

**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.

SUPPLEMENTAL AFFIDAVIT OF MUHAMMAD AHSAN
(sworn February 9, 2026)

I, Muhammad Ahsan, of the City of Milton, in the Province of Ontario,

SOLEMNLY AFFIRM AS FOLLOWS:

1. I am the Chief Financial Officer of LJM Developments (Hamilton) Inc. ("**LJM Hamilton**" or the "**Applicant**"). As such, I have personal knowledge of the Applicant and the matters to which I depose in this Affidavit. To the extent that I do not have direct, first-hand knowledge of particular facts or events, I obtained that information from other persons or from my review of documentation attached as exhibits, and have indicated the source of that information in my Affidavit. I verily believe the facts hereinafter deposed to be true.

2. All references to currency in this Affidavit are in Canadian dollars unless noted otherwise.

3. All capitalized terms not otherwise defined herein adopt the definition given to them in my affidavit affirmed on February 9, 2026 in the within matter (the “**Ahsan Affidavit**”).

A. DIP Term Sheet

4. On January 30, 2026, the Applicant and the DIP Lender executed an offer to loan (the “**Commitment Letter**”) in respect of the DIP Facility. The Commitment Letter is attached to the Ahsan Affidavit as Exhibit W.

5. As contemplated by the Commitment Letter, on February 9, 2026, the Applicant and the DIP Lender executed a term sheet which embodies the terms of the Commitment Letter (the “**DIP Term Sheet**”). I attach a copy of the DIP Term Sheet to this affidavit as **Exhibit A**.

6. The Applicant requests that the Court approve the DIP Term Sheet, as set out in the Proposed Initial Order.

AFFIRMED remotely by Muhammad Ahsan at the City of Milton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 9th day of February, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



Ryan Shah

MUHAMMAD AHSAN

Muhammad Ahsan

Purpose: The purpose of the Facility is to fund (i) working capital needs of the Borrower in accordance with the Borrower's 13-week cash flow forecast (the "**Cash Flow Forecast**") approved from time to time by the Monitor and subject to the Lender's approval (in its sole discretion), including satisfying certain warranty obligations to homebuyers and development obligations to the City of Hamilton; (ii) the Lender's Fees and Expenses (as defined below); (iii) professional fees and expenses incurred by the Borrower and the Monitor in respect of the Proceedings in accordance with the Cash Flow Forecast; and (iv) such other costs and expenses of the Borrower as may be agreed to by the Lender in writing and with the consent of the Monitor.

For greater certainty, the Borrower may not use the proceeds of the Facility to pay any pre-filing obligations of the Borrower without the prior written consent of the Lender; it being agreed by the Lender that such consent is not required for the Borrower to pay any amounts owing by the Borrower to the extent specifically identified in any approved Cash Flow Forecast or in the Initial Order or ARIIO or other order of the Court. No proceeds may be used for any other purposes except with the prior written approval of the Lender, such approval being in the Lender's sole and absolute discretion.

Repayment: The Borrower shall repay all obligations owing under the Facility on the earlier of:

- a) the occurrence of an Event of Default (as defined below);
- b) the date upon which (i) a sale of substantially all of the business and assets of the Borrower is completed or (ii) the effective of a plan of arrangement;
- c) the termination of the Proceedings, the appointment of a receiver, interim receiver or receiver-manager of the Borrower, the Borrower making an assignment in bankruptcy or being adjudged bankrupt; and
- d) the date being 12 months from the next business day following the date the Court issues the Initial Order (the "**Initial Maturity**") *provided that*, where an Event of Default has neither occurred nor is continuing on or before the Initial Maturity, the Initial Maturity may be extended for an additional 9 months, at the Lender's discretion (the "**Extended Maturity**"),

(the relevant date being, the "**Repayment Date**").

Facility Advances: The Facility shall be available by multiple advances (individually, an "**Advance**" and collectively, "**Advances**") upon the Borrower delivering to the Lender a Drawdown Request at least 5 business days before the proposed Advance date. The Advances may be made as follows:

- a) in respect of the first advance to be made upon the issuance of the Initial Order, \$250,000, or any greater amount as may be approved by the Lender and as set out in the Initial Order (the “**First Advance**”), shall be advanced to the Borrower to finance working capital requirements for the 10-day period immediately following the date of the Initial Order and shall be subject to the satisfaction of the Initial Advance Conditions Precedent;
- b) in respect of the second advance to be made upon the issuance of the ARIO, \$250,000 or greater amount as may be approved by the Lender (the “**Second Advance**”) and shall be subject to the satisfaction of the Subsequent Advance Conditions Precedent; and
- c) in respect of any subsequent advances (each, a “**Subsequent Advance**”), in amounts not less than \$500,000 per Subsequent Advance *provided further* that (i) the Borrower may only request one Subsequent Advance per calendar month and may not make any requests for an Advance upon or after the month preceding the Initial Maturity; and (ii) each Subsequent Advance shall be subject to the satisfaction of the Subsequent Advance Conditions Precedent,

and *provided that* the Advances are secured by the Interim Financing Charge and the aggregate principal amount drawn under all Advances do not exceed the Commitment Amount.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the Facility at any time unless the Lender is completely satisfied, in its sole discretion, that the Borrower is in compliance with every provision of this Term Sheet and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under the Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time. For purposes of greater certainty, Advances are made hereunder in the sole and unfettered discretion of the Lender.

Drawdown Request:

Subject to the satisfaction of the applicable Conditions Precedent, the Borrower shall deliver to the Lender and the Monitor a drawdown request specifying a date of Advance which falls at least 5 business days after receipt of the Drawdown Request. A Drawdown Request for an Advance is irrevocable and will not be regarded as having been duly completed unless:

- a) the proposed date of Advance is a business day in Toronto or Vancouver, Canada;

- b) the amount specified in the Advance does not result in the aggregate principal amount drawn under the Facility to exceed the Commitment Amount;
- c) the Drawdown Request contemplates a drawdown on or before January 1, 2027; and
- d) the Drawdown Request is in form and substance satisfactory to the Lender.

**Interest Rate,
Make-Whole Fee,
Advance Fee,
Extension Fee
and Expenses:**

Interest: Interest on the principal amount of the aggregated outstanding Advances from time to time shall be calculated at a rate of fifteen and one half percent (15.50%) per annum, which interest shall be calculated on the daily outstanding balance owing under the Facility, not in advance, and shall be paid in cash on the first day of each month.

Upon the occurrence and continuance of an Event of Default the Borrower shall be required to pay Interest plus 2.5% per annum (being a combined eighteen percent (18.00%)) in cash on a monthly basis on account of all outstanding amounts of principal, interest, and any fees or other amounts payable from and after the date of the occurrence of such Event of Default, *provided that* (i) the Event of Default has not been cured by the Borrower within 30 days of the Lender filing in the Proceedings a notice of Event of Default; and (ii) the Court has not made an order to the contrary.

Advance Fee: The Borrower shall owe to the Lender a fee equal to one and three-quarters (1.75%) percent of the Commitment Amount, which fee shall be fully earned on the date of execution of this Term Sheet, non-refundable and shall be deducted on a pro-rata basis from each Advance. Where the Borrower does not drawdown the full Commitment Amount, the Advance Fee will still be due, and any balance not already deducted against an Advance shall be paid on the Repayment Date in addition to any outstanding amounts under this Term Sheet.

Make-Whole Fee: Upon any Repayment Date, Prepayment, or Mandatory Repayment occurring before the Initial Maturity, the Borrower shall pay, and the Lender shall fully earn a non-refundable make-whole fee in an amount equivalent to the Interest that would have accrued on the repaid Advance as calculated from (i) the Repayment Date, Prepayment or Mandatory Repayment to (ii) the Initial Maturity.

Extension Fee: If, upon the consent of the Lender (to be granted in its sole discretion), the Borrower requests that the Lender extend the Initial Maturity by an additional 9 months, the Borrower shall owe to the Lender a fee equal to one and three-quarters (1.75%) percent of the Commitment Amount, which fee shall be fully-earned on the date that the Lender grants

its consent, non-refundable and shall be paid by the Borrower on the date of the Initial Maturity.

All interest (including any default interest hereunder) and fees will be calculated on the basis of a 365 or 366 day year, as the case may be, and actual days lapsed, up to (but excluding) the date of actual payment from the funding date or the due date, as applicable; provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "deemed year") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year. The principle of deemed reinvestment of interest does not apply to any interest calculation herein and the rates of interest stipulated under the Facility are intended to be nominal rates and not effective rates or yields.

Expenses: The Borrower shall pay all fees and expenses (collectively, the "**Lender's Fees and Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the Interim Financing Charge (as defined below), and with the enforcement of the Lender's rights and remedies thereunder or at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender, on a full indemnity basis. For purposes of greater certainty, "Lender's Fees and Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the Proceedings and all court attendances in respect thereof. If the Lender has paid any expense for which the Lender is entitled to reimbursement from the Borrower, such expense shall be added to the Facility and shall accrue interest at the rate set out above. The Lender acknowledges that the Borrower has prepaid \$30,000 to the Lender to offset against the Lender's costs. Any balance of this \$30,000 remaining after the Borrower repays its indebtedness under the Facility in its entirety shall forthwith be reimbursed to the Borrower.

Prepayment:

Upon 5 days prior written notice to the Lender, the Borrower may prepay any amounts outstanding under the Facility at any time prior to the Repayment Date, *provided that* the Lender receives:

- a) all Interest accrued but not paid to the prepayment date;
- b) any outstanding Advance Fee amounts;
- c) the Make-Whole Fee; and
- d) all Lender Fees and Expenses.

Upon Prepayment the Commitment Amount available hereunder shall be permanently reduced by the repaid amount and may not be redrawn

under the Facility.

In no event shall the Lender be obligated to accept any amount that would be contrary to any Applicable Law respecting interest to be charged. If the minimum interest is determined to be in excess of the maximum amount permitted by Applicable Law, then the minimum interest shall be reduced to the maximum amount that would be permitted by Applicable Law.

Mandatory Repayments:

Unless otherwise consented to in writing by the Lender, the Borrower shall repay to Lender the following amounts upon the occurrence of the following events, less unpaid professional fees secured by the Administration Charge (as defined below):

- a) upon a sale, transfer, lease or other disposition of any of the Collateral out of the ordinary course of business, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable costs and closing adjustments and provided further that any such sale, transfer, lease or other disposition shall require the prior written consent of the Lender);
- b) upon the Borrower selling, transferring, leasing or otherwise disposing of twenty-nine (29) or more of the Unsold Units, the net cash proceeds of all such sales (for greater certainty, net of reasonable costs and closing adjustments and provided further that any such sale, transfer, lease or other disposition shall require the prior written consent of the Lender);
- c) upon receipt by the Borrower of insurance proceeds with respect to any Collateral;
- d) upon receipt by the Borrower of a refund or payment on account of taxes from any governmental entity excluding any harmonized sales tax or such other similar tax paid in the ordinary course; or
- e) upon receipt by the Borrower (or any of its respective advisors or agents on its behalf) of any amounts related to any avoidance actions or avoidance transactions (including, without limitation, in connection with any acts of fraudulent preference, acts of fraudulent conveyance and/or transfers at undervalue),

plus, in each case, the applicable Make-Whole Fee applied to the repaid and cancelled amount.

Any such Mandatory Repayments must be upon written notice to the Lender not later than 12:00 noon (Toronto time) one (1) business day prior to the date of Mandatory Repayment. Upon Mandatory Repayment the Commitment Amount available hereunder shall be permanently reduced by the repaid amount and may not be redrawn under the Facility.

If, as a result of any Mandatory Repayment, the Facility would be fully cancelled, the Lender shall earn, and the Borrower shall be obligated to pay any Make-Whole Fee, outstanding Advance Fee amounts, and other fees related to repayment or prepayment in this Term Sheet.

Security:

All debts, liabilities, and obligations of the Borrower under the Facility shall be secured by the Interim Financing Charge (as defined below) against all present and future properties, assets or undertakings of the Borrower (including the Unsold Units) (collectively, the “**Collateral**”).

**Conditions
Precedent:**

The availability of the First Advance is subject to and conditional upon the following:

- a) the Lender shall be satisfied that the Borrower has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business;
- b) no Default (as defined below) or Event of Default has occurred and is continuing on the date of the proposed Advance or will occur after giving effect to the making of such advance;
- c) receipt of a duly executed copy of this Term Sheet
- d) in a form satisfactory to the Lender, receipt of the entered Initial Order by February 10, 2026, including:
 - (i) approving this Term Sheet, and the Facility contemplated herein;
 - (ii) granting the Lender a priority charge (the “**Interim Financing Charge**”) in and to all present and future properties, assets and undertakings of the Borrower including all unsold condominium units located at 2782 Barton Street East, Hamilton (the “**Unsold Units**”) and, unless ordered by the Court or otherwise agreed to in writing by the Lender, ranking in priority to all other security interests, encumbrances and charges save and except for the Administration Charge up to an initial amount of \$250,000 *plus* all accrued but unpaid Interest, fees (including any Advance Fee, Extension Fee, Make-Whole Fee), Lender’s Fees and Expenses or any other amounts owing under this Term Sheet;
 - (iii) granting the Lender the right, upon the occurrence of an Event of Default, to terminate the Facility and to enforce the rights and remedies available to it, with Court approval obtained on not more than five (5) days notice to the Borrower pursuant to the Initial Order, this Term Sheet,

- below);
- (iii) granting the Lender the right, upon the occurrence of an Event of Default, to terminate the Facility and to enforce the rights and remedies available to it, with Court approval obtained on not more than five (5) days notice to the Borrower pursuant to the ARIO, this Term Sheet, the Interim Financing Charge, and any additional rights and remedies available to it, at law or in equity;
 - (iv) declaring that the granting of the Interim Financing Charge, the execution and delivery of all other documents and instruments contemplated herein, and the payment of all amounts by the Borrower to the Lender, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any Applicable Law;
 - (v) declaring the ARIO, including the Interim Financing Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrower, the Monitor, a receiver, interim-receiver, receiver-manager or any other officer of the Court appointed in respect of the Borrower;
 - (vi) declaring the Lender to be an “unaffected creditor” under any proposal made by the Borrower and that the indebtedness to the Lender under the Facility shall not be compromised under any such proposal; and
 - (vii) an order approving the SISP relating to the sale of the Unsold Units shall have been issued and entered on or before February 20, 2026, or such other date as agreed to by the Lender, in a form acceptable to the Lender;
- d) any charge to secure payment of the fees and expenses of counsel to the Borrower, the Monitor and counsel to the Monitor not to exceed \$1,000,000 (the “**Administration Charge**”);
 - e) any charge to secure the obligations of the officers and directors during the Proceedings under the Initial Order and the ARIO shall rank behind the Interim Financing Charge and the amount of such charges shall be determined in consultation with the Monitor and as agreed to by the Lender;
 - f) the Initial Order, ARIO Order shall not have been amended or varied in a manner adverse to the Lender, or stayed, without the consent of the Lender and shall continue to be in full force and effect;
 - g) receipt of the Cash Flow Forecast to date in form satisfactory to

the Lender;

- h) there shall be no material damage or destruction to any of the Collateral, nor any material depreciation in the value thereof and each of the Borrower's operations shall comply, in all material respects, with all applicable health and safety, environmental, labour and other Applicable Laws and regulations and the Borrower shall continue to have the legal authority under all Applicable Laws and regulations including but not limited to the *New Home Construction Licensing Act*, to sell the Unsold Units;
 - i) delivery by the Borrower to the Lender of any such further security or documentation that the Lender, or their lawyers may reasonably require to give effect to the foregoing; and
 - j) no Default (as defined below) or Event of Default shall have occurred and be continuing,
- (together, the "**Subsequent Advance Conditions Precedent**").

The making of an Advance hereunder without the fulfillment of one or more conditions set forth in this Term Sheet shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent Advance.

The Lender may take such steps from time to time as it deems necessary or appropriate to file, register, record or perfect the Interim Financing Charge.

Covenants:

The Borrower covenants and agrees with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

- a) pay all sums of money when due hereunder;
- b) not request, obtain or consent to a variation of the Initial Order, ARIO, if such variation may be prejudicial to the Lender, without the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed;
- c) provide the Lender with at least five (5) business days' advance notice of all court filings made by it, together with copies of all related court materials unless otherwise agreed to by the Lender, unless provision of five (5) business days' advance notice of such filing(s) is not reasonably practicable in the circumstances, in which case the Borrower shall use reasonable efforts to provide the Lender with notice of such filing(s) as soon as reasonably practicable;
- d) use reasonable efforts to keep the Lender apprised on a timely basis of all material developments with respect to the business

- and affairs of the Borrower and the Proceedings;
- e) deliver to the Lender the reporting and other information from time to time reasonably requested by the Lender;
 - f) deliver to the Lender within fifteen (15) business days of the end of each calendar month (commencing the calendar month after the next business day following the date the Court issues the Initial Order) monthly financial statements, forms of reporting provided to other lenders as requested by the Lender, and any other information pertaining to the business and affairs of the Borrower as reasonably requested by the Lender;
 - a) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Term Sheet, (each, a “**Default**”) or of any document given in connection therewith;
 - b) provide the Lender, as produced from time to time and in any event on a monthly basis, an updated and revised Cash Flow Forecast to replace the then current Cash Flow Forecast, such information shall be reviewed and approved by the Monitor prior to its delivery to the Lender and shall not replace the then current Cash Flow Forecast as the approved Cash Flow Forecast without the express written approval of the Lender;
 - c) provide the Lender, as produced from time to time and in any event on a monthly basis, a report with calculations in form and substance satisfactory to the Lenders and Monitor (acting reasonably), setting forth for the Borrower (i) actual receipts and disbursements for the preceding month for each line item in the Cash Flow Forecast for such previous period and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then operative Cash Flow Forecast, in each case as against the then operative Cash Flow Forecast and setting out all the variances, on a line-item and aggregate basis (the “**Variance Report**”). Each Variance Report shall include reasonably detailed explanations for any variances which exceed a Permitted Variance (as defined below);
 - d) use the proceeds of the Facility solely for the purposes provided for herein and in accordance with the Cash Flow Forecast;
 - e) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
 - f) upon reasonable notice, permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect the Borrower’s premises, properties and assets and to examine and

- obtain copies of the Borrower's records or other information and discuss the Borrower's affairs with the auditors, counsel and other professional advisors of the Borrower all at the reasonable expense of the Borrower;
- g) carry on the business of the Borrower in the normal course, consistent with past practice and orders of the Court made in the Proceedings;
 - h) not incur any material expense other than as included in the Cash Flow Forecast, without the prior written consent of the Lender;
 - i) comply with the Cash Flow Forecast at all times subject only to a Permitted Variance (as defined below);
 - j) not make any payments not consistent with the Cash Flow Forecast except as required to operate the Borrower and as approved by the Lender;
 - k) without the consent of the Lender, not transfer, sell, lease or otherwise dispose of all or any part of its property, assets or undertaking after the date hereof (excluding dispositions of obsolete assets or dispositions in the ordinary course of business), except such transfers, sales, leases or other dispositions as are permitted pursuant to the this Term Sheet, the Initial Order, ARIO and the SISP;
 - l) not enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred;
 - m) without the Lender's prior written consent, create or permit to exist indebtedness (including guarantees thereof or indemnities) other than (pre-filing) debt existing as of the date hereof, debt contemplated by this Term Sheet, debts in relation to expenses contemplated by the Cash Flow Forecast and post-filing trade payables;
 - n) except for those liens which already exist as of the date of the Initial Order, create, incur, assume or permit to exist any liens that secure any obligations on any property or assets owned by the Borrower securing indebtedness for borrowed money or guarantees of indebtedness for borrowed money, except, in each case, as set out in the Term Sheet or with the prior written approval of the Lender and provided that such liens shall rank subordinate to the Interim Financing Charge;
 - a) not make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities

(in cash, securities or other property or otherwise), unless permitted by the Initial Order or ARIO;

- b) not challenge or fail to support the Interim Financing Charge and claims of the Lender with respect thereto;
- c) to pay or make provision for payment of all Priority Claims due and payable from and after the date of the Initial Order, as and when such Priority Claims are due; and
- d) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets naming the Lender as first loss payee and to ensure all assets secured by the Interim Financing Charge are in existence and in the possession and control of the Borrower.

**Events
of Default:**

Without limiting the right of the Lender to demand payment at anytime, if any one or more of the following events (an "**Event of Default**") has occurred and is continuing:

- a) the Borrower fails to pay when due any principal, interest, fees (including the Advance Fee, Make-Whole Fee (if applicable) and Extension Fee) or other amounts due under this Term Sheet;
- b) the Borrower ceases or reasonably expects to cease to have the authority under all Applicable Laws and regulations including but not limited to the *New Home Construction Licensing Act*, to sell the Unsold Units;
- c) the Borrower breaches any covenant, term, condition or other provision of this Term Sheet or any other document delivered to the Lender in respect of this Term Sheet;
- d) if the Initial Order, ARIO are stayed, set aside or varied in a manner adverse to the Lender, without the consent of the Lender, in its sole discretion, or any other order is made which is or may be prejudicial to the Lender's interests;
- e) the Borrower takes any steps or fails to take steps to defend the validity of the Interim Financing Charge;
- f) the stay of proceedings resulting from the Proceedings is terminated or lifted in whole or in part without the consent of the Lender;
- g) the entry of an order granting any lien or any other claim with super priority status which is superior in priority to the Interim Financing Charge (except the Administration Charge), without the prior written consent of the Lender;
- h) any representation, warranty, certification or other statement of fact made by the Borrower herein is false or inaccurate in any

material respect;

- i) the Borrower ceases or threatens to cease to carry on business in the ordinary course, except where such cessation occurs in connection with a sale of all or substantially all of the assets of the Borrower as consented to by the Lender or otherwise approved under the Proceedings;
- a) substantially all of the business or assets of the Borrower are sold either without the consent of the Lender or without the net proceeds of such sale being repaid to the Lender;
- b) the Borrower fails to make a Mandatory Repayment;
- c) any default or failure by the Borrower to make any payment of any Priority Claims due and payable from and after the commencement of the Proceedings;
- d) there exists any negative variance from the Cash Flow Forecast of disbursements in excess of the greater amount of (i) fifteen (15.00%) percent; or (ii) \$30,000 (such permitted variance being a "**Permitted Variance**"), unless otherwise agreed to by the Lender;
- e) the Facility exceeds the aggregate of the Commitment under this Term Sheet;
- f) the occurrence of any circumstance, fact, condition (financial or otherwise), change (including a change in Applicable Law, event, development or effect (whether or not foreseeable or known as of the date hereof)) that, individually or in the aggregate, has, or is reasonably likely to have, a: (i) material adverse effect on the financial condition or assets of the Borrower; or (ii) material adverse effect on the Collateral; or (iii) any material impairment of a Borrower's ability to perform its obligations to the Lender or any of the rights of the Lender hereunder;
- g) the payment or other discharge of any pre-filing indebtedness, except as expressly permitted hereunder or by order to which payment or discharge the Lender has not provided its written prior consent; or
- h) the Borrower becomes bankrupt or the appointment of a receiver, receiver and manager, or other officer of the Court for, all or any part of the assets of the Borrower,

then, in such event, the Lender may, by written notice to the Borrower declares all monies outstanding under the Facility to be immediately due and payable and upon seeking an Order of the Court on not more than five (5) days prior notice, enforce, without further notice, demand or delay, all of its rights and remedies against the Borrower and its respective

property, assets and undertaking including, without limitation, the enforcement of the Interim Financing Charge.

On demand following the occurrence of an Event of Default, at the discretion of the Lender, the Borrower shall not be entitled to any further advance under the Facility. Any advance made by the Lender after the occurrence of an Event of Default shall not oblige the Lender to make further advances thereafter.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the Facility. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Term Sheet.

**Representations
and Warranties:**

The Borrower represents and warrants to the Lender that:

- a) it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the jurisdiction within which it is incorporated or any other jurisdiction where it may carry on business;
- b) subject to the issuance of the Initial Order or ARIO, the execution, delivery and performance by the Borrower of this Term Sheet has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower is subject or by which they are bound;
- c) all material rights and licenses, approvals and authorizations necessary to operate the business of the Borrower have been issued and obtained and are in full force and effect (with the exception of the Borrower's license to sell new homes under the *New Home Construction Licensing Act*, which license the Lender acknowledges the Home Construction Regulatory Authority has purported to refuse to renew pursuant to a Notice of Proposal dated November 28, 2025 and further that the Borrower represents that the Borrower has appealed the Notice of Proposal and that the Borrower will seek a stay of the Notice of Proposal pursuant to the ARIO);
- d) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Term Sheet or any document given in connection therewith;
- e) the Borrower owns, leases and/or has good and marketable title to all of its properties, assets and undertakings; and
- f) the statements made in the introductory paragraphs of this Term

Sheet are true and correct.

General:

Non-Merger: The provisions of this Term Sheet shall not merge on the First Advance hereunder but shall continue in full force and effect for the benefit of the parties hereto.

Further Assurances and Documentation: The Borrower shall, at its expense, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and deliver all and every such further and other acts, agreements, instruments, registrations, filings and assurances deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Interim Financing Charge granted or to be granted hereunder.

Severability: If any provisions of this Term Sheet is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Term Sheet.

Governing Law: This Term Sheet shall be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

Indemnity and Release: The Borrower agrees to indemnify and hold harmless the Lender and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person (collectively, “**Claims**”) as a result of or arising out of or in any way related to or resulting from the Facility, this Term Sheet or any other documents delivered in connection herewith (regardless of whether such Claim is made in the Proceedings or any other proceeding, including a bankruptcy or insolvency proceeding) and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Borrower shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such

Indemnified Person as finally determined by a court of competent jurisdiction. The indemnities granted under this Term Sheet shall survive any termination of the Facility.

Counterparts: This Term Sheet and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Term Sheet by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment: The Lender may assign all or part of this Term Sheet without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any part of its rights or obligations under this Term Sheet, and any such transfer or assignment shall be null and void and of no force or effect.

Time: Time shall be of the essence in all provisions of this Term Sheet.

Whole Agreement, Amendments and Waiver: This Term Sheet and any other written agreement delivered pursuant to or referred to in this Term Sheet constitutes the whole and entire agreement between the parties in respect of the Facility. There are no verbal agreements, undertakings or representations in connection with the Facility. No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under the Interim Financing Charge shall operate as a waiver thereof. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Term Sheet and the Interim Financing Charge or the Lender's rights thereunder.

Best Efforts: Upon the Borrower's acceptance of this Term Sheet, the Borrower will use best efforts to obtain the Initial Order by [February 10], 2026 and to obtain the ARIO by [February 20], 2026.

Expiration: This Term Sheet must be accepted by the Borrower by no later than 5:00 pm on [February 10], 2026 (Toronto time), after which this Term Sheet will expire.

If the terms and conditions of this Term Sheet are acceptable to you, please sign in the space indicated below and return the signed copy of this Term Sheet to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Term Sheet.

Yours truly,

**RCM CAPITAL SYNDICATION SPV III LP BY ITS GENERAL PARTNER RCM (2023)
GP INC.**

Per: 
Name: Conrad Krebs
Title: Partner

We have authority to bind the corporation.

ACCEPTANCE

The undersigned hereby accepts this Term Sheet this ⁰⁹ ___ day of February, 2026.

LJM DEVELOPMENTS (HAMILTON) INC.

Zaid Bin Zubair

Per: _____

Name: Zaid Bin Zubair

Title: Director

I have authority to bind the corporation.

SCHEDULE "A"

In addition to terms defined elsewhere in this Term Sheet, the following terms shall have the following meanings:

- (a) **"Applicable Laws"** means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (b) **"Priority Claims"** means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with the Interim Financing Charge or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Term Sheet, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; and (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the BIA; (xii) WEPPA Claims; and (xiii) amounts under the Administration Charge.
- (c) **"WEPPA Claims"** means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

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.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**SUPPLEMENTAL AFFIDAVIT OF MUHAMMAD
AHSAN**

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Lawyers for the Applicant