



**Supplement to the Fourth 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.**

October 8, 2025

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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**

**SUPPLEMENT TO THE FOURTH REPORT OF
KSV RESTRUCTURING INC. DATED AUGUST 7, 2025
AS RECEIVER AND MANAGER**

OCTOBER 8, 2025

1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Receiver’s report to Court dated August 7, 2025 (the “**Fourth Report**”).
2. Unless otherwise defined in this Supplemental Report, capitalized terms have the meaning provided to them in the Fourth Report. Background information concerning these proceedings is provided in the Fourth Report and is not repeated herein. This Supplemental Report is subject to the restrictions in the Fourth Report.
3. The Receivership Order authorizes the Receiver to borrow on a super-priority basis under the Receiver’s Borrowing Charge (as defined in the Receivership Order), subject only to the charge granted in the Receivership Order to the Receiver for its fees and costs, including those of its legal counsel. The Receiver’s Borrowing Charge is against all of the “Property” of Barakaa, Lerrato and 214, as also defined in the Receivership Order.

4. Presently, the Receiver is authorized to borrow up to \$1.2 million under the Receiver's Borrowing Charge (the "**Borrowing Limit**"). Foremost has funded these proceedings pursuant to the Receiver's Borrowing Charge. Foremost is presently owed approximately \$930,000 under the Receiver's Borrowing Charge.¹ The Receiver has incurred costs that will require it to draw on the balance of the Borrowing Limit. As discussed below, an increase in the Borrowing Limit is now required in order to advance additional funding to the Receiver to facilitate completion of these proceedings.
5. Additional background information regarding these proceedings and the reasons for the appointment of the Receiver is provided in Foremost's receivership application materials. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's case website: <https://www.ksvadvisory.com/experience/case/barakaa>.

1.1 Purposes of this Supplemental Report

1. The purpose of this Supplemental Report is to provide the Receiver's rationale for recommending that this Court issue an Order increasing the amount that the Receiver can borrow under the Receiver's Borrowing Charge from \$1.2 million to \$1.7 million.

1.2 Currency

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

2.0 Receivership Borrowings

1. The Receivership Order was granted over the properties discussed in the Fourth Report that are owned by, or were previously owned by, Barakaa and Lerrato, as well as a 10-unit condominium project, known as the Cranswick Towns, located in Ajax, Ontario owned by 214 (the "**Doric Development**"). Like Barakaa and Lerrato, 214 is believed to be owned by Mr. Jhaveri and his wife, Niketa Wadia.
2. As of the commencement of the receivership proceedings, the Doric Development appeared to be substantially completed; however, since being appointed, the Receiver has identified deficiencies and workmanship issues that have required it to incur substantial costs. A significant portion of the Receiver's borrowings to-date have been used to address those issues, and recently, additional issues were identified that will require the Receiver to incur further costs to complete the Doric Development. As of the date of this Supplemental Report, none of the units in the Doric Development have been sold and the units cannot be marketed for sale until construction is completed. The Receiver is aiming to commence marketing the units in the next few months.
3. Pursuant to an agreement dated August 27, 2025, the Receiver engaged North Lakes Developments Inc. ("**North Lakes**") as the construction manager to complete the Doric Development project. As of the date of this Supplement Report, North Lakes was quantifying the cost to complete the Doric Development, but a preliminary estimate is in the range of at least \$500,000.

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.

4. The tables below summarize the secured charges registered on title to the Real Property owned by Barakaa, Lerrato and 214, including mortgages registered on title by Sanjive Joshi, Xpert Credit Control Solutions Inc. and Xpert law Inc. (collectively, the “**Joshi Parties**”). 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

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
Tripti Dhingra	1,500
BIP	2,000
BIP and Galidan Inc.	1,000
Joshi Parties	5,000
Total	15,685

5. The mortgages in favour of the Joshi Parties were ordered to be vacated pursuant to an Order of Mr. Justice Koehnen dated March 27, 2025, appended as Appendix “C” to the Fourth Report.
6. Foremost requires the increase in the Borrowing Limit so that it has certainty as to the priority of its advances versus the other mortgages registered on title to the Barakaa, Lerrato and 214 real properties.
7. A statement of receipts and disbursements for the period October 21, 2024 to October 8, 2025 reflecting the sources and uses is provided in **Appendix “A”**.

3.0 Recommendation and Conclusion

1. The Receiver recommends an increase in the Borrowing Limit for the following reasons:
 - a) funding is required to, among other things, complete construction of the Doric Development so that the units can be listed for sale;
 - b) given the various mortgages registered on title against the real properties subject to the Receivership Order, Foremost is only prepared to fund these proceedings pursuant to the Receiver's Borrowing Charge;
 - c) the costs to be funded under the Receiver's Borrowing Charge are reasonable, necessary and no more than necessary at this time to complete the Doric Development, as well as the Receiver's fees and costs; and
 - d) the Receiver will allocate any amounts borrowed under the Receiver's Borrowing Charge to the entity for which the funds are used.
2. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court increase the Borrowing Limit and Receiver's Borrowing Charge on the basis detailed herein.

* * *

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”

Receivership of Barakaa Developer Inc., Lerrato Inc. and 2145499 Ontario Inc.

Combined Interim Statement of Receipts and Disbursements

For the Period Ending October 8, 2025

(\$; unaudited)

Description	Barakaa	Lerrato	214	Total
Receipts				
Sale proceeds - Porte	-	2,360,748	-	2,360,748
Sale proceeds - 25 Madison	2,284,831	-	-	2,284,831
Funding from Foremost	1,121,000	10,000	10,000	1,141,000
Transfers from Lerrato	-	-	156,378	156,378
Transfers from Barakaa	-	328,212	1,050,561	1,378,773
Interest	7,321	1,382	5,569	14,272
	<u>3,413,152</u>	<u>2,700,342</u>	<u>1,222,508</u>	<u>7,336,002</u>
Disbursements				
Distribution to Foremost	1,410,000	2,000,000	-	3,410,000
Payment to Elexicon for transformers	-	-	426,441	426,441
Receiver's fees and disbursements	132,094	141,971	147,958	422,022
HST remittance to CRA	251,901	246,727	-	498,628
General contractor fees	-	-	368,787	368,787
Legal fees and disbursements	106,235	90,883	51,480	248,598
HST paid on disbursements	31,805	32,134	81,023	144,962
Insurance	12,457	9,740	36,662	58,859
Consulting fees	-	-	48,391	48,391
Municipality fees	-	-	31,501	31,501
Utilities	2,329	2,834	17,201	22,363
Snow removal	-	10,000	-	10,000
Appraisal fees	1,800	4,500	-	6,300
Staging furniture	5,310	-	-	5,310
Repairs and maintenance	400	-	4,500	4,900
Rentals	-	-	4,649	4,649
PST paid on insurance	873	1,055	2,299	4,227
Bank charges	245	213	504	962
Other	-	-	900	900
Filing fees	80	80	80	241
Transfers to 214	1,050,561	156,378	-	1,206,939
Transfers to Lerrato	328,212	-	-	328,212
	<u>3,334,302</u>	<u>2,696,515</u>	<u>1,222,375</u>	<u>7,253,192</u>
Balance	<u>78,850</u>	<u>3,827</u>	<u>133</u>	<u>82,810</u>