

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF LJM DEVELOPMENTS
(HAMILTON) INC.**

**PRE-FILING REPORT OF THE PROPOSED MONITOR,
SCHWARTZ LEVITSKY FELDMAN INC.**

FEBRUARY 9, 2026

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1.0 INTRODUCTION

- 1.1 Schwartz Levitsky Feldman Inc. (“**SLF**” or the “**Proposed Monitor**”) understands that LJM Developments (Hamilton) Inc. (the “**Applicant**” or the “**LJM Hamilton**”) intends to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order (the “**Initial Order**”) granting, among other things, a stay of proceedings pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and appointing SLF as Monitor of the Applicant (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicant under the CCAA are referred to herein as the “**CCAA Proceedings**”.
- 1.2 LJM Hamilton is a private real estate development company incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16 (the “**OBCA**”), with its registered office located at 1860 Appleby Line, 28, Burlington, Ontario, L4L 0B7, Canada.
- 1.3 All of the shares in LJM Hamilton are owned by LJM Group Inc. (“**LJM Group**”). The Proposed Monitor understands that LJM Group also owns and operates a number of other real estate developments in Ontario. LJM Hamilton is the only entity seeking creditor protection in these CCAA Proceedings.
- 1.4 LJM Group is a real estate development company incorporated under the OBCA, with its registered office located at 1860 Appleby Line, 28, Burlington, Ontario, L4L 0B7, Canada. The Proposed Monitor understands that LJM Group owns several subsidiaries, including the Applicant, all of which are single-purpose real estate development corporations.

- 1.5 LJM Hamilton is a single-purpose corporation established to develop a residential condominium development known as LJM Tower – *Urban Living in the City* (the “**Project**”), located at 2782 Barton Street East, Hamilton, Ontario.
- 1.6 The Project is substantially complete, with the condominium corporation being registered and turned over in accordance with the *Condominium Act, 1998*, S.O. 1998, c. 19.
- 1.7 LJM Hamilton had previously entered into agreements to sell 301 units in the Project (collectively, the “**Units**”) to purchasers. However, as a result of a significant downturn in the market for residential condominiums in Hamilton, several purchasers defaulted under their Pre-Sale Agreements (as defined below) and failed to close their respective transactions. This created a liquidity crisis for the Applicant which, in turn, prevented it from meeting its ongoing obligations.
- 1.8 The Applicant currently owns 55 unsold Units (the “**Unsold Units**”) which, together with unsold parking units and storage lockers in the Project, and certain deposits being held as security by Westmount Guarantee Services Inc. (“**Westmount**”), represent substantially all of the assets of the Applicant (collectively, the “**Property**”).
- 1.9 Due to the registration of construction liens and other encumbrances on title to the Unsold Units, the Applicant has been unable to complete sales of the Unsold Units, and the Applicant lacks funding to complete the outstanding constructions steps on the Project and respond to warranty claims from purchasers. The Proposed Monitor understands that failure to complete these steps is expected to result in enforcement steps taken against the Applicant and the Property, and a decrease in value of the Applicant’s property being held as security.

1.10 The Applicant is commencing these CCAA Proceedings to obtain a stay of proceedings and to preserve value for all stakeholders and ensure an orderly path forward. The Proposed Monitor understands that the Applicant plans to complete warranty work on the Units, as appropriate, carry out remaining development obligations under the Development Agreements, pay priority payables that accrue after the date of the Initial Order, and seek approval of a Court-supervised sale process for the Unsold Units.

1.11 This pre-filing report (the “**Report**”) should be read in conjunction with the affidavit of Muhammad Ahsan, Chief Financial Officer of the Applicant (the “**CFO**”), sworn February 9, 2026, and filed in support of the Applicant’s application for relief under the CCAA (the “**Ahsan Affidavit**”). The Ahsan Affidavit, among other things, provides a detailed summary of the Applicant’s background, including the events leading up to, and reasons for, the commencement of these CCAA Proceedings. Capitalized terms used and not defined in this Report have the meanings given to them in the Ahsan Affidavit.

2.0 PURPOSE OF THE PRE-FILING REPORT

2.1 The purpose of this Report is to provide the Court with information and, where applicable, the Proposed Monitor’s views on:

- (i) SLF’s qualifications to act as Monitor (if appointed);
- (ii) certain limited background information with respect to the Applicant;
- (iii) the Applicant’s cash flow forecast for the thirteen-week period ending May 15, 2026 (the “**Cash Flow Forecast**”);

- (iv) the relief sought by the Applicant as part of the proposed Initial Order, including, among other things:
 - (a) authorization for the Applicant to borrow from RCM Capital Syndication SPV III LP by its general partner RCM (2023) GP Inc. (“**DIP Lender**”) pursuant to an Offer to Lend dated January 30, 2026 and a DIP Facility Loan Agreement dated February 9, 2026 (together, the “**DIP Agreement**”) during the initial 10-day stay period under the CCAA (the “**Initial Period**”) to fund the Applicant’s working capital requirements and the costs of these proceedings during the Initial Period (the “**DIP Facility**”); and
 - (b) the granting of the proposed Administration Charge and DIP Lender’s Charge (each as defined below and together, the “**Charges**”) in the initial amounts set out in the proposed Initial Order over the Applicant’s Property;
- (v) the Applicant’s intended next steps in these CCAA Proceedings; and
- (vi) the Proposed Monitor’s conclusions and recommendations in connection with the foregoing, as applicable.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Report, SLF, in its capacity as the Proposed Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the Applicant, and has held discussions with management of the Applicant and its legal counsel (collectively, the “**Information**”). Except as otherwise described in this Report in respect of the Applicant’s cash flow forecast:

- (i) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CASs”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “CPA Handbook”) and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to in this Report was prepared based on the estimates and assumptions of the Applicant. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 SLF’S QUALIFICATIONS TO ACT AS MONITOR

4.1 SLF is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and is not subject to any of the restrictions on who may be appointed as monitor set out in subsection 11.7(2) of the CCAA.

4.2 The senior SLF personnel with carriage of this matter are Chartered Insolvency and Restructuring Professionals, and Licensed Insolvency Trustees, who have previously acted in CCAA matters of a similar nature and complexity.

4.3 SLF has consented to act as Monitor of the Applicant should the Court grant the proposed Initial Order. A copy of SLF's consent to act is attached to the Ahsan Affidavit as Exhibit "X". The Proposed Monitor has retained Aird & Berlis LLP to act as its independent legal counsel.

5.0 BACKGROUND INFORMATION

5.1 This Report summarizes certain limited background information in relation to the Applicant as it relates to its application for the commencement of these CCAA Proceedings. Readers are advised to review in full the Ahsan Affidavit, which provides a comprehensive overview of the business, operations and financial circumstances of the Applicant.

5.2 The Project is located on real property municipally known as 2782 Barton Street East, Hamilton, Ontario (the "**Real Property**")

5.3 The Applicant started developing the Project in December 2016.

5.4 On May 22, 2025, the Applicant registered the declaration for the condominium in respect of the Project, which created Wentworth Standard Condominium Corporation No. 664 (the "**Condo**").

5.5 After the Condo was registered, LJM Hamilton sought to complete all of the Pre-Sale Agreements. Of the 301 Pre-Sale Agreements entered into by the Applicant, the Applicant

completed 258 transactions pursuant to those agreements, and the remaining 43 transactions did not close on account of defaults by the intended purchasers under their respective Pre-Sale Agreements.

5.6 The Proposed Monitor understands that the Project is substantially complete save for certain outstanding development tasks arising from the Development Agreements. Trades, sub-trades and suppliers, among others, are needed in order to complete these remaining tasks. The Applicant requires these parties to continue providing the goods and services required by their contracts and subcontracts to ensure completion of the Project (the “**Goods and Services Providers**”). The stay provided by these CCAA Proceedings will restrain the Goods and Services Providers from discontinuing, altering, interfering or otherwise terminating the supply of such goods and services required from the Project, provided that, in each case, the normal prices or charges for all such goods or services received after the date of the Initial Order, if granted, are paid by the Applicant, as applicable.

6.0 INDEBTEDNESS OBLIGATIONS

6.1 As of the date of this Report, the Applicant’s debt obligations consist of the following:

- (i) amounts owing to Westmount pursuant to the Westmount Charge and the Pre-Sale Deposits (each as defined below);
- (ii) amounts owing to the City of Hamilton (the “**City**”) pursuant to the Development Agreements (as defined below);

- (iii) amounts owing to trades and suppliers that supplied goods and services to the Project;
- (iv) amounts owing to the Condo in respect of Condo fees;
- (v) amounts due in respect of outstanding warranty work;
- (vi) amounts owing in respect of property taxes and HST arrears; and
- (vii) amounts owing pursuant to writs of seizure and sale.

Initial Project Financing

6.2 LJM Hamilton financed the Project through a construction credit facility provided by DUCA Financial Services Credit Union Ltd. (the “**Construction Lender**”). The Construction Lender advanced a construction loan of approximately \$79,000,000 to LJM Hamilton, which was previously secured by, among other things, a mortgage charge against the Real Property. LJM Hamilton repaid this loan on or around July 31, 2025 from the proceeds of the sales of the Units and, accordingly, the mortgage in favour of the Construction Lender was discharged from title to the Real Property.

6.3 Westmount provided certain guarantee and surety services to LJM Hamilton, including:

- (i) deposit insurance in respect of deposits injected into the Project (the “**ECDI Policy**”); and
- (ii) a bond issued in favour of Tarion Warranty Corporation (“**Tarion**”), with a face value of \$6,260,000, to secure LJM Hamilton’s liability to Tarion in respect of LJM Hamilton’s construction and deposit warranty obligations (the “**Tarion Bond**”).

6.4 LJM Hamilton provided security to Westmount in respect of these obligations in the form of:

- (i) a mortgage in the principal amount of \$30,000,000 on the Real Property (which continues to be registered against the Unsold Units) (the “**Westmount Charge**”);
and
- (ii) a security interest in the monies paid as deposits by purchasers under the Pre-Sale Agreements. SLF understands that Westmount’s counsel, Harris, Sheaffer LLP, is holding approximately \$1,300,000 in such deposits, inclusive of interest earned on same (the “**Pre-Sale Deposits**”).

Trades, Suppliers and Construction Liens

6.5 The Applicant is indebted to certain trades and suppliers that supplied goods and services in connection with the Project. As of February 6, 2026 the Applicant owes approximately \$5,740,304.85 to such parties.

6.6 The Proposed Monitor understands that LJM Hamilton’s inability to pay these outstanding amounts has resulted in certain trades registering construction liens on title to the Unsold Units, as described below:

- (i) on November 6, 2025, Speedy Electrical Contractors Limited (“**Speedy Electrical**”) registered a construction lien in the amount of \$839,756 (the “**Speedy Electrical Claim**”);

- (ii) on November 24, 2025, Classic Tile Contractors Limited (“**Tile Contractors**”) registered a construction lien in the amount of \$1,142,306 (the “**Tile Contractors Claim**”);
- (iii) on December 2, 2025, Stephenson’s Rental Services Inc. (“**Stephenson’s**”) registered a construction lien in the amount of \$187,496 (the “**Stephenson’s Claim**”);
- (iv) on December 9, 2025, C. & A. Tedesco Waterproofing Inc. (“**Tedesco**”) registered a construction lien in the amount of \$633,426 (the “**Tedesco Claim**”); and
- (v) on December 24, 2025, Colour of Painting LTD (“**Painting LTD**”) registered a construction lien in the amount of \$178,812 (the “**Painting LTD Claim**”).

6.7 SLF understands that additional creditors have provided formal notice of their intention to commence enforcement proceedings against the Applicant in the absence of payment.

Development Agreement and Charges

6.8 On October 26, 2021, the Applicant and the City entered into an agreement (the “**First DC Agreement**”) for the deferred payment of mandated development charges accruing pursuant to the Development Charges By-law No. 24-072. On October 29, 2021, in accordance with the First DC Agreement, the City registered a mortgage in the amount of \$6,154,661 (the “**Development Charge**”) against title to the Real Property.

- 6.9 On June 1, 2023, the Applicant and the City entered into a second agreement for the deferral of further development charges (the “**Second DC Agreement**” and together with the First DC Agreement, the “**Development Agreements**”).
- 6.10 On June 16, 2023, the Applicant received conditional site plan approval for the Project from the City, which was subject to a variety of conditions, including that the Applicant build and maintain certain services and features in connection with the Project, as set out in the site plan approval document.
- 6.11 On July 14, 2023, in accordance with the Second DC Agreement, the City registered a mortgage in the amount of \$1,530,562 (the “**Second Development Charge**”) against title to the Real Property.
- 6.12 The Proposed Monitor understands that, as of February 6, 2026, the Applicant owes the City \$7,685,223 in development charges under the Development Agreements, exclusive of interest, which is accruing at the rate of 6.67% under the First DC Agreement, and 11.05% under the Second DC Agreement.

Condominium Fee Liens

- 6.13 Since the registration of the Condo, the Applicant has accrued condominium management fees in the approximate amount of \$123,000. On December 31, 2025, the Condo registered a Condominium Lien in the amount of \$93,581 (the “**Condo Lien**”) against title the Unsold Units. Until such time as the Unsold Units are sold, the Applicant will continue to incur condominium fees in the aggregate approximate amount of \$30,000 per month in

connection with the Unsold Units. These condominium fees incur interest at the rate of 18%.

Warranty Obligations

- 6.14 Under the *New Home Warranty Plan Act*, LJM Hamilton has warranty obligations to purchasers of the Units. Specifically, LJM Hamilton has an obligation to respond to warranty claims filed by purchasers and, where appropriate, complete warranty work. If LJM Hamilton does not complete these obligations, purchasers can file warranty claims with Tarion, which would result in Tarion carrying out the warranty work on LJM Hamilton's behalf and deducting the cost of this warranty work from the security being held by Tarion (which, as further detailed in the Ahsan Affidavit, is a bond issued by Westmount in favour of Tarion).
- 6.15 The Ahsan Affidavit estimates that there remains approximately \$30,750 in outstanding work required to address the outstanding warranty requests. The Proposed Monitor understand that the Applicant has, to date, been unable to complete the outstanding warranty requests due to the liquidity challenges it is facing.

Taxes

- 6.16 The Ahsan Affidavit provides that, as of February 6, 2026, the Applicant has the following outstanding tax liabilities to municipal, provincial, and federal authorities:
- (i) property taxes to the City in the amount of \$1,530,562, which accrues interest at the rate of 1.25% per month (15% annually); and

- (ii) Harmonized Sales Tax (“**HST**”) in the approximate amount of \$12,500,000, which accrues interest at the rate of 7% annually.

Writs of Seizure and Sale

- 6.17 The Proposed Monitor understands that certain creditors have issued writs of seizure and sale against the Applicant in respect of outstanding obligations, as more particularly described in the Ahsan Affidavit. These writs, if enforced, may permit judgment creditors to take steps to seize and sell the Applicant’s assets or otherwise interfere with the Applicant’s business and operations. As of January 23, 2026, creditors have issued writs of seizure and sale against the Applicant in the aggregate total amount of \$194,206.75, which accrues interest at the rate of 12.0%.

HCRA Proceeding

- 6.18 Due to financial difficulties experienced by entities related to LJM Hamilton, the Home Construction Regulatory Authority (“**HCRA**”) has issued a Notice of Proposal to Refuse to Renew/Revoke a License to LJM Hamilton and a number of related entities (the “**HCRA Notice**”). The Proposed Monitor understands that the Applicant is taking steps to appeal the HCRA Notice and, on February 2, 2026, a case conference scheduled before the Licence Appeal Tribunal in connection with the Applicant’s appeal of the HCRA Notice was adjourned for at most 60 days.
- 6.19 The Proposed Monitor has not independently assessed the merits of the licensing proceeding or the likelihood of its outcome. The Proposed Monitor notes, however, that the continuation of the Applicant’s operations, including the completion of warranty

obligations and the sale of the Unsold Units, is likely dependent, in part, on the Applicant maintaining the necessary regulatory licences.

Monitor's Review of Security

6.20 If appointed, the Proposed Monitor anticipates providing its legal counsel with instructions to review the security in respect of the Construction Lender, the Westmount Charge, the Development Agreements, the Condo Liens, and the various other financing statements under the *Personal Property and Security Act* (Ontario) ("**PPSA**") registered against LJM Hamilton's personal property (as particularized in the Ahsan Affidavit), and provide an opinion on the validity and enforceability of each of the security interests.

7.0 CASH FLOW FORECAST

7.1 The Applicant has prepared the Cash Flow Forecast for the thirteen-week period ending May 15, 2026. A copy of the Cash Flow Forecast, together with a summary of assumptions (the "**Cash Flow Assumptions**") and management's report on the cash-flow statement required by section 10(2)(b) of the CCAA, are attached hereto as **Appendices "A"** and "**B**", respectively.

7.2 The following table provides a summary of the Cash Flow Forecast:

Cash Flow Forecast	
	<u>Initial Period</u>
Receipts (DIP Financing)	250,000
Disbursements	
Payroll	(21,600)
Office Rent, Utilities, Office Supplies, Employee Insurance, etc.	-
Condo Fees - Unsold/Inventory Suites	-
Utilities - Unsold Units	(10,077)
Condo Insurance	-
After Sale Services and Warranty Items	(6,250)
Professional Fees	(45,000)
DIP Loan interest	-
DIP Advance Fee	(4,375)
Total Disbursements	(87,302)
Net Cash Flow	162,698
Opening Cash	36,985
DIP Facility Advance	250,000
Closing Cash	199,683

7.3 The Proposed Monitor notes the following with respect to the Cash Flow Forecast:

- (i) receipts include an assumed injection of \$250,000 pursuant to the DIP Facility;
- (ii) payroll and benefits include: (a) normal course wages, benefits and taxes for continuing employees; (b) certain final salary continuance amounts relating to the pre-filing period for the Applicant's most recent pay period (no future salary continuance, severance or termination is projected to be paid); and (c) payments in respect of accrued vacation for planned employee reductions;
- (iii) Condo fees, utilities, property taxes, and insurance include the monthly recurring fees in connection with the Unsold Units;

- (iv) after sale services and warranty items include the Applicant's warranty obligations with respect to the Units, as further particularized herein; and
- (v) professional fees include those accrued by the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

7.4 During the Initial Period, net cash flow is projected to be \$162,698, and is forecast to be funded by the Initial Advance under the proposed DIP Facility.

7.5 Based on the Proposed Monitor's review,¹ nothing has come to its attention that causes it to believe, in all material respects that: (i) the Cash Flow Assumptions are not consistent with the purpose of the Cash Flow Forecast; (ii) as at the date of this Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the Cash Flow Assumptions; or (iii) the Cash Flow Forecast does not reflect the Cash Flow Assumptions.

8.0 DIP FINANCING

8.1 The Cash Flow Forecast indicates that interim financing is needed on an urgent basis during the initial 10-day stay period to fund operations. In order to fund its operations, including payment of the remaining costs to complete the Project and responding to warranty claims from purchasers, the Applicant has arranged for the DIP Facility to be provided by the DIP Lender.

¹ The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor under subsection 23(1)(b) of the CCAA. Subsection 23(1)(b) of the CCAA requires a Monitor to review the debtor's cash flow statement as to its reasonableness and to file a report with the Court on the Monitor's findings. Pursuant to this standard, the Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of management. The Proposed Monitor reviewed information provided by management for the Cash Flow Assumptions. Since the Cash Flow Assumptions need not be supported, the proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast.

- 8.2 On February 9, 2026 the Applicant entered into the DIP Agreement with the DIP Lender. Pursuant to the Initial Order, the Applicant is seeking approval to borrow up to \$250,000 under the DIP Facility (the “**Initial Advance**”) during the initial 10-day period until the comeback hearing.
- 8.3 The Initial Advance is conditional on the issuance of an Order (which terms may be incorporated into the Initial Order) approving the DIP Facility and the DIP Lender’s Charge.
- 8.4 The requested Initial Order contemplates that Interim Borrowings (as defined in the Initial Order) will be secured by way of a court-ordered priority charge (defined as the “**DIP Lender’s Charge**”), subordinate only to the Administration Charge.
- 8.5 A summary of certain key terms of the DIP Agreement is set out below. A copy of the Offer to Lend is attached to the Ahsan Affidavit as Exhibit “W”. A copy of the DIP Agreement is attached to the Supplementary Affidavit of Muhammad Ahsan.

DIP Facility <i>(capitalized terms have the meaning ascribed thereto in this Report or in the DIP Agreement)</i>	
Parties	<ul style="list-style-type: none">• Borrower: LJM Developments (Hamilton) Inc.• DIP Lender: RCM Capital Syndication SPV III LP by its general partner RCM (2023) GP Inc. or its assignees
Facility Size	<ul style="list-style-type: none">• Up to the principal amount of \$2,500,000<ul style="list-style-type: none">• Minimum advance size of \$500,000, except for the first two advances authorized by the Initial Order and the Amended and Restated Initial Order, which may be for lesser amounts• Advances may not be requested more frequently than once per month, except for the first two advances

DIP Facility <i>(capitalized terms have the meaning ascribed thereto in this Report or in the DIP Agreement)</i>	
	<ul style="list-style-type: none"> Each advance requires a drawdown request delivered at least five Business Days' prior notice, and satisfaction of customary conditions precedent
Interest and Fees	<ul style="list-style-type: none"> Interest: 15.5% per annum Default Interest: 18.0% per annum on outstanding principal following an uncured Event of Default (after notice and applicable cure period) Advance Fee: 1.75% of the Loan, deducted on a pro-rata basis from each advance Extension Fee: 1.75% of the Loan, payable if the Maturity Date is extended at the DIP Lender's discretion
Cash Flow Test	<ul style="list-style-type: none"> Advances are subject to the DIP Lender's satisfactory review of the Borrower's 13-week cash flow forecast The Borrower must provide monthly cash flow forecasts and variance reporting as part of its Loan Compliance Package
Maturity Date	<ul style="list-style-type: none"> The Loan, including all outstanding principal, interest, and fees, matures 12 months following the Closing Date The Closing Date is the date that is the next business day following the date of the Initial Order, or as agreed between the parties. Provided no Event of Default has occurred and is continuing, the Maturity Date may be extended by up to an additional nine months at the DIP Lender's discretion
DIP Collateral	<ul style="list-style-type: none"> To be secured by the DIP Lender's Charge (DIP Charge covering all assets of the Borrower, including at least 50 unsold condominium units located at 2782 Barton Street East, Hamilton, Ontario)
Prepayment	<ul style="list-style-type: none"> The Borrower may prepay the DIP Facility, in whole or in part, at any time prior to the Maturity Date

8.6 In addition to the terms summarized above, the DIP Agreement provides that the advance fee is fully earned upon execution, with any unapplied portion payable on maturity or earlier repayment, and that any repayment, prepayment or mandatory repayment prior to

the initial maturity date triggers a make-whole amount equal to the interest that would otherwise have accrued through the initial maturity. The DIP Agreement also includes asset-based and material adverse effect defaults and permits the DIP Lender, following the occurrence and continuation of an uncured event of default, to seek enforcement of its rights and remedies on a shortened, court-approved notice period.

Proposed Monitor's View on the DIP Facility

8.7 The Proposed Monitor respectfully recommends that the Court approve the DIP Facility for the following reasons:

- (i) the Applicant has no other superior financing alternative and, in the absence of the DIP Facility being approved, the Applicant will have no liquidity to fund its operations or these CCAA Proceedings;
- (ii) the Proposed Monitor understands that the Applicant sought other sources of financing, including from alternative DIP lenders, and received one other proposed DIP loan commitment letter, the terms of which were less favourable than the DIP Agreement;
- (iii) the Proposed Monitor has reviewed comparable DIP financing facilities and is of the view that the terms of the DIP Facility, including the interest rate and fees charged, are reasonable and within market parameters. Attached as Appendix "C" is a summary of select DIP financing facilities that have recently been approved by this Court in similar CCAA proceedings. The Proposed Monitor notes that these comparable DIP loans: (a) range in size from \$1.0 million to \$55.0 million; (b) have

interest rates in the range of 5% to 18%, with an average rate of 11.29%; and (c) have incremental fees that average 2.35%. In comparison, the proposed DIP Facility contemplates an interest rate of 15.5% and advance fees of 1.75%; and

- (iv) the Initial Advance is projected to provide the Applicant with sufficient liquidity during the initial 10-day stay period of the CCAA Proceedings to allow the Applicant to stabilize its business and operations and preserve the value of its Property until the comeback hearing.

9.0 STAY OF PROCEEDINGS

9.1 The proposed Initial Order contemplates the granting of an initial 10-day stay of proceedings in respect of the Applicant, its business and the Property.

9.2 In the circumstances, the Proposed Monitor is of the view that the stay of proceedings is appropriate and is in the best interests of the Applicant and its stakeholders given that:

- (i) the proposed stay of proceedings will allow the Applicant to continue ordinary course operations with the breathing room and stability necessary to ensure the most efficient and cost-effective framework for the sale of the Unsold Units;
- (ii) the commencement of enforcement steps against the Applicant would increase costs, delay and uncertainty regarding the completion of the Project and sale of the Unsold Units, all of which would negatively impact all stakeholders including, among others, the City, suppliers, trades and subtrades, and purchasers who are already living in the sold Units; and

(iii) the CCAA Proceedings will provide an appropriate forum to advance a value-maximizing outcome for all stakeholders.

10.0 COURT-ORDERED CHARGES SOUGHT IN THE INITIAL ORDER

10.1 The proposed Initial Order seeks the granting of the Charges over the Property of the Applicant, as described below.

10.2 The priorities of the Charges are proposed to be as follows:

Proposed Charges & Priorities	
1. Administration Charge	\$300,000
2. DIP Lender's Charge	Up to \$250,000

Administration Charge

10.3 The proposed Initial Order provides for an initial Administration Charge in an amount not to exceed \$300,000 in favour of the Monitor, counsel to the Monitor and counsel to the Applicant (the “**Administration Charge**”).

10.4 The Proposed Monitor assisted the Applicant with the calculation of the Administration Charge and is of the view that the amount of the Administration Charge for the initial 10-day stay period is reasonable and appropriate in the circumstances, having regard to the nature of the CCAA Proceedings, the anticipated professional costs to be incurred during the Initial Period, and the size of charges approved in similar CCAA proceedings.

DIP Lender's Charge

- 10.5 The proposed Initial Order provides for a charge on the Property as security for the outstanding obligations of the Applicant under the DIP Facility (the “**DIP Lender's Charge**”). The DIP Lender's Charge will rank behind the Administration Charge.
- 10.6 The amount to be funded under the DIP Facility during the Initial Period is limited to the amount necessary to ensure the continued operations of the Applicant's business and the progression of the Project. Correspondingly, the DIP Lender's Charge under the proposed Initial Order is limited to the amount to be funded during the Initial Period. The Applicant intends to seek an increase of the DIP Lender's Charge at the comeback hearing to the full principal amount available under the DIP Facility.
- 10.7 It is a condition of the DIP Facility that the DIP Lender's Charge be granted by the Court. The Proposed Monitor's observations with respect to the DIP Facility are set out in Section 8.0 above. Given the urgent need for new financing, the Proposed Monitor is of the view that the DIP Lender's Charge is reasonable and appropriate in the circumstances.

11.0 INTENDED NEXT STEPS IN THE CCAA PROCEEDINGS

- 11.1 At the comeback hearing, the Proposed Monitor understands that the Applicant intends to seek an Amended and Restated Initial Order for, among other things:
- (i) authority for the Applicant to increase the amounts which may be borrowed under the DIP Facility;
 - (ii) an increase of the Administration Charge to \$1,000,000;

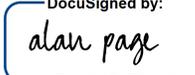
- (iii) approval of a process for the sale of the Unsold Units including, among other things:
 - (a) authorization for the Applicant to retain EXP Realty Inc. to market the Unsold Units;
 - (b) authorization for the Applicant to sell, convey and transfer the Unsold Units so long as:
 - (1) the net consideration payable under an agreement to purchase an Unsold Unit is not less than a minimum target price (such price being the “**Target Price**”) to be filed confidentially with the Court; and
 - (2) the agreement of purchase and sale is substantially in the form of a Template APS (as defined below) to be approved by the Court;
- (iv) authorization for the Registrar of the Ontario Superior to issue Approval and Vesting Orders in respect of transactions that satisfy the above noted conditions, without the need for any attendance in Court by counsel for any party; and
- (v) approval of a form of Approval Vesting Order and template agreement of purchase and sale for use in connection with transactions that satisfy the above noted condition; and
- (vi) an extension of the stay of proceedings.

12.0 CONCLUSIONS AND RECOMMENDATIONS

12.1 For the reasons set out in this Report, the Proposed Monitor is of the view that the relief requested by the Applicant in the proposed Initial Order is reasonable, appropriate and necessary, having regard to the Applicant's current circumstances. As such, the Proposed Monitor supports the Applicant's application for CCAA protection and respectfully recommends that the Court grant the Initial Order containing the relief requested by the Applicant.

All of which is respectfully submitted to the Court this 9th day of February, 2026.

Schwartz Levitsky Feldman Inc.
in its capacity as Proposed Monitor of
LJM Developments (Hamilton) Inc.

Per: 
1F3A62170FFA453...
Alan Page

APPENDIX A
CASH FLOW FORECAST

See attached.

LJM Developments (Hamilton) Inc.
Statement of Projected Cash Flow
For the thirteen week period ending May 15, 2026

Cash Inflow	Week ending on												13 Weeks	
	February 20, 2026	February 27, 2026	March 6, 2026	March 13, 2026	March 20, 2026	March 27, 2026	April 3, 2026	April 10, 2026	April 17, 2026	April 24, 2026	May 1, 2026	May 8, 2026		May 15, 2026
DIP financing	250,000	-	250,000	-	-	500,000	-	-	-	-	-	500,000	-	1,500,000
Cash Inflow	250,000	-	250,000	-	-	500,000	-	-	-	-	-	500,000	-	1,500,000
Cash Outflow														
Payroll	(21,600)	-	(21,600)	-	(21,600)	-	(21,600)	-	(21,600)	-	(21,600)	-	(21,600)	(151,200)
Office rent, Hydro/Heating/office supplies/employee insurance etc.	-	-	(1,313)	-	-	-	(1,313)	-	-	-	(1,313)	-	(1,313)	(5,252)
Condo Fees - Unsold/Inventory Suites	-	-	(30,000)	-	-	-	(30,000)	-	-	-	(30,000)	-	(30,000)	(120,000)
utilities-unsold units	(10,077)	-	-	(3,300)	-	-	-	(3,300)	-	-	-	(3,300)	-	(19,977)
Condo insurance	-	(1,368)	-	-	-	(1,368)	-	-	-	(1,368)	-	-	(1,368)	(5,471)
After sale services+ warranty items	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(81,250)
Legal/Accounting/LIT fees	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(585,000)
DIP Loan interest	-	-	-	-	(6,667)	-	-	-	(13,333)	-	-	-	(20,000)	(40,000)
DIP advance fee	(4,375)	-	(4,375)	-	-	(8,750)	-	-	-	-	-	(8,750)	-	(26,250)
	(87,302)	(52,618)	(108,538)	(54,550)	(79,517)	(61,368)	(104,163)	(54,550)	(86,183)	(52,618)	(104,163)	(63,300)	(125,531)	(1,008,150)
NET CASH INFLOW/(OUTFLOW)	162,698	(52,618)	141,462	(54,550)	(79,517)	438,632	(104,163)	(54,550)	(86,183)	(52,618)	(104,163)	436,700	(125,531)	491,850
CASH BALANCE-START OF WEEK	36,985	199,683	147,065	288,527	233,977	154,461	593,093	488,930	434,380	348,197	295,579	191,416	628,116	36,985
CASH BALANCE-END OF WEEK	199,683	147,065	288,527	233,977	154,461	593,093	488,930	434,380	348,197	295,579	191,416	628,116	502,585	528,835

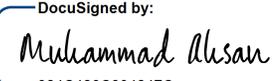
The Statement of Projected Cash Flow for the period from February 20, 2026 to May 15, 2026 has been prepared pursuant to the requirements of section 10(2)(a) of the *Companies' Creditors Arrangement Act*, and should be read in conjunction with the Attached Notes and Assumptions and the Monitor's Report

SCHWARTZ LEVITSKY FELDMAN INC.
Proposed Monitor acting in re the CCAA of LJM Developments (Hamilton) Inc. and not in its personal or corporate capacity

LJM Developments (Hamilton) Inc.

DocuSigned by:

Per: 1E3A62170FFA453
Alan Page, CA, LIT
2/9/2026

DocuSigned by:

Per: 924C426C804247C
Muhammad Ahsan, CFO
2/9/2026

1. The purpose of the projection is to present a cash forecast of LIM Developments (Hamilton) Inc. (the "Company") for the period February 20, 2026 to May 15, 2026 (the "Cash Flow Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act*.

Disclaimer

2. In preparing the Cash Flow Projections, the Company have relied upon unaudited financial information and have not attempted to further verify the accuracy or completeness of such information. Since the Cash Flow Projections are based on assumptions about future events and conditions that are not ascertainable, actual results achieved during the period of the Cash Flow Projections will vary from the Cash Flow Projections, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

Assumptions:

Hypothetical – None

Probable

1. Ongoing costs are being funded from a DIP loan facility supplied by RCM Capital Management Ltd.;
2. Payroll and benefits include normal course wages, benefits and taxes for continuing employees;
3. Condo fees, utilities, property taxes and insurance include monthly recurring fees in connection with the Unsold Units;
4. After sale services and warranty items include the Applicant's warranty obligations with respect to the Units, as further particularized herein; and
5. Professional fees include those accrued by the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.

APPENDIX B
MANAGEMENT'S REPRESENTATION LETTER
REGARDING CASH FLOW FORECAST

See attached.

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGMENT OF LJM DEVELOPMENTS
(HAMILTON) INC

MANAGEMENT'S REPORT ON THE CASH FLOW STATEMENT
(PARAGRAPH 10(2)(B) OF THE CCAA)

LJM Development (Hamilton) Inc. (the "Applicant") has developed the assumptions and prepared the attached Statement of Projected Cash Flow as of February 9, 2026, for the period from February 20, 2026 to May 15, 2026. (the "Cash Flow"). All such assumptions are disclosed in the Notes to the Statement of Projected Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Cash Flow.

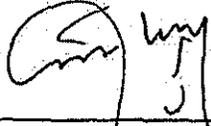
Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Burlington
Dated at ~~Toronto~~, Ontario this 9th day of February, 2026.

LJM Developments (Hamilton) Inc.

Per:



Muhammad Ahsan CFO

APPENDIX C
SUMMARY OF RECENT COMPARABLE DIP FACILITIES

See attached

LJM Developments (Hamilton) Inc.
 Comparable DIP Facility Analysis

Debtor	DIP Lender	Filing Date	Industry	Jurisdiction	DIP Loan (C\$) ¹	Fees as a % of Loan ²	Interest Rate ³
1061511 B.C. Ltd.	Maynbridge Capital Inc.	Nov-25	Construction	BC	31,000,000	3.5%	10.0%
AMCO Farms Inc.	RBC	Aug-25	Agriculture	ON	4,100,000	3.0%	13.0%
Coast Automotive Group et al.	BMO	Jul-25	Automotive	AB	2,500,000	0.0%	9.5%
Sinobec Group Inc.	Syndicate of lenders including BMO, Laurentian Bank, BDC	May-25	Distribution	QC	5,700,000	2.6%	5.0%
STS Renewables Ltd. et al.	BNS	May-25	Professional Services	ON	2,900,000	3.5%	10.0%
Shaw-Almex Industries Limited and	RBC	May-25	Technology	ON	1,000,000	2.0%	12.0%
Asbestos Corporation Limited	Certain Underwriters At Lloyd'S et al.	May-25	Mining	QC	27,800,000	0.0%	6.0%
Earth Boring Co. Limited, Yarbridge	BMO	Apr-25	Construction	ON	5,500,000	1.8%	9.5%
Synaptive Medical Inc.	Export Development Canada	Mar-25	Technology	ON	7,000,000	5.0%	15.0%
Hudson's Bay Company ULC	Restore Capital	Mar-25	Retail	ON	16,000,000	3.0%	14.3%
Pelican International Inc. et al.	NBC, BMO, Desjardins, TD Bank	Mar-25	Manufacturing	QC	6,800,000	1.2%	12.0%
Joriki Inc.	BNS and TD Bank	Jan-25	Food Manufacturing	ON	1,200,000	2.5%	12.5%
Comark Holdings Inc.	CIBC	Jan-25	Retail	ON	18,000,000	1.5%	10.0%
KMC Mining	ATB Financial	Jan-25	Mining	AB	6,000,000	5.7%	10.5%
The Lion Electric Company	NBC, BMO, Desjardins	Dec-24	Manufacturing	QC	10,000,000	2.4%	12.5%
Delta 9 Cannabis Inc. et al.	FIKA Herbal Goods	Jul-24	Cannabis	SK	16,000,000	0.0%	10.0%
Taiga Motors Corporation et al.	EDC	Jul-24	Manufacturing	QC	4,400,000	2.4%	14.0%
DCL Corporation	Wells Fargo	Dec-22	Manufacturing	QC	55,000,000	0.0%	7.9%
Quality Sterling Group	Ironbridge Equity Partners	Aug-23	Other	ON	7,000,000	0.0%	12.0%
Gesco Industries Inc. et al.	BNS	May-23	Manufacturing	ON	8,600,000	0.6%	12.7%
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	Dec-21	Mining	QC	2,000,000	0.0%	12.0%
Urthecast Corp. ⁴	HCP-FVL, LLC	Sep-20	Technology	BC	6,950,000	11.0%	18.0%
Max					55,000,000	11.0%	18.0%
Average					11,156,818	2.35%	11.29%
Min					1,000,000	0.0%	5%

Source: Insolvency Insider and Government of Canada Public CCAA Records

1. US dollar denominated loans are translated at 1.39 USD/CAD. Certain DIP Loans are presented as the maximum draw reported in the latest court materials.
2. Excludes amounts for "reasonable fees and expenses of the DIP Lender" if these are not specifically defined.
3. Interest rates that are determined by a benchmark rate (i.e. prime rate, SOFR) were calculated as of the respective filing date.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LJM DEVELOPMENTS (HAMILTON) INC.

Court File No. CL-26-0000053-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

PRE-FILING REPORT OF THE PROPOSED
MONITOR,
SCHWARTZ LEVITSKY FELDMAN INC.

AIRD & BERLIS LLP

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*Counsel for the Proposed Monitor, Schwartz Levitsky Feldman
Inc.*