with or alter the drainage ditch, obstruct the natural flow of water or obstruct the drainage as designed and engineered by the developer, erect fences, porches, patios, planting, paving, swimming pool, clothes lines or obstructions of any kind, remove top soil or subsoil, cut down living trees or do anything which may change or alter the grading or obstruct the drainage of the Real Property or surrounding lots or lands in any way and if he does, the Vendor or its servants, successors, agents and assigns may enter thereon and correct such grading or remove or relocate such obstructions at the Purchaser's expense and be paid, forthwith upon demand, the cost thereof. The Purchaser shall adhere to the overall drainage patterns of the Development, including such easements as may exist or may be required for the purpose of water drainage upon the Real Property to and from adjoining lands, and the Purchaser agrees to grant such easements as may be required from time to time by the Vendor or developer for drainage. The foregoing covenant may, at the option of the Vendor, be included in any transfer of title to the Purchaser and shall run with the land. The Purchaser agrees that he shall be solely responsible for watering and general maintenance of sod from the Closing Date or from the date that sod is laid, whichever shall be later, and the Vendor shall have no obligation in that regard whatsoever. If the Vendor is required by the developer or any governmental authority to replace any laid sod as a result of the Purchaser's default under this Section, the Purchaser shall promptly pay the Vendor for same and the Vendor shall not be obliged to do so until payment has been made therefore in full to the Vendor by the Purchaser.
31. The Vendor hereby notifies the Purchaser and the Purchaser acknowledges that the developer has agreed to provide and pay for paved roads, sidewalks, curbs, street lighting, sanitary and storm sewers, street signs and other services as required by the Subdivision Agreements and that such is the responsibility of the developer and not the Vendor. In the event that title to the Real Property is transferred directly from the developer or another party (the "Party") rather than the Vendor, the Purchaser covenants and agrees to execute and deliver on the Closing Date an acknowledgement and release in a form satisfactory to the Vendor and/or developer and/or the Party releasing the developer or the Party, as the case may be, from any and all matters in respect of the within transaction and acknowledging that the developer or the Party, as the case may be, has no liability, obligation or responsibility to the Purchaser.
32. The Purchaser agrees that until all lots or blocks in the Development are sold, the Vendor shall have the exclusive right to maintain model homes, signs, sales staff and marketing material(s) in the Development and to show prospective Purchasers through the Development and through any unsold homes and the Purchaser agrees not to display any sign on the Real Property offering the Real Property for sale or rent until after the Closing Date. In the event that the Purchaser displays any such sign on the Real Property, the Vendor shall have the absolute right to enter on the Real Property and remove such sign without such act being a trespass.
33. The Purchaser agrees that in the event that there is any water leakage into the basement or any other damage of any kind or nature whatsoever which the Vendor shall be required at law or by Taron to repair, the Vendor shall not be liable for any consequential damage caused by the water or otherwise nor for any damage to any improvements, fixtures, furnishings or personal property of the Purchaser, but shall be responsible only for the repair of such damage or leakage in accordance with the terms hereof. Further, the Purchaser waives his right to any claim against the Vendor for damage to the Dwelling due to shrinkage, warpage, twisting or settlement or any secondary or consequential damage resulting therefrom. Further, the Vendor shall not be liable for any secondary or consequential damages whatsoever which may result from any defect in materials, design or workmanship related to the Dwelling. The Purchaser further acknowledges that the Vendor is not responsible for the repair of any exterior work resulting from settlement, including driveways, walkways, patio stones or sodded areas or for any damage to interior household improvements or decor caused by material shrinkage, twisting or warpage. The Purchaser agrees that this Section may be pleaded by the Vendor in estoppel of any claims by the Purchaser pursuant to this Section.
34. The Purchaser agrees that prior to the Closing Date he will not in any circumstances enter onto the Real Property without the express written authority of the Vendor and accompanied by a representative of the Vendor and any entry other than as aforesaid shall be deemed to be a trespass and the Vendor shall be entitled to exercise any rights that it may have pursuant to this Agreement or at law as a result of same. In addition, the Purchaser agrees that he will not in any circumstances, either personally or by his agent, servant or authorized representative, perform or have performed any work of any nature or kind whatsoever on the Dwelling or the Real Property prior to the conveyance of the Real Property to the Purchaser and in the event of a breach of this covenant, the Vendor shall be entitled, at its sole option, to deem such breach as an event of default by the Purchaser under this Agreement or to take whatever steps are necessary to remove, correct or remedy any such work, and in such event, at the Vendor's sole option, the costs and expenses thereof plus a fifteen percent (15%) administration fee shall be paid to the Vendor by the Purchaser forthwith upon demand by the Vendor or added to the Purchase Price as an adjustment on the Closing Date. In the event the Vendor completes the sale of the Real Property to the Purchaser all warranties related to any items and/or matters the Purchase affected by his actions shall be voided.
35. The Purchaser acknowledges that due to the nature and extent of construction work which will be required to be undertaken by the Vendor on the Real Property in connection with the excavation, erection, and construction of the Dwelling, one or more trees may be removed from the Real Property and others may or will suffer damage or destruction both before and after Closing, as a result of the removal, interference or the destruction of roots, contact with the trunk by equipment or machinery or otherwise. The Purchaser hereby acknowledges, covenants, and agrees that the Vendor shall not be responsible or liable in any manner, whatsoever, for any loss or destruction to trees or for any loss or destruction to the property of the Purchaser howsoever caused nor shall the Vendor be responsible or liable for the removal of any trees or parts thereof, from the Real Property, at any time, whatsoever. It is understood and agreed that the Vendor has made no representation, warranty, guarantee, collateral agreement or condition whatsoever, regarding the preservation, removal, condition or health of trees on the Real Property.

36. The Purchaser agrees that he will not, for a period of at least two (2) years from the Closing Date, plant any trees, shrubs, vines, hedges or other such landscaping on the Real Property that will interfere with, alter or change the grading or obstruct the drainage of the Real Property or surrounding lots or lands without the express written consent of the Vendor which consent may be unreasonably or arbitrarily withheld. The Vendor shall have the right during such period to enter on the Real Property, without notice to the Purchaser, and to remove, without any liability, whatsoever, any such trees, shrubs, vines, hedges or other landscaping planted on the Real Property in contravention of this Section without such act being a trespass.

37. The Purchaser covenants and agrees to provide all requisite information and materials including proof respecting income and source of funds as the Vendor may require to determine the Purchaser's credit worthiness. The Purchaser acknowledges that it may be necessary for the Vendor to obtain credit or other information in order to satisfy itself as to the Purchaser's credit worthiness and authorizes the

Vendor and the Vendor's designated or proposed construction lender(s) from time to time to obtain any consumer reports or other information it may require and any consumer reporting agency or credit bureau is hereby authorized to release such information as the Vendor may request.

NON-REGISTRATION AND NO ASSIGNMENT AND NO OBJECTION

38. The Purchaser covenants and agrees that he will at no time register or attempt to register this Agreement on title to the Real Property by way of caution, deposit, assignment or in any way whatsoever, and it is expressly agreed by all parties hereto that any such registration or attempt by the Purchaser or anyone acting for or through him shall constitute an event of default under this Agreement. In the event that this Agreement, a caution, a deposit, an assignment or any other instrument whatsoever is registered against or dealing with the title in contravention of this provision, then the Purchaser hereby appoints the Vendor his true and lawful attorney and/or agent for the purposes of removing the instrument from title, including the giving of any discharge, lifting or release of any caution, deposit or the assignment of any rights pursuant to this Agreement. The Purchaser hereby irrevocably consents to a court order removing any such notice of this Agreement, caution, deposit or any other documents or instruments whatsoever from title to the Real Property. The Purchaser shall bear all costs incurred by the Vendor in the exercise of any of its rights pursuant to this provision. The Purchaser acknowledges that notwithstanding any rule of law to the contrary that by executing this Agreement he has not acquired any equitable or legal interest in the Dwelling or the Real Property.

39. The Purchaser covenants and agrees that he will in no way, directly or indirectly, list for sale or lease, advertise for sale or lease, rent, convey, transfer, sell or lease, nor in any way assign his interest under this Agreement or the Purchaser's rights and interests hereunder or in the Real Property, nor directly or indirectly permit any third party to list or advertise the Real Property for sale or lease at any time prior to the Closing Date without the prior written consent of the Vendor which consent may be unreasonably or arbitrarily withheld. The Purchaser acknowledges and agrees that once a breach of the preceding covenant and agreement occurs such breach shall be a default hereunder and, at the Vendor's sole option, be deemed incapable of rectification and accordingly the Purchaser acknowledges and agrees that in the event of such breach the Vendor shall have the unilateral right and option of taking whatever steps are available to the Vendor in the event of the Purchaser's default. The Purchaser shall be entitled to direct that title to the Poll be taken in the name of his or her spouse, or a member of his or her immediate family only (being limited to parents, siblings or children over the age of eighteen (18) years), and shall not be permitted to direct title to any other third parties without the prior written consent of the Vendor, which consent may be unreasonably or arbitrarily withheld.

40. The Purchaser covenants and agrees that he shall not directly nor indirectly object to nor oppose any official plan amendment(s), rezoning application(s), severance application(s), minor variance application(s) and/or site plan application(s), nor any other applications ancillary thereto relating to the development of the Real Property, or any neighboring or adjacent lands. The Purchaser further acknowledges and agrees that this covenant may be pleaded as an estoppel or bar to any opposition or objection raised by the Purchaser thereto.

ELECTRONIC REGISTRATION AND TENDER

41. The parties waive personal tender and agree that tender in the absence of any other mutually acceptable arrangement and subject to the provisions of this Agreement shall be validly made by the Vendor upon the Purchaser by a representative of the Vendor (which shall include the Vendor's solicitor) attending or being available at the offices of the Vendor's solicitors at 3:30 p.m. on the Closing Date and remain there until 4:30 p.m. of the same date and being ready, willing and able to complete the subject transaction. In the event the Purchaser or his solicitor fails to appear or appears and fails to close the subject transaction such attendance by the Vendor's representative shall be deemed satisfactory evidence that the Vendor was ready, willing and able to complete the sale at such time. Payment shall be tendered by wired funds.

42. Notwithstanding anything contained herein to the contrary, in the event the Purchaser or his Solicitor advise the Vendor or its Solicitors, on or before the Closing Date that the Purchaser is unable or unwilling to complete the purchase, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or his Solicitor and may exercise forthwith any and all of its right and remedies provided for in this Agreement and at law.

43. Given that the electronic registration system (the "Teraview Electronic Registration System" or "TERS") is operative in the applicable Land Titles Office in which the Real Property is registered, the following provisions shall prevail:

(a) the Purchaser shall be obliged to retain a solicitor, who is both an authorized TERS user and in good standing with the Law Society of Upper Canada, to represent the Purchaser in connection with the completion of this transaction. The Purchaser shall authorize such solicitor to, at the option of the Vendor's solicitor, either execute an escrow closing agreement with the Vendor's solicitor on the standard form recommended by the Law Society of Ontario (the "Document Registration Agreement") establishing the procedures and timing for completing this transaction or to otherwise agree to be bound by the procedures set forth in the Document Registration Agreement. If the Vendor's solicitor provides written notice to the Purchaser's solicitor that it accepts and agrees to be bound by the terms of the form of Document Registration Agreement prepared by the Law Society of Ontario and adopted by the Joint LSO - CBAO Committee on Electronic Registration of Title Documents, as may be amended from time to time, the Vendor's solicitor and the Purchaser's solicitor shall be deemed to have executed such form which shall be the Document Registration Agreement defined in this paragraph and referred to in this Agreement;

(b) the delivery and exchange of documents, monies and keys to the Dwelling, and the release thereof to the Vendor and the Purchaser, as the case may be:

(i) shall not occur contemporaneously with the registration of the transfer/deed (and other registerable documentation); and

(ii) shall be governed by the Document Registration Agreement, pursuant to which the solicitor receiving the documents, keys and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Document Registration Agreement;

(c) the Purchaser expressly acknowledges and agrees that he will not be entitled to receive the transfer/deed of land to the Real Property for registration until the balance of funds due on the Closing Date, in accordance with the statement of adjustments, are either remitted by wired funds or by electronic funds transfer to the Vendor's solicitor (or in such other manner as the latter may direct) prior to the release of the transfer/deed of land for registration;

(d) each of the parties agrees that the delivery of any documents not intended for registration on title to the Real Property may be delivered to the other party hereto by telefax transmission (or by a similar system reproducing the original) or by electronic transmission of electronically signed documents through the Internet provided that all documents so transmitted have been duly and properly executed by the appropriate parties/signatories thereto which may be by electronic signature. The party transmitting any such document shall also deliver the original of same (unless the document is an electronically signed

document pursuant to the *Electronic Commerce Act of Ontario*, as may be amended] to the recipient party by overnight courier sent the day after Closing, if same has been so requested by the recipient party; and

- (e) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:
- (i) delivered all closing documents to the Purchaser's solicitor in accordance with the provisions of the Document Registration Agreement and keys are also delivered to the Purchaser's solicitor or made available for the Purchaser to pick up at the Vendor's sales office, customer service office or construction site office;
 - (ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of the Document Registration Agreement or the provisions of this Agreement; and
 - (iii) has completed all steps required by TERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor and specifically, when the Transfer of the Real Property is created on the TERS system and messaged to the Purchaser's solicitor under the TERS system;

without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents and/or keys and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

DEFAULT AND REMEDIES

44. (a) The Purchaser shall be deemed to be in default under this Agreement in each and every one of the following events, namely:
- (i) upon the non-payment of all or any portion of the Purchase Price, or any other amount due hereunder;
 - (ii) upon a breach of, or failure in the performance or observance of any covenant, term, agreement, restriction, stipulation or provision of this Agreement to be performed and/or observed by the Purchaser; and
 - (iii) upon any lien, execution or encumbrance arising from any action or default whatsoever of the Purchaser being charged against or affecting the Real Property.
- (b) A certificate of the Vendor or an officer of the Vendor that default has been made and the date of default and that notice, if required, of such default has been given to the Purchaser, shall be conclusive evidence of the facts therein stated. If such default continues for five (5) days after written notice thereof has been given to the Purchaser or the Purchaser's solicitor by the Vendor or its solicitors (other than any default by the Purchaser on the Closing Date, for which no notice or period to remedy shall be given or required), then in addition to any other rights or remedies which the Vendor may have, the Vendor, at its option, shall have the rights and remedies as set out below.
- (c) In the event of a default by the Purchaser, then, in addition to any other rights or remedies which the Vendor may have, the Vendor, at its sole option, shall have the right to terminate this Agreement and preserve any rights the Vendor may have against the Purchaser and in such event, all monies paid hereunder (including the deposit monies paid or agreed to be paid by the Purchaser pursuant to this Agreement which sums shall be accelerated on demand of the Vendor), together with any interest earned thereon and monies paid or payable for extras or upgrades or changes ordered by the Purchaser, whether or not installed in the Dwelling, shall be forfeited to the Vendor. The Purchaser agrees that the forfeiture of the aforesaid monies shall not be a penalty and it shall not be necessary for the Vendor to prove it suffered any damages in order for the Vendor to be able to retain the aforesaid monies. The Vendor shall in such event still be entitled to claim damages from the Purchaser in addition to any monies forfeited to the Vendor. In the event the Vendor's solicitors are holding any of the deposit monies in trust pursuant to this Agreement, then in the event of a default, the Vendor's solicitors shall pay to the Vendor the said deposit monies together with any interest accrued thereon, provided the Vendor has delivered to its solicitors a certificate of the Vendor or an officer of the Vendor, certifying that the Purchaser has committed a default pursuant to this Agreement that has not been remedied and that the Vendor has terminated this Agreement and that the Vendor is therefore entitled to the said deposit monies and accrued interest, if any. Thereupon the Purchaser hereby releases the Vendor's solicitors from any obligation to hold the said deposit monies, if any, and interest, if any, in trust, and shall not make any claim whatsoever against the said solicitors and the Purchaser hereby irrevocably authorizes and directs the said solicitors to deliver the said deposit monies, if any, and accrued interest, if any, to the Vendor.
- (d) It is understood and agreed that the rights contained in this Section on the part of the Vendor are in addition to any other rights (whether of a more onerous nature or not) which the Vendor may have at law, in equity or under any other provisions of this Agreement, and the Vendor expressly has the right to exercise all or any one or more of the rights contained in this Agreement, or at law or in equity, without exercising at such time, the remainder of such right or rights and without prejudice to the subsequent right of the Vendor to exercise any remaining right or rights at law, in equity or in this Agreement. In the event the Purchaser fails to make payment of any amount as and when required pursuant to the terms of this Agreement, the payment amount shall bear interest at a rate equal to eight per cent (8%) above the prime rate of the Vendor's bank, calculated from the due date to the date of payment. Prime rate for any day means the prime lending rate of interest expressed as a rate per annum (computed on a year of 365 days) which the Vendor's bank establishes from time to time as the reference rate of interest in order to determine interest rates it will charge for demand loans made in Canada in Canadian dollars as the same is in effect from time to time. In the event of any other default under this Agreement by the Purchaser the Vendor shall have the right, at its sole option, but not the obligation, to take whatever steps are necessary to correct and/or remedy such default and the Purchaser shall pay forthwith to the Vendor upon demand the costs and expenses of the Vendor in doing so plus a fifteen percent (15%) administration fee. In the event the Purchaser fails to pay any of the foregoing amounts to the Vendor after demand the Vendor shall have the right, at its option, to add any of such outstanding amounts to the Purchase Price as an adjustment on the Closing Date. In addition, in the event that the Purchaser delays the Closing Date, the Vendor shall have the right to charge Two Hundred Dollars (\$200.00) plus HST per day as liquidated damages for each day of the delay, plus a legal/administrative fee of Five Hundred Dollars (\$500.00) plus HST per day towards the administration of a delayed occupancy or closing, as applicable, and to amend and/or create documentation.
45. The Purchaser covenants and agrees to pay to the Vendor all amounts to correct and remedy all damage caused by the Purchaser or those for whom he is in law responsible to any services installed within the Development, which services shall, without limitation, include survey stakes, landscaping, trees, curbs, curb cuts, streets, roads, sidewalks, street signs, street lighting, sanitary and storm sewers and any underground services installed by or on behalf of any public or private utilities. The amounts so paid by the Vendor shall form and constitute a Vendor's lien against the Real Property which Vendor's lien may be enforced in the same manner as a mortgage/charge thereon.
46. The Purchaser hereby agrees to indemnify and save harmless the Vendor, its servants and agents, successors and assigns, from all actions, causes of action, claims and demands whatsoever for, upon or by reason of any damage, loss or injury to a person or property of the Purchaser or any of his friends, relatives, workmen, agents or anyone else for whom at law the Purchaser is responsible who have entered on the Real Property or any part of the Development whether with or without the authorization, express or implied, of the Vendor.
47. No waiver by the Vendor of any breach of covenant or default in the performance of any obligation hereunder or any failure by the Vendor to enforce its rights herein shall constitute any further waiver of the Vendor's rights herein, it being the express intent of the parties that

any waiver or forbearance in enforcing its rights by the Vendor shall apply solely to that particular breach or failure.

48. Notwithstanding anything contained in this Agreement it is understood and agreed by the parties hereto that in the event that construction of the Dwelling is not completed on or before the Closing Date for any reason or in the event the Vendor cannot complete the subject transaction on the Closing Date, other than as a result of the Purchaser's default, the Vendor shall not be responsible or liable to the Purchaser in any way for any damages or costs whatsoever including without limitation loss of bargain, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs other than those costs set out in the Taron Addendum.

CAUSE OF ACTION/VENDOR ASSIGNMENT

49. (a) The Purchaser acknowledges and agrees that notwithstanding any rights which he might otherwise have at law or in equity arising out of this Agreement, the Purchaser shall not assert any of such rights, nor have any claim or cause of action whatsoever as a result of any matter or thing arising under or in connection with this Agreement (whether based or founded in contract law, tort law or in equity, and whether for innocent misrepresentation, negligent misrepresentation, breach of contract, breach of fiduciary duty, breach of constructive trust or otherwise), against any person, firm, corporation or other legal entity, other than the person, firm, corporation or legal entity specifically named or defined as the Vendor herein, even though the Vendor may be (or may ultimately be found or adjudged to be) a nominee or agent of another person, firm, corporation or other legal entity, or a trustee for and on behalf of another person, firm, corporation or other legal entity, and this acknowledgment and agreement may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights, claims or causes of action against any such third parties.
- (b) At any time prior to the Closing Date, the Vendor shall be permitted to assign this Agreement (and its rights, benefits and interests hereunder) to any person, firm, partnership or corporation and upon any such assignee assuming all obligations under this Agreement and notifying the Purchaser or the Purchaser's solicitor of such assignment, the Vendor named herein shall be automatically released from all obligations and liabilities to the Purchaser arising from this Agreement, and said assignee shall be deemed for all purposes to be the Vendor herein as if it had been an original party to this Agreement, in the place and instead of the Vendor.

NOTICE

50. Any notice required to be delivered under the provisions of the Taron Addendum shall be delivered in the manner required therein.
51. Any other notice given pursuant to the terms of this Agreement shall be deemed to have been properly given if it is in writing and is delivered by hand, ordinary prepaid post, facsimile transmission or electronic mail to the attention of the Purchaser or the Purchaser's solicitor to their respective addresses set out in this Agreement and to the Vendor or the Vendor's solicitors to their respective addresses set out in this Agreement or in all cases such other address as may from time to time be given by notice in accordance with the foregoing. Such notice shall be deemed to have been received on the day it was delivered by hand, facsimile transmission or electronic mail and upon the third day following posting excluding Saturdays, Sundays and statutory holidays. In the event of a mail stoppage or slow down, all notices shall be delivered, sent by facsimile transmission or sent by electronic mail. This Agreement or any amendments or addendum thereto may, at the Vendor's option, be properly delivered, if delivered by facsimile transmission or if a copy of same is computer scanned and forwarded by electronic mail to the other party.

PURCHASER'S CONSENT TO THE COLLECTION AND LIMITED USE OF PERSONAL INFORMATION

52. The Purchaser hereby consents to the Vendor's collection, use and disclosure of the Purchaser's personal information for the purpose of enabling the Vendor to proceed with the Purchaser's purchase of the Real Property, completion of this transaction, and for post-closing and after-sales customer care purposes. Such personal information includes the Purchaser's name, home address, e-mail address, telefax/telephone number, age, date of birth, marital status, residency status, social insurance number (only with respect to subparagraph (b) below), financial information, desired Dwelling design(s) and colour/finish selections. In particular but without limiting the foregoing, the Vendor may disclose such personal information to:
- (a) any relevant governmental authorities or agencies, including without limitation, the Land Titles Office (in which the Real Property is registered), the Ministry of Finance for the Province of Ontario (i.e. with respect to Land Transfer Tax), and the CRA (i.e. with respect to HST);
- (b) the CRA, to whose attention the T-5 interest income tax information return and/or the NR4 non-resident withholding tax information return is submitted (where applicable), which will contain or refer to the Purchaser's social insurance number or business registration number (as the case may be), as required by Regulation 201(1)(b)(ii) of the *Income Tax Act (Canada)*, as may be amended;
- (c) any companies or legal entities that are associated with, related to or affiliated with the Vendor (or with the Vendor's parent/holding company, if applicable) and are developing one or more other developments, projects or communities that may be of to the Purchaser or members of the Purchaser's family, for the limited purposes of marketing, advertising and/or selling various products and/or services to the Purchaser and/or members of the Purchaser's family;
- (d) any financial institution(s) providing (or wishing to provide) mortgage financing, banking and/or other financial or related services to the Purchaser and/or members of the Purchaser's family with respect to the Real Property, including without limitation, the Vendor's construction lender(s), the person and/or firm monitoring the project of which the Real Property forms a part (the "Project") and its costs, the Vendor's designated construction lender(s), Taron and/or any warranty bond provider and/or deposit insurer, required in connection with the development and/or construction financing of the Project and/or the Real Property and/or the financing of the Purchaser's acquisition of the Property from the Vendor;
- (e) any insurance companies of the Vendor providing (or wishing to provide) insurance coverage with respect to the Project and/or the Real Property (or any portion thereof) and any title insurance companies providing (or wishing to provide) title insurance to the Purchaser or the Purchaser's mortgage lender(s) in connection with the completion of this transaction;
- (f) any trades/suppliers or sub-trades/suppliers, who have been retained by or on behalf of the Vendor (or who are otherwise dealing with the Vendor) to facilitate the completion and finishing of the Dwelling and the Real Property and the installation of any extras or upgrades ordered or requested by the Purchaser;
- (g) one or more providers of cable television, telephone, telecommunication, security alarm systems, hydro-electricity, water/chilled water/hot water, gas, furnace and/or other similar or related services to the Real Property (or any portion thereof) (collectively, the "Utilities") unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the Utilities;
- (h) one or more third party data processing companies which handle or process marketing campaigns on behalf of the Vendor or other companies that are associated with, related to or affiliated with the Vendor, and who may send (by e-mail or other means) promotional literature/brochures about new developments, projects or communities and/or related services to the Purchaser and/or members of the Purchaser's family unless the Purchaser gives the Vendor prior notice in writing not to disclose the Purchaser's personal information to one or more of the aforementioned third party data processing companies;
- (i) the Vendor's solicitors, to facilitate the closing of this transaction, including the closing by electronic means via the TERS, and which may (in turn) involve the disclosure of such personal information to an internet application service provider for distribution

of documentation; and

- (j) any person, where the Purchaser further consents to such disclosure or disclosures required by law.

Any questions or concerns of the Purchaser with respect to the collection, use or disclosure of his personal information may be delivered to the Vendor at the address set out in the Taron Addendum to the attention of the Privacy Officer.

KEYS

53. The Purchaser agrees that keys may be released to the Purchaser at the Vendor's sales office, customer service office or construction site office upon completion of this transaction, unless otherwise determined by the Vendor. The Vendor's or its solicitors' advice that keys are available for release to the Purchaser constitutes a valid delivery of keys to the Purchaser.

ONE-TIME UNILATERAL RIGHT TO EXTEND CLOSING

54. The Vendor shall have a one-time unilateral right to extend the Closing Date for one (1) Business Day (as defined in the Taron Addendum) to avoid the necessity of tender where the Purchaser is not ready to close on the Closing Date and delayed closing compensation will not be payable for such period.

CONSTRUCTION ACT

55. The Purchaser covenants and agrees that he is a "home Purchaser" within the meaning of the *Construction Act* of Ontario, as may be amended, and will not claim any lien holdback on the Closing Date.

GENERAL

56. This offer, when accepted, shall constitute a binding agreement of purchase and sale. Time shall in all respects be of the essence of this Agreement. All of the Purchaser's and Vendor's covenants and obligations contained in this Agreement shall survive Closing of this transaction. It is agreed that there is no representation, warranty, guarantee, collateral agreement or condition affecting this Agreement or the Dwelling or the Real Property, except as set forth herein in writing, and this Agreement shall not be amended except in writing. The Purchaser releases and absolves the Vendor of any obligation to perform or comply with any promises or representations as may have been made by any sales representative or in any sales or marketing material(s), unless the same has been reduced to writing herein.
57. This offer and acceptance is to be read with all changes (including gender and number) required by the context, and shall be construed in accordance with the laws of the Province of Ontario.
58. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
59. The parties agree that the signatures and/or initials on this Agreement or its acceptance, rejection or modification can be transmitted by fax transmission or, at the Vendor's option, by email (wherein a copy is scanned and forwarded by email to the other party) and that communication by such means will be legal and binding on all parties hereto.
60. In the event there are any matters provided for in this Agreement which are or may be the Vendor's responsibility pursuant to a municipal, regional or other governmental authority requirement and which the Municipality and/or Region and/or any other governmental authority no longer requires the Vendor to perform, complete, construct or install then such matter(s) shall be deleted from this Agreement and the Vendor shall have no responsibility or obligation in respect thereof.
61. The Purchaser agrees to comply with the terms of any direction regarding funds provided by the Vendor or its solicitors in respect of the balance due on the Closing and to deliver on the Closing wired funds for the balance due on Closing as directed by the Vendor or its solicitors.
62. The headings of this Agreement form no part hereof and are inserted for convenience of reference only.
63. If any provision of this Agreement or the application to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement or the application thereof to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
64. The Purchaser and the Vendor acknowledge that this Agreement shall be deemed to be a contract under seal.
65. The Purchaser agrees as follows:
- (a) if any documents required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person must be registered in the Land Titles Office where the Real Property is registered, and a notarial copy thereof (together with a statutory declaration sworn by the Purchaser's solicitor unequivocally confirming, without any qualification whatsoever, that the said power of attorney has not been revoked) shall be delivered to the Vendor and the Vendor's solicitors along with such documents; and
- (b) where the Purchaser is a corporation, or where the Purchaser is buying in trust for another person or corporation for a disclosed or undisclosed beneficiary or principal (including, without limitation, a corporation to be incorporated), the execution of this Agreement by the principal or principals of such corporation, or by the person named as the Purchaser in trust as the case may be, shall be deemed and construed to constitute the personal indemnity of such person or persons so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and the Purchaser may not plead such agency, trust relationship or any other relationships as a defence to such liability.

ADDITIONAL PROVISIONS

66. Any trees, fencing, retaining walls or noise barriers or other items of a similar nature erected by the Vendor or the Municipality on the Real Property shall be maintained by the owner of the Real Property, without any modification or alteration whatsoever and in good order and tidy appearance and any landscaping provided by the Vendor in connection therewith shall be maintained by the Purchaser in good order and condition.
67. In the event that a sump pump is installed for purposes of draining the weeping tiles of a dwelling, the Purchaser acknowledges and agrees that the repair and maintenance of such sump pump (and related components) will be the sole responsibility of such Potl owner.

RIP
A.R.P.

Freehold Form
(May 14, 2024)

SCHEDULE "B"

ADDITIONAL INFORMATION

EACH NEW HOME IS PROTECTED BY FOUR LEVELS OF GUARANTEES

- One Year Tarion Warranty coverage guarantees that home is constructed in a workman-like manner and free from defects in material.*
- Two Year Tarion Warranty coverage on electrical, plumbing, heat delivery & distribution system.*
- Seven Year Tarion Warranty coverage on major structural components of your new Home.*
- The individual guarantees provided by the quality brand-name suppliers of the many components that go into new home. We carefully select component suppliers for roofing, hardware, electrical components, heating, cooling and mechanical systems, plumbing and other key elements and the warranties provided by these reputable brand name suppliers are all passed on to the Purchaser.

* See the Tarion Warranty Corporation website (Formerly the Ontario new Home Warranty program) for full warranty details.

** Variations from Builder's samples may occur in materials and finishes due to normal production processes. We reserve the right to substitute materials of equal or better quality without notice subject to availability at time of construction. E & O. E.

OPTIONAL UPGRADES AND CUSTOMIZING

- Lerrato Inc. offers a wide selection of upgrades to suit your special needs wherever possible. Please speak with the sales representative to discuss customizing your home.

Available upgrades will be quoted by the builder at the time of purchase. These upgrades may include the following features:


- 1- ½ HP garage door opener including the remote control and exterior keypad
- 2- AC unit
- 3- Water hose bib to front of the dwelling
- 4- Hardwood flooring in the bedrooms
- 5- Choice of carpet or laminate in the basement
- 6- Granite counter tops
- 7- Porcelain or marble tiles for the bathrooms and kitchen area
- 8- Wrought Iron railing
- 9- LED potlights

ORAL REPRESENTATIONS DO NOT FORM A PART OF NOR CAN THEY AMEND THIS AGREEMENT.

N.B. Subject to the Agreement of which this Schedule forms part, the Vendor shall have the right to substitute other products and materials provided that the substituted products and materials are of a quality equal to, or better than, the products and materials so listed or so provided.

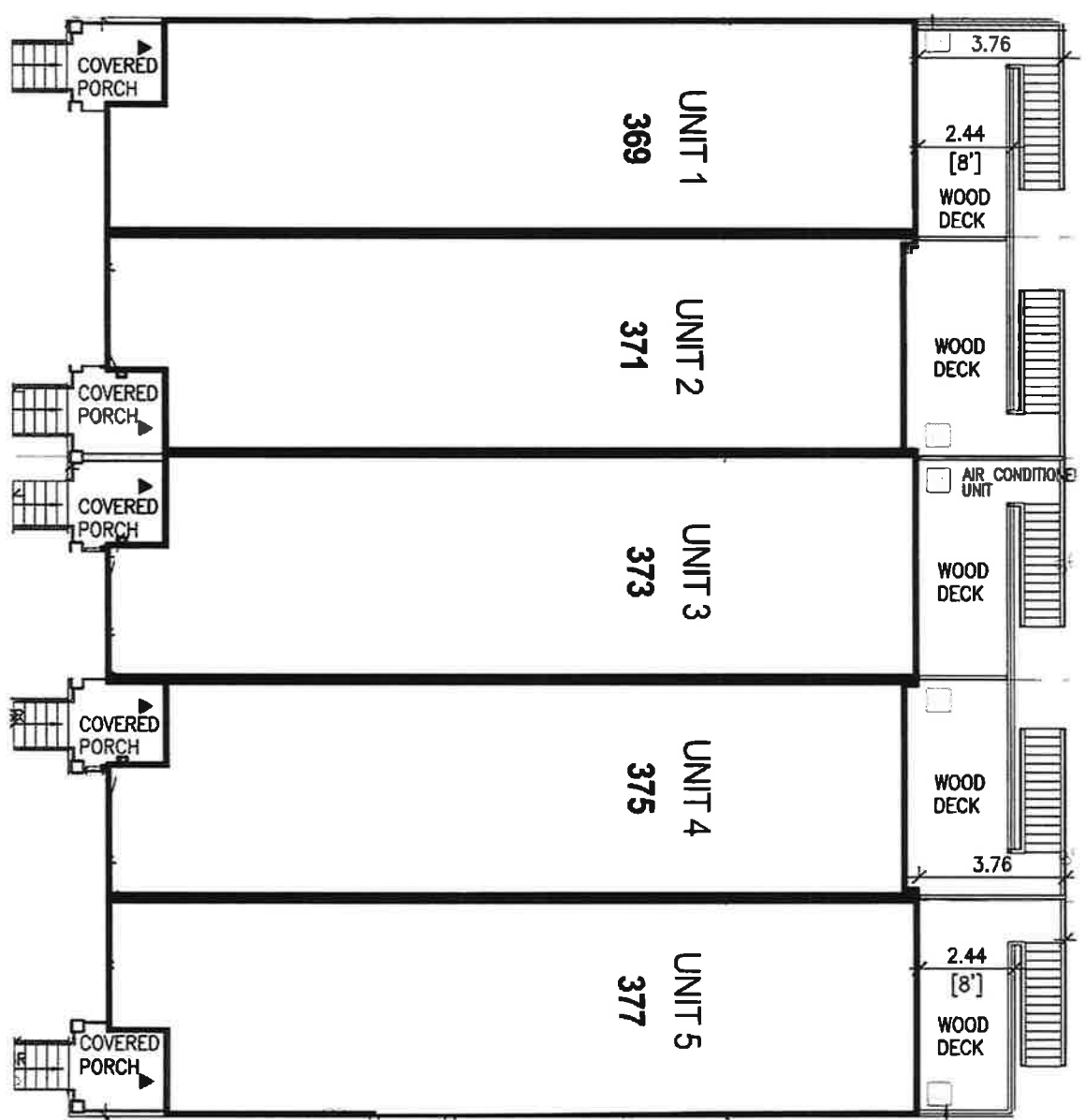
1. Marble and wood are subject to natural variations in colour and grain. Ceramic tile and broadloom are subject to pattern, shade and colour variations.
2. The Purchaser acknowledges that there shall be no reduction in the price or credit for any standard feature which is omitted at the Purchaser's request.
3. All dimensions, if any, are approximate.
4. All specifications, dimensions and materials are subject to change without notice.
5. Pursuant to this Agreement or this Schedule or pursuant to a supplementary agreement or purchase order the Purchaser may have requested the Vendor to construct an additional feature within the Dwelling which is in the nature of an optional extra (such as, by way of example only, a fireplace); if, as a result of building, construction or site conditions within the Dwelling or the Building, the Vendor is not able to construct such extra, then the Vendor may, by written notice to the Purchaser, terminate the Vendor's obligation to construct the extra. In such event, the Vendor shall refund to the Purchaser the monies, if any, paid by the Purchaser to the Vendor in respect of such extra, without interest and in all other respects this Agreement shall continue in full force and effect.
6. Brand name appliances that are not readily available at the time of purchase by the Vendor may be substituted at the Vendor's sole and absolute discretion, provided that such appliances are of equal quality to or better than the appliances set out herein.

E&OE.

 R.M.P.
A.P.P.

SCHEDULE ~~B~~ C
SITE PLAN

Note: Actual usable floor space may vary from the stated floor area



RMP
A.P.P.

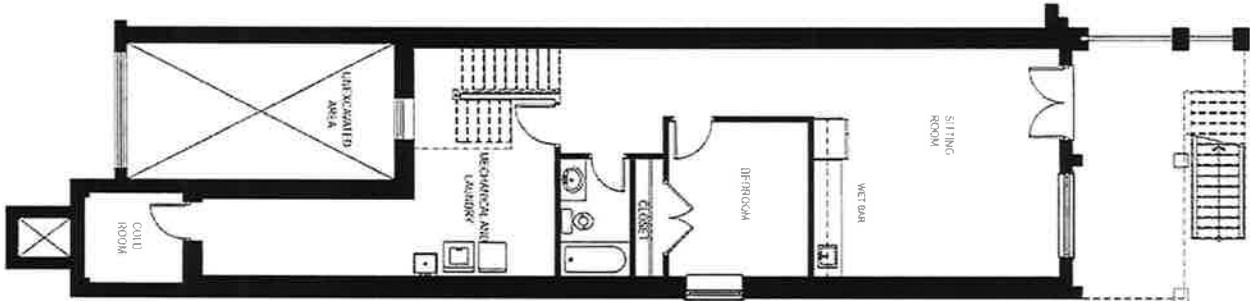
PORTE ROAD
(FORMERLY PICKERING BEACH ROAD, RENAMED BY -LAW No. 109-2002 AS IN DR207525)
(ROAD ALLOWANCE BETWEEN LOTS 6 AND 7)
PDN 26454-0001(L17)

377 Porte Rd

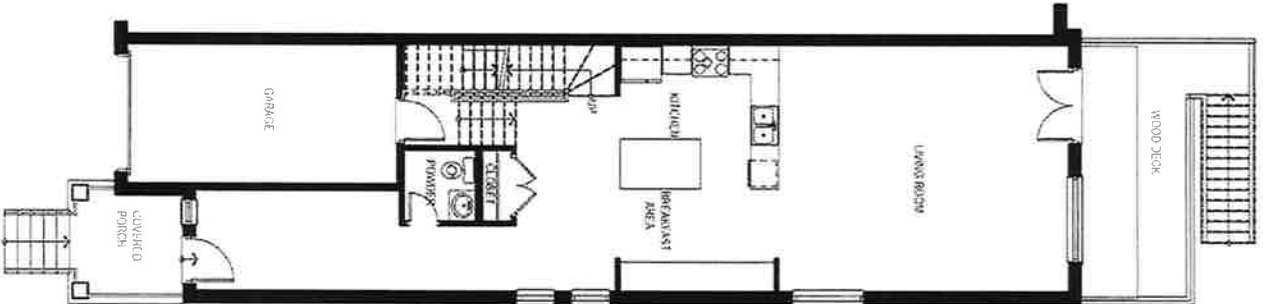
RMP
H.B.D.

SCHEDULE "D"
FLOOR PLAN

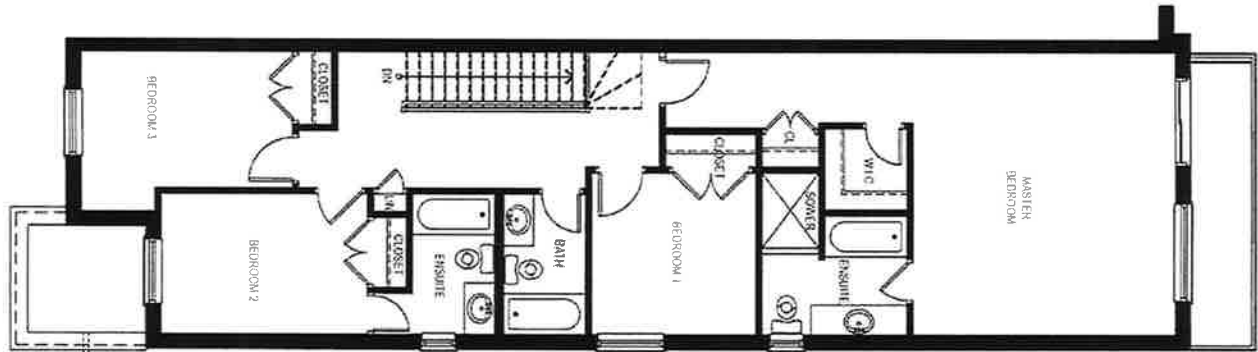
Note: Actual usable floor space may vary from the stated floor area



BASEMENT



FIRST FLOOR



SECOND FLOOR

SCHEDULE "E"

WARNING CLAUSES AND NOTICE PROVISIONS

1. The Purchaser acknowledges that it is anticipated by the Vendor that in connection with the Vendor's application to the appropriate governmental authorities for site plan approval certain requirements may be imposed upon the Vendor by various governmental authorities. These requirements (the "Requirements") usually relate to warning provisions to be given to Purchasers in connection with environmental or other concerns (such as warnings relating to noise levels, the proximity of the buildings to major streets and similar matters). Accordingly, the Purchaser covenants and agrees that: (1) on the Closing Date, the Purchaser shall execute any and all documents required by the Vendor acknowledging, inter alia, that the Purchaser is aware of the Requirements.
2. The Purchaser specifically acknowledges and agrees that the Development will be developed in accordance with any requirements that may be imposed, from time to time, by any of the governmental authorities. The Purchaser further acknowledges that the proximity of the Development to major arterial roads as well as to public transit services and buses, may result in noise and/or vibration transmissions to the Real Property, and may cause noise exposure levels affecting the Real Property to exceed the noise criteria established by the governmental authorities, and that despite the inclusion of noise control features, noise levels from the aforementioned sources may continue to be of concern, occasionally interfering with some activities of the residential dwelling occupants. The Purchaser nevertheless agrees to complete this transaction in accordance with the terms hereof, notwithstanding the existence of such potential noise concerns, and the Purchaser further acknowledges and agrees that a noise-warning clause similar to the preceding sentence (subject to amendment by any wording or text recommended by the Vendor's noise consultants or by any of the governmental authorities) may be registered on title to the Potl on the Closing Date, if, in fact, same is required by any of the governmental authorities.
3. The Purchaser is advised that the Vendor's marketing material and site drawings and renderings ("**Marketing Material**") which they may have reviewed prior to the execution of this Agreement remains conceptual and that final building plans are subject to the final review and approval of any applicable governmental authority and the Vendor's design consultants and engineers, and accordingly such Marketing Material does not form part of this Agreement or the Vendor's obligations hereunder.
4. The hot water heater/tank within the Dwelling may be rented/leased and the Purchaser agrees on or before the Closing Date to enter into a lease agreement with such company selected by the Vendor for the lease of same, to execute such documents and other assurances as are required to give effect to same and to be responsible for the costs related thereto.
5. The Purchaser is advised that despite the inclusion of noise control features in this development area and within dwellings, noise levels from increasing road traffic may continue to be of concern occasionally interfering with some activities of the dwelling occupants, as the noise exposure level may exceed the noise criteria of the Municipality and the Ministry of the Environment.
6. The Purchaser is specifically advised that the Dwelling will be fitted with ducting sized to accommodate a central air conditioning unit. The installation of central air conditioning by the homeowner will allow windows and exterior doors to be kept closed, thereby achieving indoor sound levels within the limits recommended by the Ministry of Environment. (Note: care should be taken to ensure that the condenser unit is located in an area that is not sensitive to noise. The sound rating of central air conditioning units must not exceed the sound emission standards established by the Ministry of Environment).
7. The Purchaser is advised that noise, traffic, light and/or odour levels from nearby office, commercial and/or retail businesses, as well as fire hall, schools and hospital, may be of concern and occasionally interfere with some activities of the Dwelling occupants. The Purchaser is advised that sound levels may exceed the Municipality's and the Ministry of Environment's noise criteria.

R.M.P.
A.R.P.

SCHEDULE "F"
FEATURES LIST

CUSTOM QUALITY CONSTRUCTION AND EXTERIOR:

1. Brick, stone, and stucco exterior.
2. Comes with 1 garage parking with roll up garage door with window giving natural light inside.
3. Energy conserving insulation.
4. Exterior walls and ceiling to meet or surpass the Ontario Building Code requirements.
5. Poured concrete walls treated and wrapped to ensure waterproof structure.
6. Fully graded lots as per municipal grade plan.

SPECTACULAR INTERIOR FEATURES:

1. Architectural finishes include modern, flat profile 4" baseboards with matching casings.
2. Series Classique door throughout including all closet doors with quality hardware from vendor's standard samples.
3. Latex paint on walls and semi-gloss white on doors and trim as per vendor's standard samples.
4. Full back fence included.
5. High efficiency hot water tank rental unit installed.

EXTERIOR FINISHES:

1. Low maintenance aluminum soffits, fascia, eavestroughs, and downspouts, as per elevation.
2. Self-sealing 25-year manufacturer's limited warranty roof shingles from Vendor's predetermined colour samples.
3. Drainage system which includes; damp proofing spray, drainage membrane and drain tile.
4. Poured concrete garage floor with reinforced grade beams.
5. Two exterior hose bibs (taps), one at rear elevation and one in garage.

INTERIOR KITCHEN FEATURES:

1. Flat – panel laminate cabinetry with modern finishes.
2. Custom soft – close drawers.
3. Double – basin under mount, stainless steel kitchen sink with single lever faucet.
4. Electrical outlets at counter level for small appliances.
5. Quartz countertop.

BATHROOM FEATURES:

1. Contemporary chrome single lever vanity faucet.
2. Hand – set tile flooring.
3. Mirrors in all bathrooms over vanity.
4. Energy efficient water-saving shower heads and dual flush toilets throughout.
5. Tub enclosures tiled to the ceiling height.
6. Exhaust fans provided in all bathrooms.
7. Dedicated G.F.I. outlet provided at pedestal or vanity counter level.
8. Privacy locks on all bathroom doors.

LAUNDRY FEATURES:

1. Hot and cold water supply provided with a separate drain for clothes washing appliance, as per plan.
2. Heavy – duty electrical outlet for clothes dryer and a dedicated (110 volt) electrical outlet for washer.
3. Exterior venting provided for clothes dryer.

INTERIOR TRIM FEATURES:

1. Classique interior doors as per plan.
2. Colonial style trim throughout from Vendor's included samples.
3. Elegant natural finished oak staircase, handrail, and pickets on all finished areas stairs.

BEDROOM FEATURES:

1. All bedrooms have ceiling lights with wall controls.
2. Master retreat with ensuite and walk-in closet.
3. Generous closets with space saving wire shelving.

FLOORING FEATURES:

1. Engineered hardwood floors throughout entries, kitchen and principal living areas and laminate flooring in basement and second floor.
2. Tongue & groove OSB Subflooring throughout. All sheathing joints to be sanded smooth and screwed down to floor joists.

PAINTING FEATURES:

1. Choice of one paint colour from Vendor's included samples for all interior walls.
2. All interior doors and trim to be painted white.

ELECTRIAL FEATURES:

1. 200-amp electrical service with copper wiring circuit breaker panel.
2. Rough-in for Cable TV in all Bedrooms and in the Living Room or Family Room (where applicable).
3. Doorbell included.
4. Quality carbon monoxide and smoke detectors as per Ontario Building Code (where applicable).
5. White switches and receptacles throughout.
6. Rough-in for the dishwasher.
7. Recessed light fixture in the Master ensuite shower stall (as per plan where applicable).
8. Water pressure balancing valves in all showers.

HEATING FEATURES:

1. High-efficiency forced-air gas furnace.
2. Ductwork sized for future air-conditioning.
3. High efficiency rental hot water heater.
4. Heat Recovery Ventilation Unit.

ROOFTOP FEATURES:

1. East-facing balcony with glass railing.
2. Flat roofing system & terrace.
3. Roof shingles with manufacturer's warranty.

HOME ENERGY SAVINGS AND COMFORT FEATURES:

1. 2" * 6' exterior wall with a minimum of R-22 insulation.
2. R-60 blown-in place arctic insulation.
3. R-31 batt insulation in non-attic / roof spaces.
4. R-20 basement wall wrap insulation to 6" above concrete slab.
5. R-31 foam insulation to all rooms above garages and exposed floor areas.
6. Vinyl Casement windows with Low-E coating and an Argon gas filled window Cavity.
7. Basement vinyl sliding windows with Low-E coating and an Argon gas filled window cavity.
8. All visibly exposed supply ducts in basement are taped to provide increased furnace efficiency and air flow throughout the home.
9. Programmable thermostat.
10. ERV or HRV – Energy Recovery Ventilator.

GENERAL:

1. Where the Purchaser is given a choice of materials or colours, the Purchaser agrees to confirm such choices to the vendor within 14 days of being requested to do so, otherwise failing which the vendor will make such choices on behalf of the Purchaser and the Purchaser agrees to accept the same.
2. The Vendor reserves the right to substitute materials of equal or better quality and the purchaser agrees to accept the same.
3. The Purchaser acknowledges that it is at the Vendor's discretion door swings may be different than those indicated on brochures and agrees to accept swings as adjusted at the Vendor's discretion.
4. The number of steps at the front porch may vary from shown according to grading conditions and municipal requirements.
5. Variation in uniformity and colour from Vendor's sample may occur in the finished material (Purchaser agrees to accept the same).
6. Actual usable floor space and square footage may vary from the stated floor area.

All Bathroom counter tops to be installed in Quartz, Marble, or Granite from the Vendor samples.

RMP
A.P.P.

Property 377 Porte Road

Statement of Critical Dates
Delayed Closing Warranty

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. The Vendor must complete all blanks set out below. Both the Vendor and Purchaser must sign this page.

NOTE TO HOME BUYERS: Home buyers are encouraged to refer to the Home Construction Regulatory Authority's website www.hcraontario.ca to confirm a vendor's licence status prior to purchase as well as to review advice about buying a new home. Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. The Warranty Information Sheet, which accompanies your purchase agreement and has important information, is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your home.

VENDOR LERRATO INC.
Full Name(s)

PURCHASER ROHITKUMAR M. PATEL AND ARVINDABEN R. PATEL
Full Name(s)

1. Critical Dates

The **First Tentative Closing Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is: the 14 day of MAY, 2024.

A **Second Tentative Closing Date** can subsequently be set by the Vendor by giving proper written notice at least 90 days before the First Tentative Closing Date. The Second Tentative Closing Date can be up to 120 days after the First Tentative Closing Date, and so could be as late as: the 12 day of JUNE, 2024.

The Vendor must set a **Firm Closing Date** by giving proper written notice at least 90 days before the Second Tentative Closing Date. The Firm Closing Date can be up to 120 days after the Second Tentative Closing Date, and so could be as late as: the ____ day of _____, 20____.

If the Vendor cannot close by the Firm Closing Date, then the Purchaser is entitled to delayed closing compensation (see section 7 of the Addendum) and the Vendor must set a Delayed Closing Date.

The Vendor can set a **Delayed Closing Date** that is up to 365 days after the earlier of the Second Tentative Closing Date and the Firm Closing Date. This **Outside Closing Date** could be as late as: the ____ day of _____, 20____.

2. Notice Period for a Delay of Closing

Changing a Closing date requires proper written notice. The Vendor, without the Purchaser's consent, may delay Closing twice by up to 120 days each time by setting a Second Tentative Closing Date and then a Firm Closing Date in accordance with section 1 of the Addendum but no later than the Outside Closing Date.

Notice of a delay beyond the First Tentative Closing Date must be given no later than: the ____ day of _____, 20____.

(i.e., at least **90 days** before the First Tentative Closing Date), or else the First Tentative Closing Date automatically becomes the Firm Closing Date.

Notice of a second delay in Closing must be given no later than: the ____ day of _____, 20____.

(i.e., at least **90 days** before the Second Tentative Closing Date), or else the Second Tentative Closing Date becomes the Firm Closing Date.

3. Purchaser's Termination Period

If the purchase of the home is not completed by the Outside Closing Date, then the Purchaser can terminate the transaction during a period of **30 days** thereafter (the "**Purchaser's Termination Period**"), which period, unless extended by mutual agreement, will end on: the ____ day of _____, 20____.

If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed closing compensation and to a full refund of all monies paid plus interest (see sections 7, 10 and 11 of the Addendum).

Note: Any time a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to: the most recent revised Statement of Critical Dates; or agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 5 of the Addendum).

Acknowledged this 14 day of MAY, 2024
VENDOR: [Signature]

PURCHASER: [Signature]
A. R. Patel

RMP
A28 R.P.

Addendum to Agreement of Purchase and Sale
Delayed Closing Warranty

This addendum, including the accompanying Statement of Critical Dates (the "Addendum"), forms part of the agreement of purchase and sale (the "Purchase Agreement") between the Vendor and the Purchaser relating to the Property. This Addendum is to be used for a transaction where the home purchase is in substance a purchase of freehold land and residential dwelling. This Addendum contains important provisions that are part of the delayed closing warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the "ONHWP Act"). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED CLOSING WARRANTY.**

Tarion recommends that Purchasers register on Tarion's **MyHome** on-line portal and visit Tarion's website – tarion.com, to better understand their rights and obligations under the statutory warranties.

The Vendor shall complete all blanks set out below.

VENDOR	LERRATO INC.		
	Full Name(s)		
	B61168	9 RIDGEVALE DR	
	HCRA Licence Number	Address	
	647-855-2525	MARKHAM	ON L6B 1A8
	Phone	City	Province Postal Code
		hiteshhitesh2004@yahoo.com	
	Fax	Email*	

PURCHASER	ROHITKUMAR M. PATEL AND ARVINDABEN R. PATEL		
	Full Name(s)		
	29 ROSEBANK DR UN703	SCARBOROUGH	ON M1B 5Y7
	Address	City	Province Postal Code
	647 784 0957		
	Phone	Shrohit@msn.com	
	Fax	Email*	

PROPERTY DESCRIPTION	377 PORTE ROAD		
	Municipal Address		
	AJAX	ON	L1S 0B9
	City	Province	Postal Code
	PT LT 6 CON 1, PT 5, 40R30173, PICKERING, SUBJECT TO EASEMENT AS IN PI31742;		
	Short Legal Description		
	TOWN OF AJAX		

Number of Homes in the Freehold Project _____ (if applicable – see Schedule A)

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

- (a) The Property is within a plan of subdivision or a proposed plan of subdivision. ☐ Yes ☒ No
If yes, the plan of subdivision is registered. ☐ Yes ☒ No
If the plan of subdivision is not registered, approval of the draft plan of subdivision has been given. ☐ Yes ☒ No
- (b) The Vendor has received confirmation from the relevant government authorities that there is sufficient:
(i) water capacity; and (ii) sewage capacity to service the Property. ☐ Yes ☒ No

If yes, the nature of the confirmation is as follows: _____

If the availability of water and sewage capacity is uncertain, the issues to be resolved are as follows: _____

- (c) A building permit has been issued for the Property. ☒ Yes ☐ No
(d) Commencement of Construction: ☒ has occurred; or ☐ is expected to occur by the ____ day of _____, 20__.

The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

*Note: Since important notices will be sent to this address, it is essential that you ensure that a reliable email address is provided and that your computer settings permit receipt of notices from the other party.

Freehold Form
(May 14, 2024)

SETTING AND CHANGING CRITICAL DATES

1. Setting Tentative Closing Dates and the Firm Closing Date

- (a) **Completing Construction Without Delay:** The Vendor shall take all reasonable steps to complete construction of the home on the Property and to Close without delay.
- (b) **First Tentative Closing Date:** The Vendor shall identify the First Tentative Closing Date in the Statement of Critical Dates attached to the Addendum at the time the Purchase Agreement is signed.
- (c) **Second Tentative Closing Date:** The Vendor may choose to set a Second Tentative Closing Date that is no later than 120 days after the First Tentative Closing Date. The Vendor shall give written notice of the Second Tentative Closing Date to the Purchaser at least 90 days before the First Tentative Closing Date, or else the First Tentative Closing Date shall for all purposes be the Firm Closing Date.
- (d) **Firm Closing Date:** The Vendor shall set a Firm Closing Date, which can be no later than 120 days after the Second Tentative Closing Date or, if a Second Tentative Closing Date is not set, no later than 120 days after the First Tentative Closing Date. If the Vendor elects not to set a Second Tentative Closing Date, the Vendor shall give written notice of the Firm Closing Date to the Purchaser at least 90 days before the First Tentative Closing Date, or else the First Tentative Closing Date shall for all purposes be the Firm Closing Date. If the Vendor elects to set a Second Tentative Closing Date, the Vendor shall give written notice of the Firm Closing Date to the Purchaser at least 90 days before the Second Tentative Closing Date, or else the Second Tentative Closing Date shall for all purposes be the Firm Closing Date.
- (e) **Notice:** Any notice given by the Vendor under paragraphs (c) and (d) above, must set out the stipulated Critical Date, as applicable.

2. Changing the Firm Closing Date – Three Ways

- (a) The Firm Closing Date, once set or deemed to be set in accordance with section 1, can be changed only:
 - (i) by the Vendor setting a Delayed Closing Date in accordance with section 3;
 - (ii) by the mutual written agreement of the Vendor and Purchaser in accordance with section 4; or
 - (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 5.
- (b) If a new Firm Closing Date is set in accordance with section 4 or 5, then the new date is the "Firm Closing Date" for all purposes in this Addendum.

3. Changing the Firm Closing Date – By Setting a Delayed Closing Date

- (a) If the Vendor cannot Close on the Firm Closing Date and sections 4 and 5 do not apply, the Vendor shall select and give written notice to the Purchaser of a Delayed Closing Date in accordance with this section, and delayed closing compensation is payable in accordance with section 7.
- (b) The Delayed Closing Date may be any Business Day after the date the Purchaser receives written notice of the Delayed Closing Date but not later than the Outside Closing Date.
- (c) The Vendor shall give written notice to the Purchaser of the Delayed Closing Date as soon as the Vendor knows that it will be unable to Close on the Firm Closing Date, and in any event at least 10 days before the Firm Closing Date, failing which delayed closing compensation is payable from the date that is 10 days before the Firm Closing Date, in accordance with paragraph 7(c). If notice of a new Delayed Closing Date is not given by the Vendor before the Firm Closing Date, then the new Delayed Closing Date shall be deemed to be the date which is 90 days after the Firm Closing Date.
- (d) After the Delayed Closing Date is set, if the Vendor cannot Close on the Delayed Closing Date, the Vendor shall select and give written notice to the Purchaser of a new Delayed Closing Date, unless the delay arises due to Unavoidable Delay under section 5 or is mutually agreed upon under section 4, in which case the requirements of those sections must be met. Paragraphs (b) and (c) above apply with respect to the setting of the new Delayed Closing Date.
- (e) Nothing in this section affects the right of the Purchaser or Vendor to terminate the Purchase Agreement on the bases set out in section 10.

4. Changing Critical Dates – By Mutual Agreement

- (a) This Addendum sets out a framework for setting, extending and/or accelerating Critical dates, which cannot be altered contractually except as set out in this section 4. Any amendment not in accordance with this section is voidable at the option of the Purchaser.
- (b) The Vendor and Purchaser may at any time, after signing the Purchase Agreement, mutually agree in writing to accelerate or extend any of the Critical Dates. Any amendment which accelerates or extends any of the Critical Dates must include the following provisions:
 - (i) the Purchaser and Vendor agree that the amendment is entirely voluntary – the Purchaser has no obligation to sign the amendment and each understands that this purchase transaction will still be valid if the Purchaser does not sign this amendment;
 - (ii) the amendment includes a revised Statement of Critical Dates which replaces the previous Statement of Critical Dates;
 - (iii) the Purchaser acknowledges that the amendment may affect delayed closing compensation payable; and

Freehold Form
(May 14, 2024)

(iv) if the change involves extending either the Firm Closing Date or the Delayed Closing Date, then the amending agreement shall:

- i. disclose to the Purchaser that the signing of the amendment may result in the loss of delayed closing compensation as described in section 7;
- ii. unless there is an express waiver of compensation, describe in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation; and
- iii. contain a statement by the Purchaser that the Purchaser waives compensation or accepts the compensation referred to in clause ii above, in either case, in full satisfaction of any delayed closing compensation payable by the Vendor for the period up to the new Firm Closing Date or Delayed Closing Date.

If the Purchaser for his or her own purposes requests a change of the Firm Closing Date or the Delayed Closing Date, then subparagraphs (b)(i), (iii) and (iv) above shall not apply.

- (c) A Vendor is permitted to include a provision in the Purchase Agreement allowing the Vendor a one-time unilateral right to extend a Firm Closing Date or Delayed Closing Date, as the case may be, for one (1) Business Day to avoid the necessity of tender where a Purchaser is not ready to complete the transaction on the Firm Closing Date or Delayed Closing Date, as the case may be. Delayed closing compensation will not be payable for such period and the Vendor may not impose any penalty or interest charge upon the Purchaser with respect to such extension.
- (d) The Vendor and Purchaser may agree in the Purchase Agreement to any unilateral extension or acceleration rights that are for the benefit of the Purchaser.

5. Extending Dates – Due to Unavoidable Delay

- (a) If Unavoidable Delay occurs, the Vendor may extend Critical Dates by no more than the length of the Unavoidable Delay Period, without the approval of the Purchaser and without the requirement to pay delayed closing compensation in connection with the Unavoidable Delay, provided the requirements of this section are met.
- (b) If the Vendor wishes to extend Critical Dates on account of Unavoidable Delay, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, and an estimate of the duration of the delay. Once the Vendor knows or ought reasonably to know that an Unavoidable Delay has commenced, the Vendor shall provide written notice to the Purchaser by the earlier of: 20 days thereafter; and the next Critical Date.
- (c) As soon as reasonably possible, and no later than 20 days after the Vendor knows or ought reasonably to know that an Unavoidable Delay has concluded, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, identifying the date of its conclusion, and setting new Critical Dates. The new Critical Dates are calculated by adding to the then next Critical Date the number of days of the Unavoidable Delay Period (the other Critical Dates changing accordingly), provided that the Firm Closing Date or Delayed Closing Date, as the case may be, must be at least 10 days after the day of giving notice unless the parties agree otherwise. Either the Vendor or the Purchaser may request in writing an earlier Firm Closing Date or Delayed Closing Date, and the other party's consent to the earlier date shall not be unreasonably withheld.
- (d) If the Vendor fails to give written notice of the conclusion of the Unavoidable Delay in the manner required by paragraph (c) above, then the notice is ineffective, the existing Critical Dates are unchanged, and any delayed closing compensation payable under section 7 is payable from the existing Firm Closing Date.
- (e) Any notice setting new Critical Dates given by the Vendor under this section shall include an updated revised Statement of Critical Dates.

EARLY TERMINATION CONDITIONS

6. Early Termination Conditions

- (a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.
- (b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs (j), (k) and (l) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs (j), (k) and (l) below is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.
- (c) The Vendor confirms that this Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), may result in the termination of the Purchase Agreement. O Yes O No
- (d) If the answer in (c) above is "Yes", then the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions and any such conditions set out in an appendix headed "Early Termination Conditions":

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Condition #1 (if applicable)

Description of the Early Termination Condition:

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #1 is to be satisfied is the _____ day of _____, 20____.

Condition #2 (if applicable)

Description of the Early Termination Condition:

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #2 is to be satisfied is the _____ day of _____, 20____.

The date for satisfaction of any Early Termination Condition may be changed by mutual agreement provided in all cases it is set at least 90 days before the First Tentative Closing Date, and will be deemed to be 90 days before the First Tentative Closing Date if no date is specified or if the date specified is later than 90 days before the First Tentative Closing Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following the later of: (A) the signing of the Purchase Agreement; and (B) the satisfaction or waiver by the Purchaser of a Purchaser financing condition permitted under paragraph (l) below.

Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.

- (e) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph (d) above and any appendix listing additional Early Termination Conditions.
- (f) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions identified in subparagraph (d) above.
- (g) For conditions under paragraph 1(a) of Schedule A the following applies:
 - (i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;
 - (ii) the Vendor shall provide written notice not later than five (5) Business Days after the date specified for satisfaction of a condition that: (A) the condition has been satisfied; or (B) the condition has not been satisfied (together with reasonable details and backup materials) and that as a result the Purchase Agreement is terminated; and
 - (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed not satisfied and the Purchase Agreement is terminated.
- (h) For conditions under paragraph 1(b) of Schedule A the following applies:
 - (i) conditions in paragraph 1(b) of Schedule A may be waived by the Vendor;
 - (ii) the Vendor shall provide written notice on or before the date specified for satisfaction of the condition that: (A) the condition has been satisfied or waived; or (B) the condition has not been satisfied nor waived, and that as a result the Purchase Agreement is terminated; and
 - (iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed satisfied or waived and the Purchase Agreement will continue to be binding on both parties.
- (i) If a Purchase Agreement or proposed Purchase Agreement contains Early Termination Conditions, the Purchaser has three (3) Business Days after the day of receipt of a true and complete copy of the Purchase Agreement or proposed Purchase Agreement to review the nature of the conditions (preferably with legal counsel). If the Purchaser is not satisfied, in the Purchaser's sole discretion, with the Early Termination Conditions, the Purchaser may revoke the Purchaser's offer as set out in the proposed Purchase Agreement, or terminate the Purchase Agreement, as the case may be, by giving written notice to the Vendor within those three Business Days.
- (j) The Purchase Agreement may be conditional until Closing (transfer to the Purchaser of title to the home), upon compliance with the subdivision control provisions (section 50) of the *Planning Act*, which compliance shall be obtained by the Vendor at its sole expense, on or before Closing.
- (k) The Purchaser is cautioned that there may be other conditions in the Purchase Agreement that allow the Vendor to terminate the Purchase Agreement due to the fault of the Purchaser.
- (l) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (e.g., the sale of an existing dwelling, Purchaser financing or a basement walkout). The Purchase Agreement may specify that the Purchaser has a right to terminate the Purchase Agreement if any such condition is not met, and may set out the terms on which termination by the Purchaser may be effected.

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MAKING A COMPENSATION CLAIM

7. Delayed Closing Compensation

- (a) The Vendor warrants to the Purchaser that, if Closing is delayed beyond the Firm Closing Date (other than by mutual agreement or as a result of Unavoidable Delay as permitted under sections 4 and 5), then the Vendor shall compensate the Purchaser up to a total amount of \$7,500, which amount includes: (i) payment to the Purchaser of a set amount of \$150 a day for living expenses for each day of delay until the date of Closing; or the date of termination of the Purchase Agreement, as applicable under paragraph (b) below; and (ii) any other expenses (supported by receipts) incurred by the Purchaser due to the delay.
- (b) Delayed closing compensation is payable only if: (i) Closing occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraph 10(b) of this Addendum. Delayed closing compensation is payable only if the Purchaser's claim is made to Tarion in writing within one (1) year after Closing, or after termination of the Purchase Agreement, as the case may be, and otherwise in accordance with this Addendum. Compensation claims are subject to any further conditions set out in the ONHWP Act.
- (c) If the Vendor gives written notice of a Delayed Closing Date to the Purchaser less than 10 days before the Firm Closing Date, contrary to the requirements of paragraph 3(c), then delayed closing compensation is payable from the date that is 10 days before the Firm Closing Date.
- (d) Living expenses are direct living costs such as for accommodation and meals. Receipts are not required in support of a claim for living expenses, as a set daily amount of \$150 per day is payable. The Purchaser must provide receipts in support of any claim for other delayed closing compensation, such as for moving and storage costs. Submission of false receipts disentitles the Purchaser to any delayed closing compensation in connection with a claim.
- (e) If delayed closing compensation is payable, the Purchaser may make a claim to the Vendor for that compensation after Closing or after termination of the Purchase Agreement, as the case may be, and shall include all receipts (apart from living expenses) which evidence any part of the Purchaser's claim. The Vendor shall assess the Purchaser's claim by determining the amount of delayed closing compensation payable based on the rules set out in section 7 and the receipts provided by the Purchaser, and the Vendor shall promptly provide that assessment information to the Purchaser. The Purchaser and the Vendor shall use reasonable efforts to settle the claim and when the claim is settled, the Vendor shall prepare an acknowledgement signed by both parties which:
 - (i) includes the Vendor's assessment of the delayed closing compensation payable;
 - (ii) describes in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"), if any; and
 - (iii) contains a statement by the Purchaser that the Purchaser accepts the Compensation in full satisfaction of any delay compensation payable by the Vendor.
- (f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 7(e), then to make a claim to Tarion the Purchaser must file a claim with Tarion in writing within one (1) year after Closing. A claim may also be made and the same rules apply if the sale transaction is terminated under paragraph 10(b), in which case, the deadline for a claim is one (1) year after termination.

8. Adjustments to Purchase Price

Only the items set out in Schedule B (or an amendment to Schedule B), shall be the subject of adjustment or change to the purchase price or the balance due on Closing. The Vendor agrees that it shall not charge as an adjustment or readjustment to the purchase price of the home, any reimbursement for a sum paid or payable by the Vendor to a third party unless the sum is ultimately paid to the third party either before or after Closing. If the Vendor charges an amount in contravention of the preceding sentence, the Vendor shall forthwith readjust with the Purchaser. This section shall not: restrict or prohibit payments for items disclosed in Part I of Schedule B which have a fixed fee; nor shall it restrict or prohibit the parties from agreeing on how to allocate as between them, any rebates, refunds or incentives provided by the federal government, a provincial or municipal government or an agency of any such government, before or after Closing.

MISCELLANEOUS

9. Ontario Building Code – Conditions of Closing

- (a) On or before Closing, the Vendor shall deliver to the Purchaser:
 - (i) an Occupancy Permit (as defined in paragraph (d)) for the home; or
 - (ii) if an Occupancy Permit is not required under the Building Code, a signed written confirmation by the Vendor that all conditions of occupancy under the Building Code have been fulfilled and occupancy is permitted under the Building Code.
- (b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for one or more prerequisites to obtaining permission for occupancy under the Building Code, (the "Purchaser Occupancy Obligations"):

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- (i) the Purchaser shall not be entitled to delayed closing compensation if the reason for the delay is that the Purchaser Occupancy Obligations have not been completed;
 - (ii) the Vendor shall deliver to the Purchaser, upon fulfilling all prerequisites to obtaining permission for occupancy under the Building Code (other than the Purchaser Occupancy Obligations), a signed written confirmation that the Vendor has fulfilled such prerequisites; and
 - (iii) if the Purchaser and Vendor have agreed that such prerequisites (other than the Purchaser Occupancy Obligations) are to be fulfilled prior to Closing, then the Vendor shall provide the signed written confirmation required by subparagraph (ii) on or before the date of Closing.
- (c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(ii), the Vendor shall set a Delayed Closing Date (or new Delayed Closing Date) on a date that the Vendor reasonably expects to have satisfied the requirements of paragraph (a) or subparagraph (b)(ii), as the case may be. In setting the Delayed Closing Date (or new Delayed Closing Date), the Vendor shall comply with the requirements of section 3, and delayed closing compensation shall be payable in accordance with section 7. Despite the foregoing, delayed closing compensation shall not be payable for a delay under this paragraph (c) if the inability to satisfy the requirements of subparagraph (b)(ii) above is because the Purchaser has failed to satisfy the Purchaser Occupancy Obligations.
- (d) For the purposes of this section, an "Occupancy Permit" means any written or electronic document, however styled, whether final, provisional or temporary, provided by the chief building official (as defined in the *Building Code Act*) or a person designated by the chief building official, that evidences that permission to occupy the home under the Building Code has been granted.

10. Termination of the Purchase Agreement

- (a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written agreement. Such written mutual agreement may specify how monies paid by the Purchaser, including deposit(s) and monies for upgrades and extras are to be allocated if not repaid in full.
- (b) If for any reason (other than breach of contract by the Purchaser) Closing has not occurred by the Outside Closing Date, then the Purchaser has 30 days to terminate the Purchase Agreement by written notice to the Vendor. If the Purchaser does not provide written notice of termination within such 30-day period then the Purchase Agreement shall continue to be binding on both parties and the Delayed Closing Date shall be the date set under paragraph 3(c), regardless of whether such date is beyond the Outside Closing Date.
- (c) If: calendar dates for the applicable Critical Dates are not inserted in the Statement of Critical Dates; or if any date for Closing is expressed in the Purchase Agreement or in any other document to be subject to change depending upon the happening of an event (other than as permitted in this Addendum), then the Purchaser may terminate the Purchase Agreement by written notice to the Vendor.
- (d) The Purchase Agreement may be terminated in accordance with the provisions of section 6.
- (e) Nothing in this Addendum derogates from any right of termination that either the Purchaser or the Vendor may have at law or in equity on the basis of, for example, frustration of contract or fundamental breach of contract.
- (f) Except as permitted in this section, the Purchase Agreement may not be terminated by reason of the Vendor's delay in Closing alone.

11. Refund of Monies Paid on Termination

- (a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), then unless there is agreement to the contrary under paragraph 10(a), the Vendor shall refund all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, within 10 days of such termination, with interest from the date each amount was paid to the Vendor to the date of refund to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor as a prerequisite to obtaining the refund of monies payable as a result of termination of the Purchase Agreement under this paragraph, although the Purchaser may be required to sign a written acknowledgement confirming the amount of monies refunded and termination of the purchase transaction. Nothing in this Addendum prevents the Vendor and Purchaser from entering into such other termination agreement and/or release as may be agreed to by the parties.
- (b) The rate of interest payable on the Purchaser's monies is 2% less than the minimum rate at which the Bank of Canada makes short-term advances to members of Canada Payments Association, as of the date of termination of the Purchase Agreement.
- (c) Notwithstanding paragraphs (a) and (b) above, if either party initiates legal proceedings to contest termination of the Purchase Agreement or the refund of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

12. Definitions

"Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.

"Closing" means the completion of the sale of the home including transfer of title to the home to the Purchaser, and **"Close"** has a corresponding meaning.

"Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the home.

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"Critical Dates" means the First Tentative Closing Date, the Second Tentative Closing Date, the Firm Closing Date, the Delayed Closing Date, the Outside Closing Date and the last day of the Purchaser's Termination Period.

"Delayed Closing Date" means the date, set in accordance with section 3, on which the Vendor agrees to Close, in the event the Vendor cannot Close on the Firm Closing Date.

"Early Termination Conditions" means the types of conditions listed in Schedule A.

"Firm Closing Date" means the firm date on which the Vendor agrees to Close as set in accordance with this Addendum.

"First Tentative Closing Date" means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that it will be able to close, as set out in the Statement of Critical Dates.

"Outside Closing Date" means the date which is 365 days after the earlier of the Firm Closing Date; or Second Tentative Closing Date; or such other date as may be mutually agreed upon in accordance with section 4.

"Property" or "home" means the home including lands being acquired by the Purchaser from the Vendor.

"Purchaser's Termination Period" means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 10(b).

"Second Tentative Closing Date" has the meaning given to it in paragraph 1(c).

"Statement of Critical Dates" means the Statement of Critical Dates attached to and forming part of this Addendum (in form to be determined by Tarion from time to time), and, if applicable, as amended in accordance with this Addendum.

"The ONHWP Act" means the *Ontario New Home Warranties Plan Act* including regulations, as amended from time to time.

"Unavoidable Delay" means an event which delays Closing which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.

"Unavoidable Delay Period" means the number of days between the Purchaser's receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 5(b), and the date on which the Unavoidable Delay concludes.

13. Addendum Prevails

The Addendum forms part of the Purchase Agreement. The Vendor and Purchaser agree that they shall not include any provision in the Purchase Agreement or any amendment to the Purchase Agreement or any other document (or indirectly do so through replacement of the Purchase Agreement) that derogates from, conflicts with or is inconsistent with the provisions of this Addendum, except where this Addendum expressly permits the parties to agree or consent to an alternative arrangement. The provisions of this Addendum prevail over any such provision.

14. Time Periods, and How Notice Must Be Sent

- (a) Any written notice required under this Addendum may be given personally or sent by email, fax, courier or registered mail to the Purchaser or the Vendor at the address/contact numbers identified on page 2 or replacement address/contact numbers as provided in paragraph (c) below. Notices may also be sent to the solicitor for each party if necessary contact information is provided, but notices in all events must be sent to the Purchaser and Vendor, as applicable. If email addresses are set out on page 2 of this Addendum, then the parties agree that notices may be sent by email to such addresses, subject to paragraph (c) below.
- (b) Written notice given by one of the means identified in paragraph (a) is deemed to be given and received: on the date of delivery or transmission, if given personally or sent by email or fax (or the next Business Day if the date of delivery or transmission is not a Business Day); on the second Business Day following the date of sending by courier; or on the fifth Business Day following the date of sending, if sent by registered mail. If a postal stoppage or interruption occurs, notices shall not be sent by registered mail, and any notice sent by registered mail within 5 Business Days prior to the commencement of the postal stoppage or interruption must be re-sent by another means in order to be effective. For purposes of this section 14, Business Day includes Remembrance Day, if it falls on a day other than Saturday or Sunday, and Easter Monday.
- (c) If either party wishes to receive written notice under this Addendum at an address/contact number other than those identified on page 2 of this Addendum, then the party shall send written notice of the change of address, fax number, or email address to the other party in accordance with paragraph (b) above.
- (d) Time periods within which or following which any act is to be done shall be calculated by excluding the day of delivery or transmission and including the day on which the period ends.
- (e) Time periods shall be calculated using calendar days including Business Days but subject to paragraphs (f), (g) and (h) below.
- (f) Where the time for making a claim under this Addendum expires on a day that is not a Business Day, the claim may be made on the next Business Day.
- (g) Prior notice periods that begin on a day that is not a Business Day shall begin on the next earlier Business Day, except that notices may be sent and/or received on Remembrance Day, if it falls on a day other than Saturday or Sunday, or Easter Monday.
- (h) Every Critical Date must occur on a Business Day. If the Vendor sets a Critical Date that occurs on a date other than a Business Day, the Critical Date is deemed to be the next Business Day.
- (i) Words in the singular include the plural and words in the plural include the singular.
- (j) Gender-specific terms include both sexes and include corporations.


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15. Disputes Regarding Termination

- (a) The Vendor and Purchaser agree that disputes arising between them relating to termination of the Purchase Agreement under section 11 shall be submitted to arbitration in accordance with the *Arbitration Act, 1991* (Ontario) and subsection 17(4) of the ONHWP Act.
- (b) The parties agree that the arbitrator shall have the power and discretion on motion by the Vendor or Purchaser or any other interested party, or of the arbitrator's own motion, to consolidate multiple arbitration proceedings on the basis that they raise one or more common issues of fact or law that can more efficiently be addressed in a single proceeding. The arbitrator has the power and discretion to prescribe whatever procedures are useful or necessary to adjudicate the common issues in the consolidated proceedings in the most just and expeditious manner possible. The *Arbitration Act, 1991* (Ontario) applies to any consolidation of multiple arbitration proceedings.
- (c) The Vendor shall pay the costs of the arbitration proceedings and the Purchaser's reasonable legal expenses in connection with the proceedings unless the arbitrator for just cause orders otherwise.
- (d) The parties agree to cooperate so that the arbitration proceedings are conducted as expeditiously as possible, and agree that the arbitrator may impose such time limits or other procedural requirements, consistent with the requirements of the *Arbitration Act, 1991* (Ontario), as may be required to complete the proceedings as quickly as reasonably possible.
- (e) The arbitrator may grant any form of relief permitted by the *Arbitration Act, 1991* (Ontario), whether or not the arbitrator concludes that the Purchase Agreement may properly be terminated.

For more information please visit www.tarion.com

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SCHEDULE A

Types of Permitted Early Termination Conditions

1. The Vendor of a home is permitted to make the Purchase Agreement conditional as follows:

- (a) upon receipt of Approval from an Approving Authority for:
- (i) a change to the official plan, other governmental development plan or zoning by-law (including a minor variance);
 - (ii) a consent to creation of a lot(s) or part-lot(s);
 - (iii) a certificate of water potability or other measure relating to domestic water supply to the home;
 - (iv) a certificate of approval of septic system or other measure relating to waste disposal from the home;
 - (v) completion of hard services for the property or surrounding area (i.e., roads, rail crossings, water lines, sewage lines, other utilities);
 - (vi) allocation of domestic water or storm or sanitary sewage capacity;
 - (vii) easements or similar rights serving the property or surrounding area;
 - (viii) site plan agreements, density agreements, shared facilities agreements or other development agreements with Approving Authorities or nearby landowners, and/or any development Approvals required from an Approving Authority; and/or
 - (ix) site plans, plans, elevations and/or specifications under architectural controls imposed by an Approving Authority.

The above-noted conditions are for the benefit of both the Vendor and the Purchaser and cannot be waived by either party.

(b) upon:

- (i) subject to paragraph 1(c), receipt by the Vendor of confirmation that sales of homes in the Freehold Project have exceeded a specified threshold by a specified date;
- (ii) subject to paragraph 1(c), receipt by the Vendor of confirmation that financing for the Freehold Project on terms satisfactory to the Vendor has been arranged by a specified date;
- (iii) receipt of Approval from an Approving Authority for a basement walkout; and/or
- (iv) confirmation by the Vendor that it is satisfied the Purchaser has the financial resources to complete the transaction.

The above-noted conditions are for the benefit of the Vendor and may be waived by the Vendor in its sole discretion.

(c) the following requirements apply with respect to the conditions set out in subparagraph 1(b)(i) or 1(b)(ii):

- (i) the 3 Business Day period in section 6(i) of the Addendum shall be extended to 10 calendar days for a Purchase Agreement which contains a condition set out in subparagraphs 1(b)(i) and/or 1(b)(ii);
- (ii) the Vendor shall complete the Property Description on page 2 of this Addendum;
- (iii) the date for satisfaction of the condition cannot be later than 9 months following signing of the purchase Agreement; and
- (iv) until the condition is satisfied or waived, all monies paid by the Purchaser to the Vendor, including deposit(s) and monies for upgrades and extras: (A) shall be held in trust by the Vendor's lawyer pursuant to a deposit trust agreement (executed in advance in the form specified by Tarion Warranty Corporation, which form is available for inspection at the offices of Tarion Warranty Corporation during normal business hours), or secured by other security acceptable to Tarion and arranged in writing with Tarion, or (B) failing compliance with the requirement set out in clause (A) above, shall be deemed to be held in trust by the Vendor for the Purchaser on the same terms as are set out in the form of deposit trust agreement described in clause (A) above.

2. The following definitions apply in this Schedule:

"Approval" means an approval, consent or permission (in final form not subject to appeal) from an Approving Authority and may include completion of necessary agreements (i.e., site plan agreement) to allow lawful access to and use and Closing of the property for its intended residential purpose.

"Approving Authority" means a government (federal, provincial or municipal), governmental agency, Crown corporation, or quasi-governmental authority (a privately operated organization exercising authority delegated by legislation or a government).

"Freehold Project" means the construction or proposed construction of three or more freehold homes (including the Purchaser's home) by the same Vendor in a single location, either at the same time or consecutively, as a single coordinated undertaking.

3. Each condition must:

- (a) be set out separately;
- (b) be reasonably specific as to the type of Approval which is needed for the transaction; and
- (c) identify the Approving Authority by reference to the level of government and/or the identity of the governmental agency, Crown corporation or quasi-governmental authority.

4. For greater certainty, the Vendor is not permitted to make the Purchase Agreement conditional upon:

- (a) receipt of a building permit;
- (b) receipt of an Closing permit; and/or
- (c) completion of the home.

SCHEDULE B

Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

	DESCRIPTION	SECTION	AMOUNT
1.	Contribution to banking fees, including partial discharges	21(g)	\$300 plus HST
2.	Contribution to costs of tree planting	21(i)	\$2,000.00 plus HST
3.	Contribution to costs of internet delivery of documentation and electronic registration	21(j)	\$350 plus HST
4.	Contribution to costs of survey preparation	21(k)	\$400 plus HST
5.	Unaccepted cheque/ N.S.F Administrative fee per Occurrence	24	\$500 plus HST
6.	Fees and liquidated damages for Purchasers Delaying Occupancy	44(d)	\$200 plus HST per day and \$500 plus HST per delay
7.	Wire Transfer or direct deposit fee	21(dd)	\$150 plus HST
8.	Release of vendor's Lien	21(r)	\$100 plus HST
9.	Project aesthetic enhancement	5	\$5000 plus HST
10.	Capped development charges	21(l)	\$18000 plus HST
11.	Vendor's Solicitor's Legal Fees and Disbursements RE: Letter or other form of notice relating to any default by Purchaser per Occurrence (if applicable)	21(r)	\$500 plus HST
12.	Tarion enrolment fee	21(a)	\$1955 plus HST
13.	Home Regulatory Authority fee	21(a)	\$145 plus HST
14.	Charges Re: electricity, water, and gas meters	21(d)	\$1245 plus HST
15.	Re-schedule inspection (if applicable)	10(i)	\$250 plus HST
16.	Fail to inform Vendor of change of Purchaser's Information	21(cc)	\$250 plus HST

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PART II All Other Adjustments – to be determined in accordance with the terms of the Purchase Agreement

These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

	DESCRIPTION	SECTION
1.	Tarion enrolment fee	21(a)
2.	Home Regulatory Authority fee	21(a)
3.	Unpaid amounts, including upgrades, extras and/or changes	21(b)
4.	Realty Taxes, fuel, water rates, & assessment rates	21(c)
5.	Utility check meter, water meter, hydro meter or gas meter, connection, installation, energization, etc. charges (not to exceed Five Hundred (\$500.00) Dollars plus HST per meter or service)	21(d)
6.	Costs relating to Purchaser's failure to make required contractual arrangements	21(e)
7.	Law Society of Ontario charge imposed on Vendor or its solicitors	21(f)
8.	Any new taxes or increases to existing taxes	21(h)
9.	Development charge(s)	21(l)
10.	Education development charge(s)	21(m)
11.	Charges pursuant to section 37, parks, public art or other charges/levies	23(n)
12.	Completing the final coat of asphalt on the driveway (not to exceed Two Thousand (\$2,000.00) Dollars + HST) (if applicable)	21(o)
13.	Any other additional or further adjustments agreed to in writing between the Vendor and Purchaser subsequent to the execution of this Agreement.	21(p)
14.	Utility supplier(s) deposit(s)/ Hot water heater and tank rental	23
15.	HST on adjustments, extras, upgrades, changes / Payment of HST rebate	25
16.	Cost of extras, upgrades, changes	28
17.	Costs to remedy correct, remove, or remedy unauthorized work, plus administration fee	34
18.	Removing unauthorized title registrations	38
19.	Interest and liquidated damages, plus administration fee	44(d)
20.	New levies, charges, payments, contributions, fees, assessments etc.	21(q)
21.	Vendor's lien or charge fees	21(r)
22.	Charges for recycling containers/bins, recycling programs, food/kitchen waste collection containers/bins, and/or food/kitchen waste collection programs	21(s)
23.	Internet delivery of documentation to the purchaser's solicitor	21(t)
24.	Amounts which may, in the vendor's discretion, remain unpaid and owing to the vendor on account of any extras, upgrades or changes for the property ordered by the purchaser	21(u)
25.	Fail to provide information/ change of solicitor (if applicable)	21(v)
26.	Appliance installation charges (if applicable)	21(w)
27.	Cost for replacement of laid sod / landscape plantings (if applicable)	21(x)
28.	Costs to correct damages caused by unlawful works (if applicable)	21(y)
29.	Vendor's legal fees and disbursements re: extensions (if applicable)	21(z)
30.	Cost for colours and materials from other than vendor's samples	21(aa)
31.	EFTs fees and charges (if applicable)	24
32.	Cost or credit Re walk-out Basement, Look-out or Rear Deck	21(bb)

RMP
A.B.P.



**APPENDIX TO ADDENDUM
TO AGREEMENT OF PURCHASE AND SALE**

EARLY TERMINATION CONDITIONS

The Early Termination Conditions referred to in paragraph 2(c)(ii) of the Tarion Addendum are as follows:

CONDITIONS PERMITTED IN PARAGRAPH 1 (a) OF SCHEDULE "A" TO THE TARION ADDENDUM

None.

CONDITIONS PERMITTED IN PARAGRAPH 1 (b) OF SCHEDULE "A" TO THE TARION ADDENDUM

1. **Description of Early Termination Condition:**

None.

RMP
A.I.P.

Appendix “F”

AGREEMENT OF PURCHASE AND SALE

MOHAMMED AL-SHARAFI AND FATIMA ALAWI as purchasers

and

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager of, *inter alia*, the Property (as hereinafter defined) and not in its personal or corporate capacity as seller.

November 20, 2025

THIS AGREEMENT is made as of the 20th day of **November**, 2025.

B E T W E E N:

MOHAMMED AL-SHARAFI AND FATIMA ALAWI

(hereinafter referred to as the “**Purchasers**”)

AND:

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity of, *inter alia*, the Property (as hereinafter defined), including all proceeds thereof

(hereinafter referred to as the “**Seller**”)

WHEREAS pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 21, 2024, in the proceeding bearing Court file number CV-24-00724076-00CL, KSV Restructuring Inc. was appointed as receiver and manager, without security, of *inter alia*, real properties listed in Appendix “A” of the Receivership Order, including all proceeds thereof (the “**Receivership Order**”);

AND WHEREAS Barakaa is the owner of the Property;

AND WHEREAS the Seller desires to sell to the Purchasers and the Purchasers desire to purchase from the Seller the Purchased Assets (as defined herein) in accordance with the terms of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller and the Purchasers agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Adjustments**” has the meaning set out in Section 2.7.

“**Barakaa**” means Barakaa Developer Inc.;

“Business Day” means any day, other than a Saturday or a Sunday, on which commercial banks in Toronto, Ontario, are open for business during normal banking hours;

“Closing” means the closing of the Transaction, including the satisfaction of the Purchase Price and the delivery of the Closing Deliveries on the Closing Date;

“Closing Date” means the day that is no later than ten days after the date on which the Court grants the Sale Approval and Vesting Order (or such earlier day after the Court grants the Sale Approval and Vesting Order that is agreed to by the parties), provided that if such day is not a Business Day, then the Closing Date shall be the next following Business Day;

“Closing Deliveries” means the agreements, instruments and other documents to be delivered by the Seller to the Purchaser pursuant to Section 3.2 and the agreements, instruments, money and other documents to be delivered by the Purchaser to the Seller pursuant to Section 3.3;

“Court” has the meaning set out in the Recitals to this Agreement;

“Dwelling” means the residential home constructed on the Property;

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing;

“Excluded Assets” means any assets of Barakaa other than the Purchased Assets;

“Governmental Authority” means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

“HST” means all taxes payable under the *Excise Tax Act* (Canada), including goods and services taxes and any harmonized sales taxes in applicable provinces, or under any provincial legislation similar to the *Excise Tax Act* (Canada), and any reference to a specific provision of the *Excise Tax Act* (Canada) or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

“Outside Date” means the day that is 30 days after the date on which the Court grants the Sale Approval and Vesting Order or such other date as agreed to by the parties;

“Permitted Encumbrances” means all those Encumbrances described in Schedule “A” hereto;

“Prior APS” means the Agreement of Purchase and Sale dated October 29, 2023 between Barakaa, as seller, and the Purchasers, as purchasers, as amended by an Amendment to Agreement of Purchase and Sale dated January 9, 2024; and an Amendment to Agreement of Purchase and Sale dated February 9, 2024.

“Prior APS Deposit” means the sum of \$150,000 held by Remax Crossroads Realty Inc. (“**Remax**”), in trust for the Purchasers, in accordance with the Prior APS.

“Property” means the lands and premises municipally known as 23 Madison Avenue, Richmond Hill, Ontario, and legally described as Lot 741 and Part Lots 740 and 742, Plan 133, part 2, Plan 65R38228, being PIN 03206-4245 (LT);

“Purchase Price” has the meaning set out in Section 2.2;

“Purchased Assets” means all of the right, title and interest of Barakaa in and to the Property together with all chattels, fixtures and improvements located in or on the Property;

“Sale Approval and Vesting Order” means an order of the Court, in form and substance satisfactory to the Seller and the Purchaser, acting reasonably, approving this Agreement and vesting in and to the Purchaser the Purchased Assets, free and clear of and from any and all Encumbrances other than Permitted Encumbrances;

“Transaction” means the transaction of purchase and sale contemplated by this Agreement.

1.2 **Currency**

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian currency.

1.3 **Sections and Headings**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or Schedule refers to the specified Article, Section or Schedule of or to this Agreement.

1.4 **Number, Gender and Persons**

In this Agreement, words importing the singular number only shall include the plural and *vice versa*, words importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind whatsoever.

1.5 **Interpretation of Certain Non-Capitalized Terms**

The word **“including”** means including without limitation.

1.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.7 Time of Essence

Time shall be of the essence of this Agreement.

1.8 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

1.9 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

The Seller hereby agrees to sell the Purchased Assets to the Purchasers and the Purchasers hereby agree to purchase the Purchased Assets from the Seller in consideration of the payment of the Purchase Price on the Closing Date, on the terms and subject to the conditions set out in this Agreement.

2.2 Excluded Assets

The Seller shall not sell to the Purchaser and the Purchasers shall not purchase from the Seller any assets other than the specifically enumerated Purchased Assets (collectively, the “Excluded Assets”).

2.3 Purchase Price.

The purchase price payable by the Purchaser to the Seller for the Purchased Assets shall be the amount of \$2,241,500.00 (the “**Purchase Price**”), inclusive of Harmonized Sales Tax (“**HST**”), subject to Adjustments.

2.4 Satisfaction of Purchase Price

The Purchase Price shall be satisfied on Closing by the Purchase by delivering by way of wire transfer of immediately available funds to an account designated in writing by the Seller to the Purchaser (the “**Closing Consideration**”).

2.5 Registration and Transfer Taxes

(a) The Seller and the Purchasers shall each be responsible for the costs of their respective solicitors. The Purchasers shall be responsible, if applicable, for all sales and transfer taxes other than HST which is included in the Purchase Price, payable in connection with the sale and transfer of the Purchased Assets pursuant to this Agreement. The Buyer shall be responsible for registration fees payable, if any, in connection with the registration of the Sale Approval and Vesting Order and discharges of any Encumbrances.

2.6 Property Tax Refunds and Rebates

Any refund or rebate of realty tax relating to the Purchased Assets in respect of the period before the Closing Date (each, a “**Property Tax Refund**”) will remain the property of the Seller. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, the Purchaser shall hold such amount in trust for the Seller, endorse such amount (without recourse) in favour of the Seller and immediately deliver such amounts to the Seller. Any refund or rebate of realty tax relating to the Purchased Assets in respect of the period after the Closing Date will be the property of the Purchaser. To the extent the Seller receives payment of any such amount, the Seller shall hold such amount in trust for the Purchaser, endorse such payment (without recourse) in favour of the Purchaser and immediately deliver such payments to the Purchaser. 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.

2.7 Adjustment of Purchase Price.

The Purchase Price shall be adjusted as of Closing in a manner and amount to be agreed upon by the Parties, acting reasonably, for any property taxes (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale.

The Seller shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than three business days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined by the Closing Date, then, and only then an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best

information available to the Parties at such time, each Party acting reasonably, and such agreed upon estimate shall be final and binding, and no further adjustments shall be made post Closing Date.

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 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.

ARTICLE 3

CLOSING AND CLOSING CONDITIONS

3.1 Transfer

Subject to compliance with the terms and conditions hereof, the transfer of possession of the Purchased Assets shall be deemed to take effect, and Closing shall be deemed to have occurred, upon the delivery of the Receiver's Certificate pursuant to the Sale Approval and Vesting Order (and as defined therein).

3.2 Closing Deliveries by Seller

On or before the Closing Date, subject to the provisions of this Agreement, the Seller shall execute (as applicable) and deliver to the Purchaser, each of which shall be in form and substance satisfactory to the Purchaser acting reasonably:

- (a) a receipt for the satisfaction of the Purchase Price;
- (b) A direction regarding funds directing the party to which the balance of the Purchase Price shall be paid;
- (c) a statement of adjustments in form and substance satisfactory to the Purchaser, acting reasonably;
- (d) a copy of the issued and entered Sale Approval and Vesting Order;
- (e) the Document Registration Agreement;
- (f) an application for vesting in Teraview in accordance with the Purchaser's direction regarding title;
- (g) a certificate of an officer of the Seller confirming that all conditions to Closing in its favour are either satisfied or waived; and
- (h) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

3.3 Closing Deliveries by the Purchaser

On or before the Closing Date, subject to the provisions of this Agreement, the Purchaser shall execute (as applicable) and deliver to the Seller, each of which shall be in form and substance satisfactory to the Seller acting reasonably:

- (a) the Closing Consideration;
- (b) the Document Registration Agreement;
- (c) a certificate of the Purchaser confirming that all conditions to Closing in its favour are either satisfied or waived; and
- (d) any other documents required pursuant to this Agreement in form and substance satisfactory to the Purchaser and the Seller, each acting reasonably.

3.4 Further Assurances

Each party to this Agreement covenants and agrees that it will at all times after the Closing Date, at the expense of the requesting party, promptly execute and deliver all such documents, including, without limitation, all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

3.5 Electronic Registration

If electronic registration of documents at the applicable land registry office is mandatory on the Closing Date, or is optional and is requested by the Purchaser, the following terms shall form part of this Agreement:

- a) the Seller and the Purchaser shall each authorize and instruct their respective legal counsel to enter into an escrow closing agreement in the form mandated by the Law Society of Ontario, subject to such reasonable amendments as such legal counsel or the circumstances of the Transaction may require, establishing the procedures and timing for completion of the Transaction (the “**Document Registration Agreement**”);
- b) the delivery and exchange of documents and funds and the release thereof to the Seller and the Purchaser, as the case may be:
 - i. shall not occur contemporaneously with the registration of the transfer; and
 - ii. shall be governed by the Document Registration Agreement, pursuant to which the lawyer receiving the documents and/or funds will be required to hold the same in escrow and will not be entitled to release the same except in accordance with the provisions of the Document Registration Agreement.

3.6 Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's solicitors on behalf of the Purchaser and by the Seller's solicitors on behalf of the Seller and any tender of Closing Documents may be made upon the Seller's solicitors and the Purchaser's solicitors, as the case may be.

ARTICLE 4 **CONDITIONS**

4.1 Conditions of Closing in Favour of the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) Representations and Warranties. On Closing, the representations and warranties of the Seller contained in this Agreement shall be true and correct as if made as of the Closing Date;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing shall have been complied with or performed in all material respects; and
- (c) Documents. The Seller shall have delivered the documents referred to in Section 3.2.

4.2 Conditions of Closing in Favour of the Seller

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Seller, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) Representations and Warranties. On Closing, the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as if made as of the Closing Date;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing shall have been complied with or performed in all material respects; and
- (c) Documents. The Purchaser shall have made the payments and delivered the documents referred to in Section 3.3.

4.3 **Conditions of Closing for the Mutual Benefit of the Seller and Purchaser**

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the mutual benefit of the Seller and the Purchaser, to be performed or fulfilled at or prior to Closing (or such earlier date as may be specified below):

- (a) **Prior APS Disclaimer and Deposit Return Order.** The Court shall have made an order or orders in form an substance acceptable to the Seller and Purchaser authorising and approving the disclaimer by the Seller as Receiver, of the Prior APS, and ordering the return of the Prior APS Deposit to the Purchasers, and the Purchaser shall have received the Prior APS Deposit from Remax in accordance with such order.
- (b) **Sale Approval and Vesting Order.** (i) By December 18, 2025 (or such later date as the Seller and the Purchaser may agree in their sole discretion), the Seller shall have obtained the Sale Approval and Vesting Order; and (ii) on Closing, the Sale Approval and Vesting Order shall not have been stayed, varied in any material respect or set aside;
- (c) **No Action or Proceeding.** No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Authority to enjoin, restrict or prohibit the purchase and sale of the Purchased Assets contemplated hereby; and
- (d) **Injunctions.** There shall be in effect no injunction against closing the Transaction entered by a court of competent jurisdiction.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 **Representations and Warranties of the Seller**

The Seller represents and warrants to and in favour of the Purchaser that, as of the date of this Agreement:

- (a) the Seller is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada); and
- (b) the Seller has been appointed by the Court as receiver and manager, without security, of the Purchased Assets. Subject only to the entry of the Sale Approval and Vesting Order, (i) it will on Closing have the necessary authority to enter into this Agreement and to carry out the Transaction on the terms and subject to the conditions set out in this Agreement and (ii) this Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller by the Purchaser in accordance with its terms.

5.2 **Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to and in favour of the Seller that, as of the date of this Agreement, the Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).

5.3 **Survival**

The representations, warranties and certifications of the Seller and the Purchaser contained in this Agreement and in any Closing Deliveries shall merge on Closing and not survive following Closing.

ARTICLE 6 **AS IS, WHERE IS SALE**

6.1 **“As is, Where is”**

The Purchaser acknowledges that the Seller is selling the Purchased Assets on an “as is, where is” basis as they shall exist on the Closing Date and that, as of the date of this Agreement, the Purchaser has completed all of its due diligence in respect of the transaction contemplated by this Agreement and has satisfied itself in all respects as to the Purchased Assets. Any information provided by the Seller to the Purchaser describing the Purchased Assets has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete, accurate or correct. Unless specifically stated in this Agreement, no representation, warranty, covenant or condition, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise is being given in this Agreement or in any instrument furnished in connection with this Agreement as to title, outstanding liens, Encumbrances, description, merchantability, value, suitability or marketability thereof or in respect of any other matter or thing whatsoever including, without limitation, the respective rights, titles and interests of the Seller, if any, therein. The Purchaser shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the Transaction.

The Purchaser further acknowledges that the Dwelling is not enrolled in the New Home Warranties and Protection Plan. 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 Seller 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 Seller and Barakaa in any way affecting this Agreement, the Property other than as expressed herein. Notwithstanding that the Dwelling may be identified by the Home Construction Regulatory Authority (“HCRA”) as being subject to registration under the builder name OSMI Homes Inc., an affiliate of Barakaa, 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 Seller 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 Barakaa as the 'builder' of the Dwelling under the ONHWPA and *New Home Construction Licensing Act*, 2017.

ARTICLE 7 **TERMINATION**

7.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) automatically and without any action or notice by either party, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the Transaction;
- (b) by mutual written consent of the Seller and the Purchaser;
- (c) by either the Seller or the Purchaser if the Closing has not occurred on or before the Outside Date; provided, however, that a party may not exercise such termination right if they are in material breach of their obligations under this Agreement;
- (d) by the Seller, if the Purchaser fails to fulfill any condition set forth in Section 4.2 by the Outside Date and failure has not been waived by the Seller or cured by the Outside Date;
- (e) by the Purchaser, if the Seller fails to fulfill any condition set forth in Section 4.1 by the Outside Date and such failure has not been waived by the Purchaser or cured by the Outside Date; or
- (f) by either, if the conditions set forth in Section 4.3 have not been satisfied by the date specified therein or, if not specified, by the Outside Date.

7.2 Effects of Termination

If this Agreement is terminated pursuant to Section 7.1, except as expressly provided herein, all further rights and obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any party to the other.

In the event that the Agreement is terminated as a result of Sections 7.1(a), (b) or (d), the Deposit shall be promptly returned to the Purchaser and in all other cases, shall be forfeited to the Receiver upon termination.

ARTICLE 8
MISCELLANEOUS

8.1 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or sent by registered mail, charges prepaid, addressed as follows:

(i) if to the Seller:

KSV Restructuring Inc.
220 Bay Street, 13th Floor PO Box 20
Toronto, Ontario M5J 2W4

Attention: Bobby Kofman
E-Mail: bkofman@ksvadvisory.com

with a copy to, which copy shall not constitute notice:

DLA Piper (Canada) LLP
333 Bay Street, Suite 5100
Toronto, ON M5H 2S7

Attention: Edmond Lamek
E-Mail: Edmond.lamek@dlapiper.com

(ii) if to the Purchaser:

Pallet Valo LLP
77 City Centre Drive, West Tower, Suite 300
Mississauga ON
L5B 1M5

Attention: Ann Twigg
E-Mail: atwigg@pallettvalo.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 8.1.

8.2 Brokers' or Finders' Fees

The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction or for which the Seller shall have any obligation or liability to pay.

8.3 Enurement and Assignment

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent may be unreasonably withheld or delayed. No assignment by the Purchaser shall relieve the Purchaser from any of its obligations hereunder.

8.4 Amendment and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to by such party in a writing specifically referencing the provision waived.

8.5 Business Days

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

8.6 Independent Legal Advice

Each of the parties hereto acknowledge that they have been afforded the opportunity of receiving independent legal advice concerning this Agreement, and in the event that any party has executed this Agreement without the benefit of independent legal advice, such party hereby waives the right to receive such independent legal advice.

8.7 Planning Act

This Agreement is effective to create an interest in the Property and Buildings only if the subdivision control provisions of the *Planning Act* (Ontario), as amended, are complied with on or before Closing.

8.8 Non-Registration of Agreement

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or Court order or judgement providing evidence of this Agreement against title to the Property. The

Purchaser acknowledges and agrees that the Seller may rely on the terms of this Section 8.8 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Property any of the items set out in this Section 8.8.

8.9 No Personal Liability of the Seller

The Seller is executing this Agreement solely in its capacity as Court-appointed receiver and manager of the Purchased Assets and not in personal or corporate capacity and none of the Seller, KSV Restructuring Inc. or any of their respective directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof.

8.10 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

KSV RESTRUCTURING INC., solely
in its capacity as court-appointed
receiver and manager and not in its
personal or corporate capacity of, *inter
alia*, the Property, including all
proceeds thereof

by



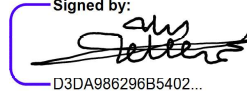
Name: Bobby Kofman

Title: President

WITNESS:

WITNESS:


Signed by:



D3DA986296B5402...

MOHAMMED AL-SHARAFI

Signed by:



9E27DA09E7794A7...

FATIMA ALAWI

Schedule "A"

Permitted Encumbrances

Permitted Encumbrances with respect to the Property (as defined in the Agreement) means:

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.

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 1ST DAY
)	
JUSTICE STEELE)	OF DECEMBER, 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 Muhammad Agha, Rohitkumar and Arvindaben Patel, and Mohammed Al-Sharifi and Fatima Alawi (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 Fifth Report to Court dated November 24, 2025 and appendices thereto (the “**Fifth 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 November 24, 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 and by the Order of Justice Myers dated October 10, 2025).

3. **THIS COURT ORDERS** that the Fifth 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 Confidential Appendix 1 to the Fifth Report be sealed and not form part of the public record until the filing of the Receiver's Certificates in respect of the closings of each of the three Transaction, or further Order of the Court.

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

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

ORDER

DLA PIPER (CANADA) LLP

Suite 5100, Bay Adelaide - West Tower
333 Bay Street
Toronto, ON M5H 2R2

Edmond F.B. Lamek (LSO #33338U)

Direct Tel: 416.365.4444

Email: edmond.lamек@dlapiper.com

Lawyers for the Receiver

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
)
JUSTICE STEELE) MONDAY, THE 1ST DAY
) OF DECEMBER, 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 the Receiver as vendor, and the Muhammed Jehanzeb Agha (the “**Purchaser**”), as purchaser, dated November 24, 2025 (the “**Sale Agreement**”), and vesting in the Purchaser the land and building known

municipally as 371 Porte Road, Ajax, Ontario and comprised of PT LT 6 CON 1, PT 1 and PT 6 PLAN 40R30173, Pickering, S/T Easement as in PI31742; Town of Ajax (the “**Real Property**”) 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 Fifth 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 November 24, 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 Purchased Assets 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, The Order of The Honourable Justice Kimmel made on February 3, 2025, and the Order of the Honourable Justice Myers made on October 10, 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.

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 December 1, 2025, the Court approved the agreement of purchase and sale dated November 20, 2025 between the Receiver, as vendor, and Muhammed Jehanzeb Agha (the “**Purchaser**”), as purchaser (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 1 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0553 (LT)

and

PT LT 6 CON 1, PT 6 40R30173, PICKERING; S/T EASEMENT AS IN PI31742; TOWN OF AJAX, PIN 26454-0058(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	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.
DR1738402	2018/09/26	Transfer		Lerrato Inc	Lerrato Inc.
Part 6 only					
R2407014	2025/05/26	Easement		Corporation of the Town of Ajax	Lerrato Inc., by the Receiver

TAB 16

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
)
JUSTICE STEELE) MONDAY, THE 1ST DAY
) OF DECEMBER, 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 the Receiver as vendor, and the Rohitkumar M. Patel and Arvindaben R. Patel (the “**Purchasers**”), as purchasers, dated November 24, 2025 (the “**Sale Agreement**”), and vesting in the Purchasers the

land and building known municipally as 377 Porte Road, Ajax, Ontario and comprised of PT LT 6 CON 1, PT 5 PLAN 40R30173, Pickering, S/T Easement as in PI31742; Town of Ajax (the “**Real Property**”) 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 Fifth 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 November 24, 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 Purchased Assets 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, The Order of The Honourable Justice Kimmel made on February 3, 2025, and the Order of the Honourable Justice Myers made on October 10, 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.

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 December 1, 2025, the Court approved the amending agreement to agreement of purchase and sale dated November 24, 2025 between the Receiver, as vendor, and Rohitkumar M. Patel and Arvidaben R. Patel (the “**Purchasers**”), as purchasers (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 Purchasers 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 Purchasers; 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 Purchasers have 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 5 PLAN 40R30173, PICKERING; S/T EASEMENT AS IN PI31742;
TOWN OF AJAX, PIN 26454-0553 (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	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.
DR1738402	2018/09/26	Transfer		Lerrato Inc	Lerrato Inc.

TAB 7

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 1st DAY
)	
JUSTICE STEELE)	OF DECEMBER, 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 the Receiver, as vendor, and Mohammed Al-Sharafi and Fatima Alawi, as purchasers (together, the “**Purchaser**”), dated November 20, 2025 (the “**Sale Agreement**”), and vesting in the Purchaser the land and building known municipally as 23 Madison Avenue, Richmond Hill, 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 Second Report to the Court and appendices thereto, 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 November 24, 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 Justice Black dated October 21, 2024, the Order of the Justice Kimmel dated February 3, 2025 and the Order of Justice Myers dated October 10, 2025; (ii) all charges, security interests or claims evidenced by registrations against Barakaa Developer Inc. ("**Barakaa**") 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 Barakaa and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Barakaa,

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 Barakaa and shall not be void or voidable by creditors of Barakaa, 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 the Receiver be and is hereby authorized to make one or more distributions to Foremost Mortgage Holding Corporation (“**Foremost**”) from the proceeds of sale of the Transaction, 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).

9. **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 December 1, 2025, the Court approved the agreement of purchase and sale dated November 20, 2025 between the Receiver, as vendor, and Mohammed Al-Sharafi and Fatima Alawi, as purchasers (together, the “**Purchasers**”) (the “**Sale Agreement**”), and provided for the vesting in the Purchasers 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 Purchasers 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 Purchasers; 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 Purchasers have 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: Lot 741 and part lots 740 and 742, Plan 133, Part 2, Plan 65R38228 being all of PIN 03206-4245 (LT)

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

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
YR2706667	2017/07/24	Charge	\$1,725,000	Barakaa Developer Inc.	Foremost Mortgage Holding Corporation
YR3443814	2022/06/24	Charge	\$4,133,000	Barakaa Developer Inc.	Foremost Mortgage Holding Corporation
YR3561972	2023/06/13	Charge	\$750,000	Barakaa Developer Inc.	1417199 Ontario Limited
YR3581760	2023/08/03	Postponement		1417199 Ontario Limited	Foremost Mortgage Holding Corporation
YR3596443	2023/09/12	Charge	\$1,500,000	Barakaa Developer Inc.	BIP Management Corporation
YR3596645	2023/09/12	Postponement		1417199 Ontario Limited	BIP Management Corporation
YR3731285	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
IF315	1951/02/19	By Law			
IF367	1952/04/28	By Law			The Corporation of the Town of King
65R38228	2018/12/20	Plan Reference			
YR3430374	2022/05/26	LR's Order		Land Registrar, York Region Land Registry Office	

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 - DECEMBER 1, 2025

DLA PIPER (CANADA) LLP
Suite 5100, Bay Adelaide - West Tower
333 Bay Street
Toronto, ON M5H 2R2

Edmond F.B. Lamek (LSO #33338U)
Direct Tel: 416.365.4444
Email: edmond.lamек@dlapiper.com

Lawyers for the Receiver